

Track: International Entrepreneurship (Refereed paper).

Title

Role of Culture in Effectuation: exploring the Marwari cultural philosophy and entrepreneurial approach.

Keywords

Effectuation, Entrepreneurship, Culture, SMEs, Networks.

Introduction

Social constructivist research within Entrepreneurship has gained momentum in recent years and this paper fits within this category. The paper explores the Marwari Business community from India which according to Timberg (2014, pp. 12), starting out as mere shopkeepers, the Marwaris controlled much of India's inland trade by the time of the First World War. From trading and moneylending in the early 19th century, they gradually entered industrial entrepreneurship and by the 1970's owned most of India's private industrial assets. They now account for a quarter of the Indian names on the Forbes billionaires list (Timberg, 2014, pp. 12). The sustainable success of the Marwaris resulted in the authors of this paper leading an exploration on the history of the business community in India. This exploration led the authors of the paper into exploring the Hindu cultural philosophy based on the Vedantic school of thought to understand the roots of the Marwari community. The paper explores in detail the accounts of the limited empirical data available on the community through the works of Timberg (2014) and Damodaran (2008). This exploration resulted in identifying examples of entrepreneurial practice, which closely resemble what Sarasvathy (2001) terms as Effectuation. Effectuation theory has gained traction as growing number of researchers acknowledge that today's entrepreneurs tend to work within an uncertain environment wherein it is not possible to predict the future (Morrish, 2009, pp. 35). But according to Chandler (2011, pp. 387), there is need to explore more antecedents or determinants of Effectuation than simply uncertainty. The paper hence explores whether culture may emerge as an antecedent or determinant of Effectuation by presenting literature on the relationship between Effectuation, Entrepreneurial Orientation and Culture. The research questions emerging are as follows:

- RQ1) Do certain socio-cultural conditions positively impact Effectual behavior in Entrepreneurship?
- RQ2) Can culture be positioned as an antecedent to Effectuation in a collectivist society?

This paper is based on the literature being explored as a part of PhD research. The research is in its early stage and the approach involves interpretive deductive analysis of the existing literature on Marwaris, Hindu Philosophy, Entrepreneurial Orientation and Effectuation, which results in the conceptual framework. The second stage of the PhD research will involve thematic analysis of narratives gathered from prominent members of the Marwari community from Calcutta and Jharkhand in India, which is aimed at inducting contemporary empirical evidence of Marwari entrepreneurial philosophy and potentially addressing not only the conceptual framework, but also the questions and discussions arising from the interpretive deductive analysis of the literature presented within this paper. The paper begins with the Methodology chapter in order to a) present an early clarity on the flow of literature within the paper and b) to avoid a break in flow of the 'story', a manner in which the literature and arguments are presented thereafter. This is followed by review of literature on Effectuation, community entrepreneurship, role of culture within entrepreneurship, Indian Hindu cultural philosophy and finally, a case account of Marwaris through review on limited existing empirical data on the community.

Methodology

The paper follows the method of systematic literature review (SLR). SLR attempts to identify relations, contradictions, gaps and inconsistencies in the literature while commenting on, evaluating, extending or developing a particular theory and describing directions for future research (Baumeister and Leary, 1997; Bem, 1995 and Cooper, 2003). SLR is understood to be able to address much broader questions, for example, uncovering connections between multiple empirical findings (Baumeister and Leary, 1997). In the case of this paper, the empirical findings of Timberg (2014) and Damodaran (2008) are applied to the Systematic literature review that involves locating studies that address a particular research question (which in the case of the paper is based on Effectuation, relationship between culture and entrepreneurship, Hindu philosophy) while stating the reasoning behind the inclusion and exclusion of certain studies for the benefit of the readers (the same is carried out at the end of this section). Baumeister (2013) suggests adoption of the mindset of a judge or jury rather than a lawyer while conducting a SLR.

A qualitative approach is utilized as per Baumeister (2013) and Baumeister and Leary (1997) who recommend the approach when critiquing one or more theories. According to Cooper (2003), there is no one right way to do a review and how one should organize the review. Cooper suggests that the process is dependent on the goals of the review and the same can dictate whether the literature is presented in a chronological order (in which they appear in the literature), or conceptually (work relating to similar ideas appear together). For the purpose of the research, the literature in this paper is presented conceptually.

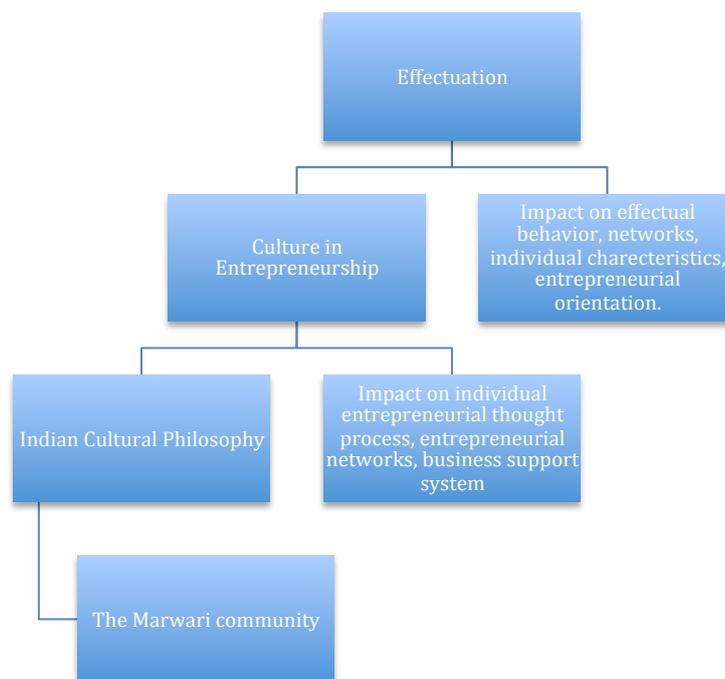


Figure 1) The structural framework of the SLR.

The above diagram explains the structural framework of this paper and the scope of literature explored within each domain. The paper intends to contribute to the area of Effectuation (Sarasvathy, 2001). Firstly, the paper critically explores the academic literature on Effectuation theory concerning entrepreneurs, as it remains the central aspect of this research paper and the research questions are bed on this theory. Further, the relationship between culture and entrepreneurship is explored as addressing RQ1 requires the understanding how culture can impact entrepreneurship, because, in RQ2 culture is hypothesized as a potential antecedent to Effectuation. Multiple perspectives are then presented on role of culture within community entrepreneurship. This is followed by a review of the empirical literature on the Marwaris based on the works of Timberg (2014) and Damodaran (2008), these are the only substantial empirical studies carried out on the Marwaris until the point of writing this paper. An understanding of the cultural philosophy is important to understand the roots (how did the Marwari community emerge?) and background (account of historical entrepreneurial activities) of the Marwari community, and to gain clarity over its formulation and conceptualization.

The paper concludes with a discussion section wherein an interpretivist approach (Carson et al., 2005, pp. 6) is adopted in order to deductively analyze the literature explored and emerge with causal relationships between Marwari culture and potential effectual approach to entrepreneurship using Effectuation as a central

concept, this also results in new research questions emerging through new insights developed by exploring the Marwari approach to business via the lens of Effectuation. Secondly, Western authors have long argued that the Hindu culture (religion) is an impediment to innovation and entrepreneurship (Weber, 1905 and Schumpeter, 1934). The paper counters this position with a critique of Weber and Schumpeter's perspective as posited by (Gupta, 2008, pp.57 and Shivani et al., 2006) along with the emerging with a view that the Marwari entrepreneurial success is deeply rooted in its cultural philosophy. Detailed examples of Effectual activities rooted in cultural philosophy are provided which inform the emergent conceptual framework. This framework presents the inter-relation between culture and Effectuation, which further drives the Entrepreneurial orientation of the community.

Effectuation –

Effectuation (Sarasvathy, 2001) is the central area of focus within this research. Studies in Effectuation have gained momentum as Morrish (2009, pp. 35) contends “Entrepreneurs constantly operate in uncertain environments where it is not always possible to predict the future”. Resonating Morrish's call for further research within this area, Chandler et al., (2011, pp. 387) highlights the need for future research that explains the relationship between determinants of effectuation process. Chandler (2011, pp. 387) acknowledges a gap in Effectuation literature wherein they argue for the need to identify more antecedents of Effectuation besides the one known, i.e. uncertainty. The paper acknowledges the need to further contribute to Effectuation theory as it may very well prove to be crucial in understanding the manner in which heterogeneous entrepreneurial micro and SME businesses approach entrepreneurship in an increasingly unpredictable, uncertain and volatile market/economic environment. Since alliances and resource leveraging remains the central characteristic of this theory, along with the ability to work within available set of means, the paper attempts to understand whether Effectuation has a role to play in certain business ‘communities’ as the importance of ability to network remains important to entrepreneurship (Rotter, 1966; Littunen, 2000, pp. 296; Saxenian, 1994, pp. 7).



Figure 2) The individual – community and culture adopted from (Ritchie and Brindley, 2005; Saxenian, 1994 and Chell et al., 1997).

To summarize the above diagram, Littunen (2000, pp. 296) explains that the personality characteristics of an entrepreneur are formed by interplay between the individual and the environment; to which Rotter (1975; 1990) adds that in this interplay; life situation, experiences and changes in the individuals life, play a central role. Thus Littunen (2000, pp. 296) concludes that these can amount to a change in ones life which is profound enough to have an effect on personality characteristics). The environment consists of ‘networks’ - the immediate society or community that the individual is associated in personal or professional capacity including friends and family, which are influenced by the prevalent local culture. Various authors have delivered commentary over the role of the individual (personal characteristics) and business community (social network). Examples of which include Saxenian (1994, pp. 7) and Chell (1997, pp. 16) who observe that the patterns of individual behaviors are manifested in the dominant beliefs and power structure embedded in the business community. They also posit that the shared understandings and practices unify a community and define everything from labor market to attitudes towards risk-taking. However, Klyver and Foley (2012, pp. 583-584) contend that ‘how culture interferes with entrepreneurial networking’ is an area that has received little empirical attention, although they believe that the importance of networking differs between cultures and is impacted upon by the cultural norms and practices. Thus understanding of the interplay between culture, community and Effectuation within culture and community interface can contribute to both research questions posited within this paper.

Effectuation theory (Sarasvathy, 2001) is a collection of non-predictive strategies that are primarily means driven (rather than goal driven). Sarasvathy (2001, pp. 245) explains that the effectual approach “takes a set of means as given and focus on selecting between possible effects that can be created with that set of means”. Morrish (2009, pp. 35) posits that Effectuation is based on the logic of control that eliminates the need of prediction, it is also acknowledged to be consistent with emergent strategies (Mintzberg, 1978) and non-predictive strategies (Wiltbank et al., 2006). Morrish (2009, pp. 36) contends that based on the Effectuation theory, the firm designs are reflections of the entrepreneurs’ individual situation, in particular who they are (affordable loss rather than expected gains), what they know (leveraging contingencies) and whom they know (partners rather than competitive analyses). These are acknowledged to be the fundamental means or resources entrepreneurs start with, the combination of which determines what type of ideas or opportunities they should pursue. Adoption of Effectuation within entrepreneurial settings means that the decision maker can change goals and can also shape and construct the over time, rather than predicting how the business will capture the market space (Morrish, 2009) thus allowing the firm to react speedily to shift in customer preferences, boosting pro-activity and opportunity drive.

Effectual logic is known to encourage building of alliances that attract stakeholders which helps the entrepreneur decide what markets to serve or what products to offer (Sarasvathy, 2003). Effectual thinking entrepreneurs employ a bottom-top logic in market approach wherein the entrepreneur spots a partner or a customer in ones personal network, adds further customers or partners along the way to build a customer base and finally define the market for the product or firm. Dew, R. et al., (2009) observes that non-entrepreneurs utilize a predictive logic whereas entrepreneurs use an effectual logic.

Elements	Predictive logic (Non-entrepreneurs)	Effectual Logic (entrepreneurs)
Vision for future	Future can be predicted, as it is a causal continuation of the past.	Future is shaped by voluntary actions of agents and thus prediction if not possible.
Basis for making decisions	Actions are determined by purposes.	Actions are determined by available means.
Attitude toward risk	An option is selected based on maximum gain.	An option is chosen based on how much the entrepreneur can afford to lose by selecting it.
Attitude towards outsiders	Competition.	Cooperation.
Attitude toward unexpected contingencies	Avoidance.	Fructification.

Table 1: Predictive v/s Effectual logic among entrepreneurs (Dew et al., 2009)

In the above table, the decision making methodology of entrepreneurs v/s non entrepreneurs is differentiated to gain an understanding of entrepreneurs presume a stance that is based on the principle that the future cannot be predicted and thus setting of objectives is not very important. Entrepreneurs leverage the resources that are immediately available to them at any point of time i.e. what they have (tangible and intangible assets), what they can do (capabilities) and whom they know (networks) through strategic alliances while treating competition through co-operation. Decision-making is not driven by maximum profitability but rather by ones’ affordable loss option (Sarasvathy, 2003).

The authors of this paper carried out an ethnographic pilot study (in Goa, India) in order to understand how can Effectuation impacts small business performance and growth. The study was conducted to investigate whether the collectivist nature of eastern societies (Hofstede, 1980) and their capacity for collective group performance (Shivani et al., 2006) impacts Entrepreneurial orientation, and what is the role of Effectuation within the same. A shortcoming of the study was that it was based on a singular cast study, but the rationale beyond the same was to use the outcome for an expansive version of the study to explore a much wider business community in India as a part of PhD dissertation.

As an outcome of the study, Effectuation was found to help make the marketing function of the firm more entrepreneurial and consequentially help create new markets while delivering the incumbent firm a potential ‘Contextual Advantage’ i.e. “the advantage offered to an Entrepreneur or a business as a result of employing

Effectual thinking to create a unique situation for itself in the market based on leveraging of factors like experience, knowledge, background, family, social networks and self interest/passion to increase the Entrepreneurial orientation of a business or decision making process” (Nihar et al., 2016, pp. 40). The unique context of the owner (Deacon and Harris, 2011) was informed by the Effectual principles of logic of control (who am I, what I know and whom I know) which resulted in better management and leverage of entrepreneur-network based relationships which better facilitated entrepreneurial capabilities like opportunity recognition, pro-activeness, customer intensity, risk management and resource leveraging within the firm.

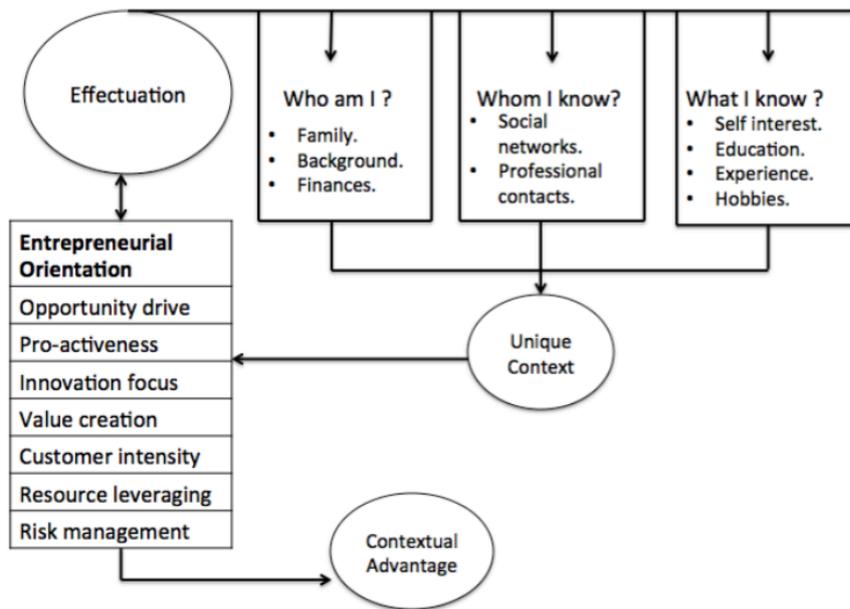


Figure 3) Relationship between Effectuation and Entrepreneurial orientation of a firm (Nihar et al., 2016, pp. 40).

The above diagram was the outcome of the ethnographic study wherein it was found that the ‘unique context’ offered by adoption of effectual logic helped increase the entrepreneurial orientation of the firm giving the firm an advantage in its market position which was ‘contextually specific’ to the owner of the particular firm and hence not easily replicated. This advantage offered by Effectuation contributed to resource leveraging, risk management and opportunity seeking activities of the firm/entrepreneur, which happen to be central characteristics of entrepreneurship (Hisrich, 1992, pp. 54; Casson, 1982; Schwab, 2011) and Effectuation seemed to aid the firms’ ability to operate in a volatile market by allowing better leverage entrepreneur-network as a key resource for risk management, identifying opportunities and developing strategic partnerships to create new markets rather than serving existing ones and provide the firm a ‘contextually unique position’ (Morrish, 2009; Dew et al., 2009). The result was aligned to Morrish (2009, pp. 37) assertion that Entrepreneurial Marketing can be regarded as a form of effectuation (Morrish, 2009, pp. 37) as effectual logic based thinking can increase the entrepreneurial orientation of a firm when it comes to risk management and resource leveraging. This pilot study was presented at an Asia Pacific conference and was awarded within the business track. The study served as a platform and informed the investigation of a wider research sample (the Marwari community) as a part of PhD research.

Culture and Entrepreneurship -

Culture according to Herbig and Dunphy (1998, pp. 13) is a sum total of way of life which includes various elements like expected behaviors, beliefs, values, language and living practices. Shapero and Sokol (1982) cited in Herbig and Dunphy (1998, pp. 15) observe, “Different cultures have different attitudes towards business formation”. Various cultural factors are acknowledged to impact the entrepreneurial orientation of an individual, examples being religion can condition the motivation and priorities of people and can affect their actions and work habits (Herbig and Dunphy, 1998, pp. 91; Ritchie and Brindley, 2005, pp. 105). For example, they compare the European belief with the Indian Hindu philosophy wherein the former believes work is virtue whereas Hinduism lays emphasis on elimination of desires. They note that the latter case assumes that desires cause worries, thus not striving brings peace and a person at peace does not suffer. They conclude that such beliefs are barriers of entrepreneurial behavior. They also remark that superstitious religions break

the connection between effort and reward as such religions assert fate cannot be understood and is beyond earthly control.

On the other hand, Gupta (2008, pp. 57) argues that early scholars such as (Weber, 1905) have mistakenly cited India's religion as an impediment to innovativeness and growth while according to Schumpeter (1934) both innovativeness and growth are empirically the major consequences of Entrepreneurship. However, this paper argues the case of a business community in India (known as the Marwaris), which contradicts the belief. Timberg (2014, pp. 12) challenges Max Weber's (Weber, 1905) thesis that argued that the industrial revolution did not come to India partly because the traditional Indian businessmen lacked the protestant ethic of thrift, hard work and rationality that helped the Northern European and American businessmen to accumulate capital and exploit the new technology of the steam engine (Timberg, 2014, pp. 13). Timberg on the other hand claims that India was fortunate to have the traditional business communities, consisting the Marwaris whose work ethic could be as effective as the Protestants. The contradiction between Weber's and Timberg's propositions is evident; the exploration of this relationship between Indian religious philosophy, the Marwaris who are positioned within that philosophy and the role of Effectuation can positively contribute to this longstanding debate. The research hence explores literature on the Marwari community that is an outcome of the Hindu philosophy (as explained in later section); the measure of their success can help strengthen aforementioned assertion by Timberg (2014) and Gupta (2008). The paper hence questions whether cultural/religious belief, values or position act as a source of Effectual logic adaptation of an individual or a community?

Various authors have opined on the relation between culture (primarily religion) and entrepreneurial activity or orientation. Altinay and Wang (2011, pp. 687) in their study to explore the impact of socio-cultural beliefs on Entrepreneurial orientations emerge with an outcome that states "culture of the entrepreneur does not have a significant impact on the firms entrepreneurial orientation". Their study included the Turkish ethnic entrepreneurs in London as a research sample. Noble et al., (2007, pp. 130) conclude that Internal religious orientation, which is often associated with individual self-determination and esteem, appears to encourage both anticipated and actual entrepreneurial activity, while the more conforming nature of external religious orientation appears to discourage entrepreneurial activity. Nwankwo et al., (2011, pp. 149) find that African Pentecostal churches have become a significant force in nurturing business start-ups and encouraging entrepreneurship among the population group. Valliere (2006, pp. 172) states that the Buddhist conceptions of Right Livelihood play an important role in the evaluation and exploitation of entrepreneurial opportunities and in the day-to-day operations of the resultant new businesses. Altinay (2008, pp. 111) posits that there exists a strong relationship between the religion of the entrepreneur and advice-seeking practices among Turkish entrepreneurs. Baum et al., (1992) argue that Israeli entrepreneurship in many instances be interpreted as a backlash against the collectivist, Judaic management ethos. Marti et al., (2013) highlight how the development of Argentinian community through working spaces generated by interaction between the community members and external actors fostered the creation of an entrepreneurial culture and new communitarian roles and structures. Thus it can be safely interpreted that different cultures globally have had religion and culture influence their entrepreneurial orientation albeit to varying intensity, scales and proportions. It hence remains to be seen how the Marwari culture and its religious rooting influences their entrepreneurial approach. If culture emerges as an antecedent to effectuation in case of the Marwaris, it may very well provide clarity on their entrepreneurial orientation as Morrish concludes that Entrepreneurial Marketing can be regarded as a form of effectuation (Morrish, 2009, pp. 37) as effectual logic based thinking can increase the entrepreneurial orientation of a firm when it comes to risk management and resource leveraging and in-turn Entrepreneurial orientation (EO) is crucial in improving a firm's competitive advantage and performance (Zahra, 1991; Zahra and Covin, 1995; Wiklund, 1999).

Iyer (2004, pp. 248) also points that identity relations reinforce trust i.e. necessary for business transaction and the context of ethnic identity and reputation helped develop the trust necessary to reduce costs of transacting with others outside the family (Ben-Porath, 1980). The commercial give-and-take is often guided, or at least publicly acknowledged to be guided, by considerations of future repeat transactions, commercial and family reputations, and forgoing immediate profits in the expectation of relationship continuity (Iyer, 2004, pp.249). There is further evidence that contract enforcement within the ethnic family business environment is largely through reputation sanctions, with severe costs imposed for non-performance of promised actions, and also for deviating from customary obligations (Carr & Landa, 1983).

The Marwari community -

Marwaris are a small business community originating from the Marwar region in Rajasthan, India. According to Timberg (2014, pp. 12), starting out as mere shopkeepers, the Marwaris controlled much of India's inland trade by the time of the First World War. From trading and moneylending in the early 19th century, they gradually entered industrial entrepreneurship and by the 1970's owned most of India's private industrial assets. They now account for a quarter of the Indian names on the Forbes billionaires list (Timberg, 2014, pp. 12). The Marwaris belong to the '*Vaishya*' caste (Damodaran, 2008) or '*Varna*' of the Hindu religious philosophy and Timberg (2014, pp.13) highlights that the '*dharma*' or duty of the community is the pursuit of '*artha*' i.e. economic well-being. The same is extensively discussed in the next section on Hindu philosophy. There is a need to explore the Marwari community (which a culturally determined business community) and identify any culture driven practices that may demonstrate relevance to contemporary theories like Effectuation. Timberg (2014, pp. 16) claims that India had been blessed with the traditional business communities who for centuries knew how to conserve and grow capital. Some of the accounts of capabilities of the Marwaris based on the studies on Damodaran (2008) and Timberg (2014) are presented below:

1. *The 'Hundi'.*

Damodaran (2008) explains that through their (the Marwaris') long distance network of trade and finance, the community has inherited over the ages a wondrous propensity to 'nestle everywhere, settle everywhere, and establish connections everywhere'. According to Damodaran (2008, pp. 10), a key characteristic i.e. a prerequisite for forging these long-distance merchant networks and stimulating goods traffic from upcountry to the main marketing centres was a mechanism for remitting large sums of money to remote corners, the facilitating instrument which is known as '*Hundi*'. The Marwaris developed and used this instrument as a risk-managing tool as one could be issued a hundi instead of cash. Since in the olden days, cash would amount to a substantial amount of risk in transit over long distances, the *Hundi* (of an equal amount drawn by the buyer in his favor) entitled the seller to present it before the buyers' agent or correspondent and collect the money there, making it possible to transfer funds without the risk of carrying it physically (Damodaran, 2008, pp. 11). According to Damodaran, the *Hundi* served as a pure remittance facility, over time it graduated into a credit instrument, wherein the *Hundi* could be used to take a loan amount at a discount on the value of the *Hundi* and subsequently cash the hundi at par. Damodaran in modern terms calls it a 'negotiable instrument'.

2. *The 'Partha' system.*

One of the technical traits of the Marwaris as pointed out by Timberg (2014, pp. 104) was their mastery of accountancy. One of the biggest Marwari families, the Birla's even developed their own, indigenous system of accounting i.e. the *partha* system – traditional Marwari system of monitoring and financial control, which provided a daily profit and loss statement on the performance of the unit concerned. The *partha* system focuses on the speed of reporting, although compromising a little on accuracy, but thereby pressurizing the manager to perform daily and lead to accountability (Timberg, 2014, pp. 105).

3. *De-centralization and entrepreneurial skill development/support system.*

Timberg (2014, pp. 107-108) observes that Marwaris have learned to decentralize their firms, handling their enterprises to trusted executives. The key is as Timberg cites Aditya Birla is to "*watch the financials, intervene if necessary, decide what industry to next get into and the ones which to withdraw from*". Hence Timberg (2014, pp. 109) states "once the system is in place, a business group needs to make the right entrepreneurial start-up decisions, spotting new prospects", which is the key to many Marwari firms. Damodaran (2008, pp.13) claims that many of today's Marwari businessmen belonging to the pan-Indian 'great firms' began as brokers, partners and even clerks to the established Marwari families, which acted as magnets attracting fellow Marwari clansmen. For example, Timberg (2014) observes that the grandfather of British steel tycoon L.N. Mittal worked for the then top Marwari firm Tarachand Ghanshyamdas. Another top category modern business house of today, the Birla group finds its source in this intercommunity human resource sharing wherein G.D. Birlas grandfather Shiv Goenka worked as a clerk in a Hyderabad firm wherein Tarachand Ghanshyamdas had a share. The following section further elaborates on the community based entrepreneurial learning aspect.

4. *Enterprise Support system and resource pool – building human capital through entrepreneurial learning.*

Timberg (2014, pp. 32) explains that the 'old great firms' of the Marwaris had a network of branches and affiliates across India and sometimes in other parts of the world. He points that it is because of this feature they were able to ferry commodities and transfer funds across various regions. He claims that they explicitly provided the capital, management skills and business intelligence, which was other wise not available at that time. There is a sense that old time great Marwari firms worked on a networking principal (business support

system) devoid of the technologically enhanced connectivity of today. Timberg cites Allan R. Cohen who described the mutual credit system as the one wherein the firms borrowed from each other, whenever short of cash, loans were payable on demand (even at midnight) and interest was tallied and settled once in a year, with total borrowing offset by total lending (Timberg, 2014, pp. 32). Timberg claims that such community 'banks' also provided accommodation for goods in transit and remittance facilities. Communal customs provided for apprenticeships in which youngsters could learn the techniques of business and profit sharing schemes by which they could accumulate enough capital to start their own enterprises (Timberg, 2014, pp. 33).

Timberg (2014, pp. 33) also describes that some of the Marwari families (for example the Birla family) started charitable messes called '*basas*' across a few places in India which were run in co-operation with their native migrants which besides providing food and shelter also acted as informal training schools and networking opportunities for the newly arrived Marwari businessmen. Timberg (2014, pp. 71) pins down the pre-Indian independence success of the Marwaris to psychological disposition, social support networks and individual/historical factors. He argues that communities and castes which have a historical involvement in business traditionally trained their children to the trade, applauded success and knew how to 'help each other' in business (Timberg, 2014, pp. 72). Timberg explains that the Marwari entrepreneurs' psychological disposition is marked by 'n-affiliation' wherein they have a psychological orientation to work social networks (as seen in Effectuation theory), rather than the Schumpeterian entrepreneurial context of 'n-achievement' wherein the orientation is to launch a successful innovative enterprise.

Timberg (2014, pp. 72) while pointing to an important work ethic of the Marwaris explains that Marwaris from business families were expected to work in and expand their family firms if they had them or to work for others in such firms if they did not, and perhaps to start new firms of their own in due course. He explains that unlike other 'service' castes of India the Marwaris were not expected to qualify in competitive examinations and work for social or Governmental institutions; but were rather entrenched in tradition.

5. *Risk taking – risk as a way of life?*

Timberg (2014, pp. 61) agrees that risk taking is a crucial management task of entrepreneurs. He even points that some businessmen seek risk and then try to make a business out of the same. Timberg (2014, pp. 62) specifies that the Marwari diaspora hedged in the then speculative markets, for example some companies with future obligations in a particular currency may buy options to purchase that currency at a particular price when they will need to pay them out. Timberg categorizes such economic speculation as a strategy for risk management for a normal business; it is almost a business 'activity'. The Marwaris according to Timberg (2014, pp. 18) have their success to a certain extent credited to their phenomenal appetite for risk. Timberg (2014, pp. 60) explains that a considerable number of the large Marwari groups made their money in the speculative markets of the early twentieth century and these funds then sometimes were invested into industrial ventures.

6. *Trust or Sakh.*

Timberg (2014, pp. 21) mentions that trust is a central aspect of the Marwari business life. The Marwari dominated market peers 'punish' the one that breaks trust or a promise. In the Marwari terminology the word equivalent for trust is '*sakh*', which is linked closely to honor and is a crucial indicator of a merchant's standing (Timberg, 2014, pp. 22). Timberg claims that trust is at the heart of creditworthiness and business integrity and means much more than wealth and financial strength. He explains that it is earned through an - 'unblemished record' of honoring obligations, being generous to the needy and having a 'philanthropic outlook'. According to Timberg (2014, pp. 24), the market itself is neither moral nor immoral but it does tend to reward good actions and punish the bad ones. Hence he claims that trust is at the heart of the market system between self-interested strangers who come together to exchange in the marketplace. Timberg (2014, pp. 107-108) observes that Marwaris have learned to decentralize their firms, handling their enterprises to trusted executives. Damodaran (2008, pp.13) claims that many of today's Marwari businessmen belonging to the pan-Indian 'great firms', began as brokers, partners and even clerks to the established Marwari families, which acted as magnets attracting fellow Marwari clansmen. For example, Timberg (2014) observes that the grandfather of British steel tycoon L.N. Mittal worked for the then top Marwari firm Tarachand Ghanshyamdas.

7. *The Bazaar, the Gaddi, the Munim and the footprint of the owner.*

The traditional Indian trade zones (*bazaars*) were markets based in narrow streets and corridors wherein multiple Marwari traders sat alongside each-others '*gaddi*' (shop), and carried on with their business. This

enabled buyers to negotiate best rates under the roof of a single market cluster and also triggered immense competition among the traders. Beside the merchant (*seth*) sat his '*munim*' (bookkeeper and trusted advisor).

Timberg (2014, pp. 25) points out that the 'footprint' of the owner on the firm is as important to its sustained success as the other Marwari attributes discussed so far. Timberg (2014, pp. 26) points out that many of the owners of such firms delegate the day to day running of their business to the experienced and trustworthy '*munims*' (accountants). Timberg discloses that many of the then '*munims*' accumulated shares in the firms and became junior partners of such traders. Having gained the expertise in business and the 'art of tradecraft', many of the '*munims*' and clerks of many of the old great firms later floated their own firms and grew large enterprises, for example the multi million dollar Birla group etc. Timberg (2014, pp. 3) cites Harish Damodaran who claims that it is from these 'markets' of traditional traders the modern Indian entrepreneurship story has pre-dominated.

Timberg (2014, pp. 75) argues that in case of the Marwaris, the 'traditional' traders did become industrial entrepreneurs, and later as a general process of accepting the 'new', reconciling and combining it with commercial tradition and at times even using tradition itself produced a new and more effective synthesis of entrepreneurship (Timberg, 2014, pp. 76). He affirms that the traditional institutions, business groups and business communities like the Marwaris are among the leading drivers of entrepreneurship in Indian and many non-western societies. He also claims that these institutions in many ways have their advantage in modern circumstances. The following section introduces the 'root' of the Marwari community and their traditions.

The Indian cultural philosophy

Hofstede (1980) identified the Indian society as 'collectivist', which meant the society consisted of individuals who see themselves as an integral part of one or more collectives or in-groups such as family and co-workers (Triandis, 1989). Banerjee (2008, pp. 373) highlights that family plays a vital role in India and the collectivist nature promotes connectedness and social interdependence. The Indian society is understood to be more harmonious than competitive in nature as people believe in group-performance wherein people strive for individual achievement but they are also ready to share it with others (Banerjee, 2008, pp. 373-374). The society also has cultivated a strong traditional heritage (Danielou, 2003) and it plays a vital role in controlling the behavior of individuals (Banerjee, 2008, pp. 372). Shivani et al., (2006) observes that there is an agreement among experts that socio-cultural influence on the personality and general behavior of Indian people is very strong.

The Indian perspective on life tends to differ most sharply from that of the Europeans and of the Americans (Gupta, 2008, pp. 57). According to Gupta, in Europe and America the study of philosophy is regarded as an end in itself, whereas in India the Philosophy is closely related to religion and life itself, clarifying its essential meaning and way to attain spiritual goals. Outside of India however Philosophy and Religion pursued different paths (Munshi, 1965). It is hence essential for readers and researcher to understand this philosophy through an Eastern lens. Shivani et al., (2006), while supporting Timberg (2014) assertion, argues that despite the Western worldview that Indians lack the entrepreneurial or protestant work ethic, there have been a sufficient number of Indians who are willing to do the work required to provide for themselves and their families.

The Hindu philosophical thought finds its origins in the ancient scriptures namely *Vedas*, *Upanishads* and the *Bhagavad Gita* (Chinmayananda, 1990, pp. 66-68). Chinmayananda (The Logic of Spirituality – An Introduction to Vedanta, 2014) interpreting the Hindu scriptures argues that the caste system is different from Casteism and that the later was a British Imperial interpretation of the '*Varna*' system originally devised as a means of division of labor. Chinmayananda argues that the *Varna* system is not birth based but instead '*Guna*' or 'worth' based, i.e. the personality, work and occupation of a person determines the '*Varna*'. Malhotra (2011, pp. 263) in agreement explains that the word '*Varna*' means color, it refers to the various personalities and qualities of the people in general (high ideals, dynamism, inactivity etc.). Malhotra asserts that an individuals '*Varna*' is based on individual qualities and tendencies. The *Varna* system happens to be the root from which the Marwari community emerges.

Brahman	Priests, Intellectuals, Teachers, Professors, Political Advisors, Economists.
Kshatriyas	Rulers, Warriors, Policemen, Statesmen.
Vaishyas	Tradesmen, Entrepreneurs, Landlords, Bankers.
Shudras	Artisans, Menial job workers.

Table 2: 'Varna' classification based on personality composition/psychological orientation.

As mentioned earlier, the Marwaris belong to the 'Vaishya Varna'. On the same principle, Vaishyas were the tradesmen or people of commerce (Iyer, 2004, pp. 246). They were to conduct trade, entrepreneurship and Business within the land and were venerated with wealth, but depended on the Kshatriyas for their protection and the Brahmins for Spiritual knowledge. The 'dharma' or duty of the Vaishyas is to 'engage in economic pursuit' (Timberg, 2014, pp. 13). The famed Hindu scholar Saghguru Jaggi Vasudev quotes, "at a time when there were no institutions to train individuals in every trade or occupation, the 'family' was the training center. Thus as per the Hindu Societal system, there was Vaishya culture, Kshatriya culture etc. for continuous skill development of individuals".

Secondly, in Hinduism believes that absolute happiness can only be achieved via liberation from worldly involvement ('moksha') through spiritual enlightenment (Gannon and Pillai, 2016). The '*Bhagvad Gita*' (a major religious book of the Hindus) as per Chinmayananda (1990, pp. 64) prescribes four paths of achieving the aforementioned 'moksha'. Out of which, for matters of relevance, the research focuses on *Karma Yoga*.

- **Bhakti Yoga:** intense devotion to or love of god.
- **Karma Yoga:** 'Non-attached' work or service (Yoga of self-less action).
- **Jnana yoga:** philosophy or knowledge of self.
- **Raja yoga:** meditation or psychological exercise.

Karma Yoga is of importance concerning this study as it bears impact on individual behavior and thought process. *Karma Yoga* explains the importance of Karma i.e. 'action', a vital force within the Vedanta philosophy (Chinmayananda, 1990, pp. 30; Karma Yoga in Bhagavad Gita, 2008). The fundamental premise of Karma Yoga is to help mankind understand that selfless 'action' in any walk of life (household, work, trade etc.) is equal to devotion to the supreme. Chinmayananda (1990, pp. 29-32) explains that as per *Karma Yoga*, a man is what he is because of his past action i.e. he is a product or an effect of his own past actions or *Karma*. However, as per Chinmayananda, *Karma Yoga* is not a mere law of destiny as it is often wrongly interpreted (Chinmayananda, 1990, pp. 29). Chinmayananda (1990, pp. 29) explains "many hasty readers have misunderstood the Law of Karma as a mere Law of destiny and condemned it as a pessimistic and ineffectual theory dealing only with ones past experiences in life".

Chinmayananda (1990, pp. 30) argues that *Karma Yoga* enables a man to be spirited and dynamic and to reach the goal of the human existence. He explains that destiny is the product or the effect of the past, but this only forms one aspect of the Law of *Karma*. He explains that although man is in a way influenced by his destiny since his present state is caused by the past, but on the other hand, he is gifted with a capacity to choose his 'present action' i.e. called self-effort. Chinmayananda asserts that a man at any given present moment is an aggregate of all his past self-efforts, however what meets in ones life in the future and how one meets it is a resultant of the present self-effort or action (*Karma*).

The *Bhagavad Gita* while explaining *Karma Yoga* asserts that the latter motivates an individual to engage in work without any expectation of reward, because the expectation of reward gives rise to selfish desires and in case the reward is not achieved it may result in disappointment (Karma Yoga in Bhagavad Gita, 2008). The Bhagavad Gita explains that the only freedom man has is that of an action, reward is not within ones control. Chinmayananda (1990, pp. 110) defines a '*Karma Yogi*' (a person who practices Karma Yoga) as a person of a mixed-psychology who during his softer moments of emotional desperation walks the path of devotion (*bhakti yoga*) and during his intellectual phase he runs into the field of activity or action (*Karma Yoga*).

The entire concept argues that expectation of reward i.e. placed in the future in the time continuum is a waste of time, an effective 'action or *karma*' will yield effective result (Malhotra, 2013; Karma Yoga in Bhagavad Gita, 2008). The decree is to engage in selfless action in present, without any attachment to reward in the future (so that the mind does not dissipate in the future that does not exist).

Discussion:

Considering the growing trend of social constructionism in Entrepreneurship, this section presents arguments based on an interpretive deductive analysis of the literature review on a causal basis. The section critically discusses the multiple theories, their inter-relation and emerges with examples and evidence of 'Effectuation' within the Marwari community to address the research questions and propose further empirical study on the topic.

Firstly, Klyver and Foley (2012, pp. 583-584) contend that 'how culture interferes with entrepreneurial networking' is an area that has received little empirical attention. They believe that the importance of

networking differs between cultures and is impacted upon by the cultural norms and practices. Within the Hindu philosophy based literature, it can be observed that the collectivist nature of the Indian society is rooted deep within its cultural positioning and philosophy. The 'Varna' system explored within the Indian philosophical context chapter clearly explains the groupings of individuals between different Varna were done w.r.t their psychological orientation and personality classification.

The 'Vaishya' Varna (to which the Marwaris belong) is a consequence of this philosophical approach. The Vaishya Varna emerged as a community of 'commercially dynamic' individuals whose 'dharma' or duty was the 'pursuit of economic well-being' (Timberg, 2014, pp. 13). It is evident here that it was the culture and philosophy of the Hindu school of thought that resulted in the Marwaris emerging as a commercial community, evolving for several centuries. Without the cultural philosophy, the community may not have possibly emerged in the shape and manner we see it today. It maybe asserted that, due to this cultural conditioning of the Marwaris for several hundred years in a commercially driven environment, the resultant was that a strong, well informed network of commercial individuals evolved,. This phenomena is currently being explored in the study of Epigenetics, a branch of biology which studies how a human being's behaviors and life experiences impact their DNA and thus can be passed from generation to generation (Hurley, 2013). Sadhguru (2013) interprets that this study is similar to the Hindu concept of Karma, which means action, or the imprint of action that remains within people. Sadhguru explains "the actions that your father performed are working and kicking up within you not just in your situation, but within every cell in your body". The Marwaris over the centuries have emerged as a resource pool in their own capacity, harnessing the commercial technologies and best practices within the community and passing them within the community for future generations. The community's knack to 'nestle and settle everywhere' (Damodaran, 2008, pp. 10) may have emerged as they were linked by a common thread of culture and shared practices, a possible root of the Trust or 'Sakh' that Timberg (2014, pp. 21-24) discusses in his findings.

Secondly, as a consequence, consistent grouping of like-minded individuals (with a common culture, language and belief) for centuries has resulted in the Marwaris becoming a formidable network source for the wider Marwari and Vaishya community and others. Since they are predominantly occupied in commercial activities their community's inherent alertness to opportunities, business intelligence and awareness, their own interwoven network etc. maybe a source of Effectuation.

Activity	Impact
'Hundi'	Risk managing tool in long distance transaction, innovative tool for credit and remittance facility at a time devoid of modern technology, tool supported and encouraged long distance trading and expansionism.
'Partha' system	Innovative tool to produce daily accounts, increased accountability and financial control. Helped leverage financial resources (current means) optimally.
'Basas'	An innovative communal custom that provided apprenticeship and residential training to young Marwaris which imparting to them the 'art of commerce'. Supported growth of new entrepreneurs and ventures. Created crop of entrepreneurs who 'learnt the trick of the trade' and were leveraged as human resource to support multiple Marwari enterprises.
Trust based 'Decentralization'	Marwaris used the trust or 'sakh' generated by the common roots of the community to help de-centralize their firms via their trusted executives (munims) long before corporate concept of de-centralization was in place. These executives then started their own enterprises by gaining experience and expertise, which allowed diversification of portfolios.

Table 3: Effectual activities: leveraging available means/resources (human, capital), innovation and risk management.

The above table lists some of the examples of historic Effectual activities of the Marwaris. These activities vastly relate to the 'resource leveraging, risk managing, strategic alliance' aspects of Effectuation. As per Sarasvathy (2001), the principles of logic of control include three broad principles of logic of control that helps an entrepreneur determine the potential Effectual logic, 'who am I, what I know and whom I know'. According to Herbif and Dunphy (1998, pp. 91), cultural dimension like religion is also known to impact individual characteristics. In the case of this research, the impact of culture is the 'Varna' system that resulted in the 'Vaishya' communities conceptualization and development, which may further impact the individual characteristics of the Marwari, like risk taking ability, decision making ability, and networking thereby contributing to increased Entrepreneurial orientation through Effectual behavior (Morrish, 2009, pp. 37). Also,

the characteristics may have 'Epigenetically' evolved over the period of time possibly making the community Entrepreneurial by nature.

For example, among the Marwaris, the 'Who am I' may be a culturally defined position within the community, who am I? A Marwari – it is assumed broadly in India that if one is a Marwari he or she is a businessman or businesswoman. For instance, the commercial nature of the community may impact the individual personality characteristic development and also develop the psychological orientation of the individual to develop and support commercial activity. So the multiple generational entrepreneurialism, may as a result trigger a knack or taste in 'doing business'. Also, this is further aided by the expectation within the family to support existing enterprise, grow and develop new ventures (Timberg, 2014, pp. 72) wherein Timberg explains that the Marwaris from business families were expected to work in and expand their family firms if they had them or to work for others in such firms if they did not, and perhaps to start new firms of their own in due course. So the individual within this community may define his or her 'who am I' by observing their family/community - work/entrepreneurial ethic thereby impacting their own ability to take risks, make decisions, network and may also impact my ability to reason causally or effectually. A further inductive empirical exploration is currently underway as a part of this research to determine whether the same is the case currently.

Further, networks have been given considerable importance in Effectuation literature. Networks in Effectual terms determine the 'whom I know' element of logic of control. Hence there emerges a possibility of the Marwari community as a tightly woven commercial network in its own right may facilitate Effectual behavior among the constituent members (due to the 'Varna' based nature of the community). Firstly, the Indian society is more harmonious than competitive in nature and people believe in-group performance wherein people strive for individual achievement (McClelland, 1961) but they are also ready to share it with others (Banerjee, 2008, pp. 373-374) and secondly, Shivani et al., (2006) observes that there is an agreement among experts that socio-cultural influence on the personality and general behavior of Indian people is very strong. These might be favorable pre-conditions that support Effectual behavior within the community encourages sharing of resources, formation of strategic alliances, partnerships to manage risks etc. For example, these attributes of the Indian society, coupled by the network of Marwaris can be a source of determining 'whom I know'. Since the Marwari community is a commercial community with most individuals in some or the other form of business, this can mean that each individual can be the others' source of resource leveraging, risk management through sharing of resources (financial, human etc.) and also a source of business intelligence and market information, which is a crucial aspect of entrepreneurship. The nature of the activity of the Marwari community increases the probability of the same.

For example, Timberg (2014, pp. 32) explains that the 'old great firms' of the Marwaris had a network of branches and affiliates across India and sometimes in other parts of the world. He points that it is because of this feature they were able to ferry commodities and transfer funds across various regions. He claims that they explicitly provided the capital, management skills and business intelligence, which was other wise not available at that time. The Marwari network (along with the trust involved among the individuals and their common commercial practices such as 'Hundi' imparted within the community training centres 'Basa') ensured and encouraged the long distance trade allowing the Marwaris to 'nestle and settle everywhere' (Damodaran, 2008). The 'whom I know' hence was also culturally rooted within the Marwaris, providing them a source of opportunity and resources for entrepreneurial activities. A further empirical investigation is however required to understand whether the culture still interferes in entrepreneurial networking and whether these circumstances facilitate Effectual behavior. Lechner and Dowling (2003, pp. 3) identify that the role of network content (network type) is crucial to understanding the development of network structure and position. An empirical exploration is currently underway to help gather contemporary evidence.

Finally, the final principle of the logic of control is the 'what I know'. According to Timberg (2014, pp. 33), communal customs of the Marwaris provided for apprenticeships in which youngsters could learn the techniques of business and profit sharing schemes by which they could accumulate enough capital to start their own enterprises. The Marwaris were very innovative among themselves as during a time devoid of technology, they successfully innovated business functions. For example, Damodaran (2008, pp. 10), highlights that a key characteristic that was a pre-requisite for forging these long-distance Marwari merchant networks and stimulating goods traffic from upcountry to the main marketing centres was a mechanism for remitting large sums of money to remote corners. He explains that the facilitating instrument known as '*Hundi*' was used exclusively by the Marwaris as a risk-managing tool, as one could be issued a hundi instead of cash. Since in the olden days, cash would amount to a substantial amount of risk in transit over long distances, the Hundi (of an equal amount drawn by the buyer in his favor) entitled the seller to present it before the buyers' agent or correspondent and collect the money there, making it possible to transfer funds without the risk of carrying it physically (Damodaran, 2008, pp. 11). Other examples include the 'partha system of accounting' developed by the Birla family (Timberg, 2014, pp. 104).

Also, the sharing of knowledge within the community was facilitated by the 'basas'. Timberg (2014, pp. 33) mentions that Marwari families started charitable messes called 'basas' across a few places in India which were run in co-operation with their native migrants which besides providing food and shelter also acted as informal training schools and networking opportunities for the newly arrived Marwari businessmen. This behavior to trust members of the community by allowing them to work and learn within established firms, deliver training of common practices and encourage them to venture into new businesses possibly created a process of creating experienced entrepreneurs who 'knew the rules of the game' and could confidently foray into new venture development or could be leveraged as a trained human resource to support long distance trade and diversification/expansion of currently established firms.

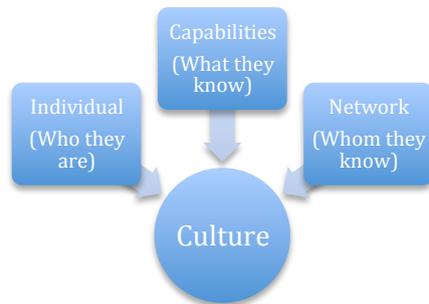


Figure 4) Emerging relationship between Culture and Effectuation.

Overall, there is substantial reason to believe that the cultural orientation of the Marwaris may be the primary instrument that potentially facilitates their Effectual behavior as shown in above examples. Timberg (2014, pp. 71) pins down the pre-Indian independence success of the Marwaris to psychological disposition, social support networks and individual/historical factors. He argues that communities and castes which have a historical involvement in business traditionally trained their children to the trade, applauded success and knew how to 'help each other' in business (Timberg, 2014, pp. 72). Timberg explains that the Marwari entrepreneurs' psychological disposition is marked by 'n-affiliation' wherein they have a psychological orientation to work social networks (as seen in Effectuation theory), rather than the Schumpeterian entrepreneurial context of 'n-achievement' wherein the orientation is to launch a successful innovative enterprise. There develops a sense that old time great Marwari firms worked on a networking principal (business support system) devoid of the technologically enhanced connectivity of today. This is consistent with the nature of Effectual behavior to work with available means wherein the Marwari community in itself is a source of leveraging resources (human, capital and intellectual) for commercial activities, finding strategic partners to manage risk by sharing resources and also a source of entrepreneurial opportunities.

On the other hand, it is important to understand that the individual behavior and thought that may be a product of religious philosophy, similar to the protestant work ethic of the West (Weber, 1905). It has been acknowledged that religion can condition the motivation and priorities of people and can affect their actions and work habits (Herbif and Dunphy, 1998, pp. 91; Ritchie and Brindley, 2005, pp. 105) and that the environment can condition the individual characteristics of entrepreneurs (Littunen, 2000, pp. 296). The Hindu philosophy needs to be understood impartially, devoid of the Western lens or any pre-conceived notions. For example, Chinmayananda (1990, pp. 29) particularly highlights how some hasty readers have misunderstood the Law of Karma as a mere law of destiny while condemning it as a pessimistic and ineffectual theory dealing only with ones past experiences in life. The key is the use of the word 'ineffectual'.

The Hindu *Varna* system resulted in the '*Vaishya*' *Varna* and consequently the Marwari community that delivers a sense that culture played a major role in shaping the Marwaris. The relevance of the Hindu philosophy to Effectuation literature can draw interesting interpretations. For example, the line of thought within the concept of '*Karma Yoga*' is very similar to the Effectual logic prescribed by Sarasvathy (2001) in terms of 'controlled means' and 'present actions' than predicted results. Chinmayananda stresses on 'present self-effort' equally as much as the emphasis Sarasvathy (2001) lays on optimization of 'present available means'. Both, tend to focus on available means in present rather than predicting the future (not within current control) as Sarasvathy (2001) asserts that it is better to control the future using existing means, similar to Chinmayananda's explanation of *Karma Yoga* which emphasizes on selfless self-effort in present (unattached to rewards of the future) to shape ones future.

There is evidence of many high profile entrepreneurs from the West spending lengthy amount of times in Indian "ashrams" (spiritual residences) in order to connect their business with humanity. One particular instance is the small temple and ashram in Kainchi Dham (India) where Steve Jobs took advice from the resident "Guru" or teacher name Neeb Karori Baba (economicstimes.com, 2016). The article narrates the letter

of Larry Brilliant who was a friend of Steve Jobs besides being the science advisor to Warner Bros. and the President of Skoll Global Threats fund established by eBay founder Jeff Skoll.

"I met Steve (Jobs) when we were all young and the world was full of promise and so, of course, we went to India as spiritual seekers"

Brilliant in his letter mentioned that Steve Jobs kept pictures of the "Baba" on his bedside till his last and even advised Mark Zuckerberg to visit the "ashram". Recalling his dialogue with Steve Jobs, the Facebook founder quotes:

"He (Jobs) told me that in order to reconnect with what I believed as the mission of the company, I should visit this temple that he had gone to in India early on in his evolution of thinking about what he wanted Apple and his vision of the future to be"

Mark Zuckerberg to Narendra Modi (Prime Minister of India)

Source: economictimes.com (2016)

Zuckerberg spent over a month in the ashram, making observations, which he quotes *"I've always remembered over the last 10 years as we've built Facebook"*.

Source: economictimes.com (2016)

These narratives beg the question as to why the entrepreneurs from the Silicon Valley have preferred the "spiritual" advice from India despite having access to best brains in business, technology and management. There seems to be a meta-physical narrative that seems missing or 'ignored' from the rhetoric. From an entrepreneurship perspective, this remains important as entrepreneurial ventures may fail, so how do entrepreneurs react? What is the reaction to failure or success? Does failure/no-reward always result in disappointment and giving-up, in which case does the Marwaris interpretation of *Karma Yoga* drives them to push forward transcending into their sustained success over a hundred years as they are not 'attached' to rewards? Does non-attachment to reward give the Marwaris a free hand to take risks? Does the same impact their risk taking ability? An empirical inquiry will help understand whether the psychological conditioning by the *Karma Yoga* concept relates to the Marwari work ethic who treat their work as a selfless action, and hence the same may impact their ability to take risks as they remain unattached to possible 'rewards'. This may have an impact on understanding a very critical element of entrepreneurship i.e. risk-taking propensity, which is individually different, culturally variable, and psychologically evident. A philosophy of *Karma Yoga* (whether acknowledged or not) may sub-consciously impact the attitude towards failure or business vision and the risk-taking element of Marwaris.

Chinmayananda (1990) says that a *Karma Yogi* (practitioner of Karma Yoga) need not fear of the fruits of his labor (which in the time continuum are placed in the future) and neither think about the past actions (which do not exist anymore in the time continuum), but rather conduct action (*karma*) in the present with efficiency, commitment and competitiveness; as action can only be conducted in the 'present' and attachment to an expected reward may yield worries and anxieties affecting the present action (which may explain their ability to take risks), and also in certain cases may yield disappointment if expected returns are not met. Also, attachment to a 'future based' reward means dissipating the mind to the future, which at the present moment 'does not exist'. How does this affect decision making process? Can such a philosophical position within the culture impact the individual entrepreneurial characteristics in a certain way? Does such a cultural belief have a similar impact on the community like the '*Varna system*' had on the emergence of the Marwaris as a business community? Exploring the same will contribute to the research question which seeks to explore the impact of culture on individual entrepreneurial characteristics.

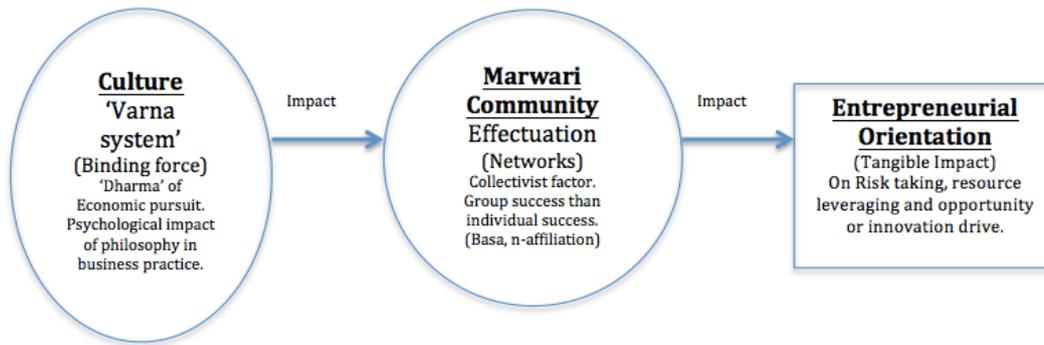


Figure 5) The emerging conceptual framework.

Conclusion

The above emerging conceptual framework summarizes the above discussion and serves as a platform to base further PhD research to address the questions emerging and earlier posited. The nature of the PhD study being partially inductive in nature will inform the research questions from a different perspective to the one employed in this deductive analysis. It will be contemporary and will be useful in understanding the nature and dynamics of the community in today's entrepreneurial landscape. There is sufficient evidence to draw a relation between culture and effectuation and to position culture as a potential antecedent to Effectuation based on the work of Timberg (2014) and Damodaran (2008). This may however be a case within a collectivist society, but not at a particular point in time as their studies span several decades. Also, within the discussion, a line of thought emerges which cements the counter argument that the culture and the 'nature of entrepreneurship' in the collectivist, eastern cultures like the Marwaris may very well in their own right be a best practice in supporting entrepreneurship in India. Also, the Hindu socio-cultural conditions like the 'Varna' system have positively impacted the entrepreneurial community in question by firstly, shaping the community and its vision that has sustained for centuries of changing economic and business landscape. It is evident that the conceptualization and vision imparted through the Varna system is the root of the Marwaris emerging as an entrepreneurial community, almost resembling a business ecosystem in its own right allowing constituent members access to Marwari trade-tricks, best practices, resource pool (human, financial and other) while grooming or conditioning younger generations into business from an early age. The Marwaris have a unique and contextual understanding of business or enterprise. Some of their best practices date to times devoid of modern communication, banking or transportation or corporate technologies. The paper acknowledges that the assertions made within may not be generic in parallel cases and the authors of the paper support the need for further inductive research on this topic, which is currently ongoing as a part of PhD study.

The paper's theoretical contribution resides in establishing the relationship between culture and effectuation, with culture emerging as a potential antecedent or determinant of Effectuation. The paper posits that Effectuation may have the potential to drive (or in this case maybe driving to a certain extent) entrepreneurial activity in collectivist business communities seen in India and other Eastern economies. Also, cultural implications (like in this case, the Varna system) potentially emerge as catalyst to provide a business/entrepreneurship support system in consequential effectual entrepreneurial behavior impacting network formation, risk taking behavior and acts as a source of entrepreneurial training, source of recognizing opportunity and also a source of innovation and leveraging resources for the firm which may include trained human resource, financial resource or any other demand and supply needs of the business (as presented in table 3). This may however be context specific and further research is required to substantiate the argument.

Also, the paper explores the possible impact of socio-cultural philosophy of Karma Yoga on entrepreneurial attitude towards failure, business vision and risk taking in business, a dimension that remains critical in the young start-up era, this aspect however remains inconclusive and needs further investigation. Although traces of positive relationship emerge, there is insufficient evidence provided within Timberg (2014) and Damodaran (2008) research. The paper contributes to the longstanding debate of entrepreneurship within collectivist society like India and how the same may differ from entrepreneurship in the West, but may not be less effective as per case sensitivities. The paper provides a much-needed Indian philosophy led impetus to the Western v/s Eastern cultural-philosophical debate by establishing the impact of the Eastern cultural position on Entrepreneurial orientation of an individual. Further empirical research within this topic is currently underway to support and further the discussion initiated within this paper. The rationale beyond the paper is to

develop a framework based on existing relevant literature that may provide a platform to carry out an empirical investigation to substantiate the emerging questions and arguments presented in the discussion chapter. Effectuation, in uncertain market environments can provide a pathway for growth in entrepreneurial orientation and the same may be supported in certain context-specific cultural conditions. The research is important to understand successful entrepreneurial behavior in socio-cultural context specific emerging markets like India and understand the practices that contribute to the sustainability and uniqueness of the same, Effectuation being an example.

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