

**The Relationship between Cultural Awareness and Entrepreneurial
Success of Emerging Entrepreneurs in Pakistan: An Analysis of Mediating
Influence**

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Abstract:

The ability of emerging entrepreneurs in Pakistan to comprehend and adjust to cultural contexts is crucial to their success. Using the Behavioral Reasoning Theory as a framework, this study investigates how entrepreneurial behavior functions as a key mediator between cultural awareness and entrepreneurial success. A quantitative and empirical technique was used to collect primary data from emerging entrepreneurs using a cross-sectional approach. 350 of the 400 surveys that were sent out were returned, and 330 of them were completely filled out. The findings show that entrepreneurial success is significantly influenced by both cultural awareness and entrepreneurial behavior. Furthermore, it was discovered that the association between cultural awareness and entrepreneurial success is partially and strongly mediated by entrepreneurial behavior. These findings give significant benchmarks for Pakistan's emerging entrepreneurs, emphasizing the significance of incorporating cultural knowledge and entrepreneurial behavior into their operations to improve their chances of success.

Key words: Entrepreneurial Behavior, Entrepreneurial Success, cultural awareness, Behavioral Reasoning theory

Introduction:

Entrepreneurship is an extensive phenomenon that is determined by a wide range of elements, from institutional frameworks and individual traits to economic situations and technical developments. Culture stands out among these elements as a potent force influencing the actions and results of entrepreneurs. Values, beliefs, norms, customs, and social practices are

just a few of the many components that make up cultural variables(Welter &Smallbone, 2011).The importance of culture in influencing entrepreneurial intentions, choices, and behaviors is becoming increasingly apparent, despite the fact that early entrepreneurship studies mostly concentrated on economic and individual factors (Davidsson&Wiklund, 2021). In their study, Francesco Calza, Chiara Cannavale, and ImanZohoorianNadali (2020) asserted that despite a wealth of research, there is still a deficiency of awareness on the cultural and social process underlying entrepreneurial behaviors. The classical philosopher Max Weber initially posed this topic in 1930. His goal was to learn "how culture affects entrepreneurship."

In entrepreneurial research, this issue is being extensively discussed a century later (Calvelli, Cannavale, Parmentola&Tutore, 2014; Cannavale& Wallis, 2015; Linen &Fayolle, 2015; Stephen &Uhlener, 2010). Even so, several academics and theorists presented a variety of assumptions for the same objective. Within the same vein, Ajzan (1991) introduced the theory of planned behavior (TPB), and Fishbein &Ajzen (1975) introduced the theory of rational action (TRA). The most popular theories used by various academics to explain profound convictions, entrepreneurial behavior, and choices were TPB and TRA. However, the notion of "reasoning" behind entrepreneurial action was not adequately explained by the aforementioned theories (Linen &Fayolle, 2015; Lortle&CastogloVanni, 2015). Researchers are therefore unable to respond to the question, "What is the intention behind entrepreneurial arrangements and behaviors?"

Nonetheless, the Behavioral Reasoning theory explicates and justifies entrepreneurial actions, which are designed by cultural morals and principles (Westeby, 2005). According to Miralles, Giones, and Gozun (2017), BRT is a novel idea in the field of entrepreneurship that makes it possible to understand the reasons behind making decisions about complicated issues. It provides a theoretical framework for understanding how cultural values influence the motivation behind entrepreneurial activity (Linan&Fayolle, 2015).The existing study elucidates the reasons for entrepreneurial success while considering behavioral reasoning theory. In this study, we aim to determine whether entrepreneurial success may be attributed to cultural awareness and entrepreneurial behavior(Shane, 2012).According to Covin and Wales (2012), the new definition of entrepreneurship is focused on "innovation, about takingdifficulties as opportunities, and about exploring the world." Understanding the culture of the society is essential to finding a successful opportunity, and cultural awareness

promotes social justice (Wach et al., 2016). According to Baltes et al. (2015), raising cultural awareness should begin from the bottom of the social hierarchy, such as with multicultural students. Covin & Lumpkin (2011) observed that the learning "How to behave for the achievement of entrepreneurial success" is crucial for emerging entrepreneurs. Since they are new to the entrepreneurial network, emerging entrepreneurs are particularly vulnerable when it comes to developing their social network. Understanding cultural norms is crucial for entrepreneurs to reduce ambiguity and uncertainty, get ready for a new business, and make informed decisions based on behavioral and environmental aspects. Behavior development is aided by the social and structural components of environmental variables (Edmond & Wiklund, 2010). Additionally, Pablo Angel, Anna Jenkins, and Anna Stephen (2018) did a phenomenographic study by interviewing 20 entrepreneurs in order to identify variations in the perception of entrepreneurial success. This study offered a different perspective on what constitutes successful entrepreneurship. Some studies have used entrepreneurial failure as a proxy for success (Jenkins and Mckelvie, 2016).

Significant social, economic, security, and governance challenges are currently facing Pakistan (Baloch & Thapa, 2019). Pakistan is renowned for its agricultural pursuits, cattle, leather goods exports, furniture, surgical equipment, and handicrafts. However, due to insufficient understanding of and engagement in entrepreneurial endeavors, these tasks cannot be handled properly. Increasing awareness of culture is crucial for entrepreneurial success, as culture reflects the attitudes and behaviors of people in every nation. In order to succeed as entrepreneurs, entrepreneurs in Pakistan must keep in mind the importance of cultural awareness and entrepreneurial behavior. The majority of the earlier research focused on "who is an entrepreneur" and their personality traits, but the suggested study emphasizes the differences in the behaviors that an entrepreneur should exhibit in order to succeed from Pakistan's point of view. The current study investigated the importance of cultural and behavioral elements for entrepreneurial success, in contrast to the majority of prior research that suggested innovation and financial factors contribute to entrepreneurial firm success.

The association among cultural awareness and entrepreneurial success will be mediated by entrepreneurial behavior in the proposed study. This research will cope up the gap in the literature by exploring the mediating processes because this intervention has never been studied before.

The research being conducted will raise awareness among both existing and emerging entrepreneurs. Additionally, this study will be important for managing the emotions and behaviors of workers in an entrepreneurial company. The aforementioned factors have not been examined for entrepreneurs in any of the earlier research on Pakistan's entrepreneurial perspective. The present research will fill a substantial gap and make a significant contribution to the advancement and growth of entrepreneurial success for emerging entrepreneurs. Since the researcher employed quantitative research methods after gathering data from the target population using a standardized questionnaire, this study may also be statistically generalized.

Literature Review:**Cultural awareness:**

Cultural awareness is the acknowledgement and understanding of variances in customs, beliefs, and behaviors among various cultures. It includes being aware of how cultural norms and values influence interactions, communication, and relationships. By developing cultural awareness, individuals can better navigate diverse environments, promoting mutual respect and cooperation (Jihyunju 13 sep, 2024). The two elements of cultural competency are cultural sensitivity and cultural awareness (Clinton, 1996). Clinton proceeded by saying that a person is culturally aware when he acknowledges that people vary from one another in terms of their cultural background, views, personalities, and behaviors. A person is culturally sensitive when they respect and appreciate these distinctions (E. C. Constantin et al., 2015). When people have to interact with each other and belong to other cultures, cultural awareness becomes necessary. It should be understood by cultural individuals that when they confront other cultures in the working environment, behaving according to the context of their own culture creates difficulty and conflicts. Each action should have a cultural association. Similarly, it's essential to connect across cultural divides with tolerance, dignity, and an open mind. By doing this, businesses may build trust, build solid relationships, and effectively handle cultural differences (Zhang et al., 2023).

Entrepreneurial behavior:

Since entrepreneurial behavior (EB) is crucial to the development of new enterprises, it should be examined in the pursuit of basic solutions for comprehending entrepreneurship (Mourão&Locatelli, 2020; Santos et al., 2021). But the EB currently lacks coherent definitions (Bird et al., 2012), which makes it challenging to comprehend what motivates people to start their own businesses (Kirkwood, 2016; Santos et al., 2021). According to

Kirkley (2016), entrepreneurship is a form of self-determined behavior that allows a person to express and fulfil many core needs. Four distinctive values— independence, creativity, ambition, and daring—are therefore essential to the EB's motivation.

Over the past thirty years, the phrase "entrepreneurial behavior" has been widely explored in management literature (Covin& Lumpkin, 2011). Hundreds of research that have been published in various prestigious journals and presented at several prestigious conferences have examined the idea of entrepreneurial behavior (Wales et al., 2011). According to the theoretical acceptance of entrepreneurship theories, Covin& Lumpkin (2011) observe from earlier research that entrepreneurship is only a single motion or act, i.e., the beginning and introduction of innovation; it is on the entire strategic bearing.

Previous studies have addressed entrepreneurial behavior in a number of ways. In summary, it is mostly associated with strategic stances (Covin& Wales, 2012). Proactiveness, risk-taking, and innovativeness are the "three dimensions" of firm-based entrepreneurial behaviors that Miller Danny proposed to define a firm-level underlying strategic posture.(Edmond & Wiklund, 2010; Miller, 2011).

Entrepreneurial Success:

There is a lack of research on "what is success for an entrepreneur" (Fisher et al., 2014; Reijonen&Komppula, 2007; Wach et al., 2016). Mostly, research belongs to how an entrepreneur can be successful. Most studies concentrate on two dimensions of personal fulfillment and wealth growth before comparing the preferences of business owners for these benchmarks(Fisher et al., 2014; Gorgievski et al., 2011; Orser& Dyke, 2009; Wach et al., 2016). Although this work provides both subjective and objective elements of business success, it is still unable to adequately address the concept of entrepreneurial success. Numerous studies define entrepreneurial success in terms of both monetary and non-monetary levels, as well as firm and individual entrepreneur levels.(Angel et al., 2018).

Entrepreneurial success is simply characterized as “tangible characteristics such as revenue or business growth, personal wealth generation, profitability, sustainability, and turnover” (Perren, 2000; Amit et al., 2000; Watson et al., 1998;Dafna, 2008. It is connected with “sustainable trading, whereas unsuccessful entrepreneurship is associated with ceased or unprofitable trading”. In opposition to this interpretation, according to Harada (2002), an entrepreneur is the type of individual who, due to his strong determination, would prefer to engage in entrepreneurial activities despite facing obstacles and losses.Success in customer

relationships requires building a loyal customer base that firmly identifies with and trusts the brand, in addition to creating an emotional connection (Bisht et al., 2023).

Theoretical framework:

An entrepreneur's actions are explained by the Behavioral Reasoning Theory (BRT), which takes into account cultural norms and beliefs (Westaby, 2005b). According to Miralles et al. (2017), the BRT theory is a novel framework in entrepreneurship that makes it easier to fully understand the decision-making process for complicated problems. According to Liñán and Fayolle (2015), BRT provides a theoretical framework for understanding how cultural values affect the motivations behind entrepreneurial activity.

The cognitive processes that guide entrepreneurs' decision-making are the main emphasis of this theory. According to the hypothesis, entrepreneurs differ between these two styles of reasoning, and their capacity to combine and synthesize both influences how well they make decisions.

Cultural awareness with entrepreneurial success:

Entrepreneurial success in the rapidly expanding global entrepreneurial markets is far more complex than just identifying opportunities. The recognition of cultural awareness inside the entrepreneurial mindset is an expected characteristic of successful entrepreneurship.

However, one of the most underappreciated aspects of global business is cultural awareness for entrepreneurial success. In addition to being opportunistic, we can increase the success rate of international deals by appreciating the culture and building an empathetic pursuit team that recognizes and is aware of it (Leary, 2015).

The awareness of continuous cultural change enhances the demands of employees, makes them more competitive in the global marketplace, equips entrepreneurs globally, and elevates the overall performance of the firm. Employees who are sensitive to cultural differences contribute to the overall performance of the company and meet the highest standards of entrepreneurial success(Thornson, 2010).

H₁: Cultural awareness will be positively related to Entrepreneurial Success.

Cultural awareness and entrepreneurial behavior:

Nationalised culture has been shown to have an impact on individual entrepreneurial behaviour (Hayton & Cacciotti, 2013). Since individual members' behaviour is somewhat reflected in entrepreneurial behaviour, it is reasonable to assume that cultural sensitivity will also have an impact on the organization's total entrepreneurial behaviour (Rauch &Frese, 4222

2007). Numerous studies have demonstrated that American businesses exhibit strong entrepreneurial behaviour, while French businesses exhibit weak entrepreneurial behaviour. American businesses have incorporated cultural awareness into their operations, whereas French businesses exhibit weak cultural awareness. As a result, America generates more opportunities than Europeans. A deeper awareness of how national cultures affect a company's entrepreneurial behaviour is also provided by Fayolle's (2010) examination of the theoretical framework.

H₂: Cultural awareness will be positively related to entrepreneurial behavior.

Entrepreneurial behavior and entrepreneurial success:

Due to the increased breakdown rate of small businesses in South Africa, entrepreneurs want to learn strategies to improve their overall performance. There is proof that using behavioral and entrepreneurially focused strategies will lead to successful entrepreneurship. The Eastern Cape's small businesses attempted to examine how entrepreneurial behavior is set up and how it affects entrepreneurial success. Five important dimensions—competitive aggressiveness, proactivity, risk-taking, innovativeness, and autonomy—have been used to analyze entrepreneurial behavior (Farrington & Matchaba-Hove, 2011). The association between entrepreneurial behavior and entrepreneurial success has been assessed by several scholars using the aforementioned factors (Lotz & Van der Merwe, 2013; Gürbüz & Aykol, 2009). The successful connection between entrepreneurial behavior and entrepreneurial success was investigated by Lotz & Van der Merwe (2013).

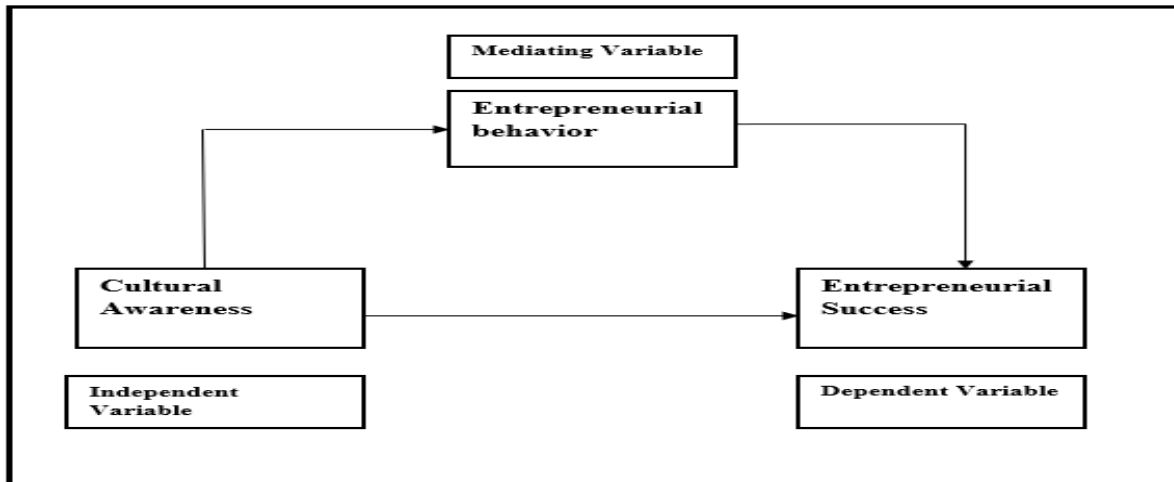
H₃: Entrepreneurial behavior will be positively associated with entrepreneurial success

Enhancing cultural awareness is crucial for an entrepreneur to bring innovation and status quo changes, as well as entrepreneurial behavior, into the firm (Basso et al., 2009). The application of entrepreneurial behavior is beneficial in order to take advantage of growing chances and achieve success (Lotz & Van der Merwe, 2013). We discover that entrepreneurial behavior is a mediator between cultural awareness and entrepreneurial success because it can improve the link between the two.

H₄: Entrepreneurial behavior will mediate the relationship between cultural awareness and entrepreneurial success.

Showing the theoretical model of the study

Theoretical Framework



Research Methodology:

Research Design:

The current research’s philosophical stance is based on a positivist research design. We'll use a deductive strategy. The nature of the study is empirical, quantitative, and causal. The impact of cultural awareness on entrepreneurial success will be investigated using a cross-sectional research methodology, with entrepreneurial behavior acting as a mediator variable.

Data Collection and Target Population:

This study uses a quantitative approach and looks at survey information gathered from entrepreneurs of Pakistan who are in the emerging stage. Since Pakistan's entrepreneurial status is still in its early stages, the study focuses especially on emerging entrepreneurs. As a result, research emphasizing the significance of entrepreneurial behavior for success must be used to mentor these emerging entrepreneurs. A primary data source was used to gather the data. An approximate response rate of 83% was obtained from the distribution of 400 questionnaires, of which 350 were returned, and 330 were completed. This rate is higher than the 50% minimum significant response rate that is advised for quantitative statistical analysis (Mugenda & Mugenda, 2003). The constant follow-up visits by the researcher and conversations with provided referrals and developing firms to remind them to correctly complete the survey instrument were responsible for the high response rate.

Sampling Techniques:

The study sample was chosen using judgmental and snowball sampling approaches. Using a recruitment technique called "snowball sampling," the present study's emerging entrepreneurs

were asked to assist the researcher in finding additional possible participants. This method was used to connect with emerging entrepreneurs in various parts of Pakistan. Additionally, each emerging entrepreneur was carefully chosen for the sample by the researcher using judgmental sampling. The current study's sample size is chosen using G*Power 3.1.9.7. To reduce the chance of making a type II error, power—which is elaborated as the ability to identify a substantial effect in the occurrence of one—is crucial (Kang, 2021). A sample size of 247 is adequate for hypothesis testing, according to the power analysis results. As a result, the sample size needs to be big enough (Kline, 2010). The current study used a sample size of 350 to ensure exact analysis of the factors under consideration and to improve the generalizability of the conclusions across the community.

Research Analysis tool:

A semi-adopted self-administered questionnaire was used to gather primary data in order to guarantee respondent anonymity, which may promote more accurate and legitimate answers. The three constructs serve as the foundation for the current investigation. These concepts include entrepreneurial success, entrepreneurial behavior, and cultural awareness. The two scales for entrepreneurial behavior and entrepreneurial success are adopted, while the scale for the first construct (cultural awareness) is self-developed. The study's research questions, which closely matched the research objectives, served as the basis for the questions. This method improved the trustworthiness of the research results by ensuring that the questions directly addressed the goals of the semi-adopted. The measurement tool of entrepreneurial success consists of 7 items (Farrington & Matchaba-Hove, 2011b), 15 items for cultural awareness (self-developed), and 15 items for entrepreneurial behavior (Schmidt et al., 2018). The different items in the questionnaire were evaluated using a five-point Likert scale. Gender, education, years, income, age, and business type are the six factors in the first section of the questionnaire.

Data Analysis:

Exploratory Factor Analysis (EFA) was measured through SPSS version 23. AMOS 23 was utilized for assessing reliability, discriminant validity, construct validity, regression, and mediation analysis in addition to Confirmatory Factor Analysis.

Results of the study:**Demographic Characteristics of participants**

Emerging entrepreneurs make up the study's target demographic (n=330). With 40% of the sample, respondents in the 20–30 age range make up the largest age group. Respondents under the age of 20 make up the smallest percentage (0.3%). Of the sample, 55% of entrepreneurs were men and 45% were women. Just two participants had a metric-level education, while the maximum number of respondents (35.7%) had a master's degree. Compared to those in manufacturing (30%), the majority of respondents were in the services sector (70.1%). 15.4% had less than a year of experience, while the largest group (29.3%) had been in the company for five to ten years. The majority of respondents made contributions between 80,001 and 100,001 PKR every month, while the fewest made more than 300,001 PKR.

Data Analysis

Amos 23 is utilized to examine the data of 330 emerging entrepreneurs. The following analysis are taken from the data.

Factor Analysis

Amos 23 is used to examine the data of 330 emerging entrepreneurs. The data is the source of these analyses.

Exploratory Factor Analysis

Construct validity, or the relationship between the components of variables, was evaluated using exploratory factor analysis (EFA). Three variables were extracted, and principal component analysis with varimax rotation was used to finish the process. 0.40 was used as the minimum loading requirement. However, five elements related to cultural awareness were found in the initial exploratory factor analysis. The item no. of cultural awareness (CulAw11) was “My awareness about multicultural problems is becoming higher with time”, the item no. (CulAw12) was “My knowledge has aided me in becoming familiar with the issues encountered by numerous cultural and ethnic groups”, the item no. (CulAw13) was “I think my opinions and beliefs are prejudiced by my own culture”, the item no. (CulAw14) was “I think my actions are affected by my culture”, and the item no. (CulAw15) was “I frequently imitate on how culture influences behaviors, beliefs, and attitudes.”, loaded with the other constructs (cross-loading) from the existing study, the loadings are 0.483, 0.686, 0.546, 0.489, and 0.578, respectively. In this approach, the scale of 10 items for the construct of cultural awareness was finalized for future investigation. Finally, the commonality scale analysis result (which shows the disparities in each dimension) produced adequate

outcomes as every commonality was above 0.400. To determine the overall significance of the correlation matrix, a BARTLETT's Test is employed, which uses statistical probabilities to demonstrate significant correlation between the components $\chi^2 (n = 330) = 12253.957, (p < 0.000)$, indicating the significance of the factor analysis results. The Kaiser-Meyer-Olkin test result is 0.944, which is used to verify the measures of adequacy (MSA). This result exhibits that the data are fit for factor analysis. Finally, the factor solution selects three factors for the scale that clarify 58.105% of the variation in the data throughout the measurement.

Confirmatory Factor Analysis (CFA)

Both the independent measurement model, which integrates all three components, and the structural measurement model were utilized for confirmatory factor analysis. Except the SRMR and GFI values, the model fit inferences exhibit a favorable chi-square ($\chi^2 = 1905.750$), suggesting that the model fit should be improved. For a good model fit, error terms with loadings greater than 20 at each corresponding construct were covariate. Additionally, items with factor loading less than 0.50 or standardized regression weights were eliminated: the item no. (Entbeh15) was "I dislike routine activities," the item no. (Entbeh14) was "I love to do different activities that are entirely new each day," and the item no. Entbeh13 was "I constantly change the way I work"; all had factor loading < 0.05 .

Moreover, the test was rerun after items (Entbeh13, Entbeh14, and Entbeh15) were eliminated with factor loading less than 0.50. The factor loading for each item that meets the acceptance level was greater than 0.05.

Table 1

Showing Standardized Regression Weights

Factors	Estimates
CulAw10 <--- CulAw	.578
CulAw9 <--- CulAw	.569
CulAw8 <--- CulAw	.553
CulAw7 <--- CulAw	.649
CulAw6 <--- CulAw	.578
CulAw5 <--- CulAw	.631
CulAw4 <--- CulAw	.672
CulAw3 <--- CulAw	.724
CulAw2 <--- CulAw	.811
CulAw1 <--- CulAw	.772
Entbeh12 <--- Entbeh	.709
Entbeh11 <--- Entbeh	.718

Entbeh10	<---	Entbeh	.685
Entbeh9	<---	Entbeh	.721
Entbeh8	<---	Entbeh	.730
Entbeh7	<---	Entbeh	.763
Entbeh6	<---	Entbeh	.776
Entbeh5	<---	Entbeh	.725
Entbeh4	<---	Entbeh	.679
Entbeh3	<---	Entbeh	.763
Entbeh2	<---	Entbeh	.803
Entbeh1	<---	Entbeh	.717
Entsuc7	<---	Entsuc	.791
Entsuc6	<---	Entsuc	.690
Entsuc5	<---	Entsuc	.798
Entsuc4	<---	Entsuc	.778
Entsuc3	<---	Entsuc	.747
Entsuc2	<---	Entsuc	.689
Entsuc1	<---	Entsuc	.714

Note, Entbeh: Entrepreneurial Behavior, Entsuc: Entrepreneurial Success, CulAw: Cultural awareness.

Table 2 provides a good fit for the data from the 3-construct independent assessment model (cultural awareness, entrepreneurial behavior, and entrepreneurial success).

Table 2

3-Construct Independent Measurement Model showing a good fit for the data

Fit Indices	Recommended Values	Sources	Values obtained
CMIN/df	2-5	< 2 (Ullman, 2001) to 5 (Schumacker& Lomax, 2004)	2.713
GFI	> 0.9	(Hair Jr et al., 2021)	0.893
CFI	> 0.9	(Bentler, 1990)	0.879
SRMR	< 0.08	(Hu.L&Bentler, 1998)	0.0422
RMSEA	< 0.08	(Hu.L&Bentler, 1998)	0.072

Table 3,

Showing Reliability, Validity, and Correlation

	Cronbacha lpha	Composite Reliability	AVE	MSV	EB	CAw	ES
Entrepreneurial Behavior	0.933	0.933	0.538	0.324	0.733		
Cultural Awareness	0.806	0.806	0.584	0.418	0.569***	0.764	
Entrepreneurial Success	0.89	0.89	0.536	0.38	0.432***	0.543***	0.732

Note: EB = Entrepreneurial Behavior, AVE =Average Variance Extract, CAw = Cultural Awareness, ES = Entrepreneurial Success, MSV = Maximum Shared Variance.

Construct Reliability

Construct reliability is measured through Cronbach's alpha and composite reliability. Cronbach's Alpha for each construct exceeds the required cutoff of 0.70 (Nunnally and Bernstein, 1994). The internal consistency of the items used to measure the scale is then evaluated using the composite reliability (CR) test, which is yet another reliability test. If the composite dependability value is 0.6 or above, then the items in question have a decent degree of internal consistency. According to Hair et al. (2013), the composite reliability range is 0.880 to 0.952, which is higher than the mandatory threshold of 0.70. Table 3 exhibits that the 3-constructs' items have sufficient composite dependability ratings.

Convergent Validity and Discriminant Validity

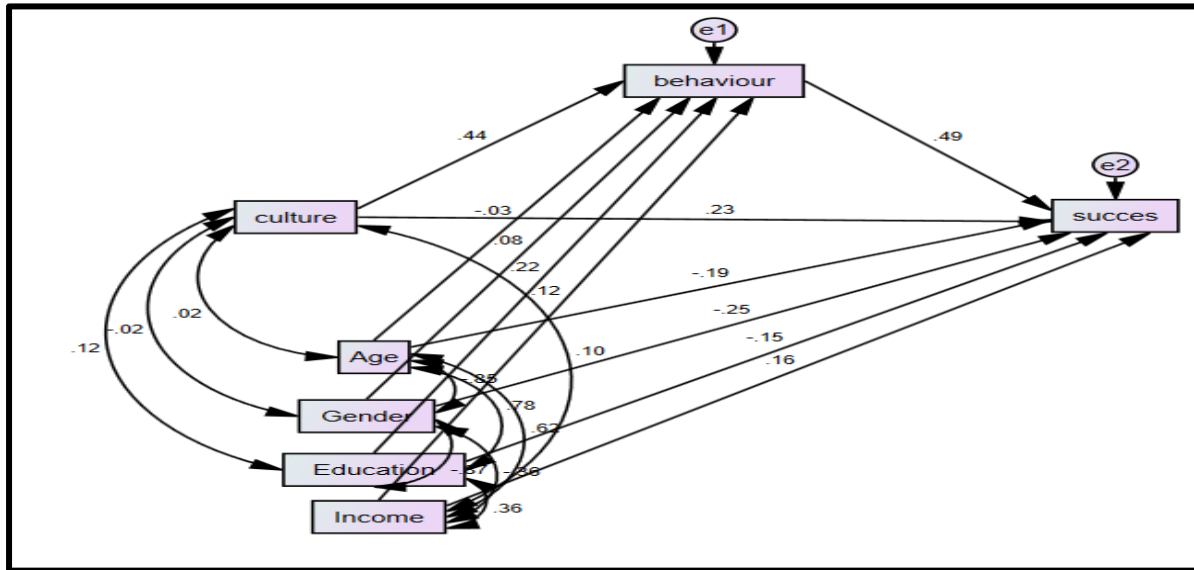
Convergent validity was measured using average variance extracted (AVE), whereas discriminant validity was verified using maximum shared squared variance (MSV) and the squared correlations of each measure. In the AMOS plugin "The Master Validity Tool", developed by James Gaskins (2016), was used to assess convergent and discriminant validity. Table 3 shows that the AVE values for all variables are less than their respective composite reliability values and above the 0.50 criterion. Entrepreneurial success generates the lowest AVE (53.6%), whereas cultural awareness generates the highest AVE (58%). Because the collection of items explains at least 50% of the variations in all observed variables, it may be concluded that all of the variables in the model are reliable. Furthermore, Table 3 shows discriminant validity because each variable's extracted variance is greater than its squared correlation with other variables in the model, and all variables' AVE values are higher than their MSV values. The findings meet the predetermined standards, showing no validity issues and offering sufficient proof of the independent measurement model's convergent and discriminant validity.

Hypotheses Testing**Structural Equation Model Analysis**

Using a mediated measurement indicator, the whole structural model examines the direct and indirect impacts of independent variables on dependent variables.

Figure 2,

Showing the direct and indirect full structural model



Note: Behavior=Entrepreneurial Behavior, Culture= Cultural Awareness, ,Succes= Entrepreneurial Success

Table 4,
Showing results of direct paths of IV and DV

	Standardized estimates (β)	Critical Ratio (C.R)	P	R ²	Hypothesis
CAw -----ES	0.233	5.114	0.000	0.422	accepted
EB ----- ES	0.490	10.882	0.000	0.422	accepted
CAw ----- EB	0.440	9.936	0.000	0.270	accepted

Note: CAw=Cultural Awareness, ES=Entrepreneurial Success, EB=Entrepreneurial Behavior

H₁: Cultural awareness will be positively related to Entrepreneurial Success.

It exhibits a positive and favorable result of the direct path from the above hypothesis (b = 0.233, t = 5.114, p < 0.05). H₁ is therefore supported.

H₂: Cultural awareness will be positively related to entrepreneurial behavior

It shows the significant result of the direct path of the above hypothesis (b = 0.440, t = 9.936, p < 0.05).Hence, H₂ is supported.

H₃: Entrepreneurial behavior will be positively associated with entrepreneurial success

The direct effect of the above hypothesis exhibits a positive and significant outcome (b = 0.490, t = 10.882, p < 0.05). Hence, H₃ is supported.

Theentrepreneurial success R² value is 42.2%. Similarly, the entrepreneurial behaviorR²valueis27%.

Income, Education, Age, Business,and Genderare assessed as controlled variables in the above model. Income and Age have impact on entrepreneurial success, indicating that Incomeand Age play significant roles in the independent variable. Other controlled variables (education, gender, business) have no considerableeffect on entrepreneurial success.

Mediation Analysis

For the purpose of finding mediation, we look at how cultural awareness indirectly affects entrepreneurial success through entrepreneurial behavior. We assess the direct and indirect impact on the result using AMOS 23. The `specificindirecteffect_path` estimand is utilized for the mediation path in this study. In order to do the mediation study and capture any potential indirect effect in the model, the researcher uses imputed data. The 95% Bias corrected confidence interval produced by bootstrapping, with a 5,000-iteration limit.

Table 5,

Showing a simple mediation estimates summary of the model

Relationship	Direct effect	Indirect effect	Confidence Interval		P-Value	Conclusion
			Lower Bound	Upper Bound		
CAw→EB→ES	0.233	0.088	0.045	0.156	0.000	Partial mediation

Note: ES (Entrepreneurial Success), CAw (Cultural Awareness), EB (Entrepreneurial Behavior)

H₄: Entrepreneurial behavior will mediate the relationship between cultural awareness and entrepreneurial success.

Table 5 summarizes the mediation results and shows that cultural awareness has a positive direct effect on entrepreneurial success (b = 0.232, p = 0.001). This result implies that the influence of cultural awareness on entrepreneurial success is partially mediated by the mediator, entrepreneurial behavior. The lower and upper bounds of the indirect effect's bias-corrected confidence intervals are 0.045 and 0.156, respectively. In a nutshell, there is a noteworthy indirect outcome because these intervals do not contain zero. Furthermore, the findings support hypothesis H₄ by demonstrating that cultural awareness has a positive and significant indirect impact on entrepreneurial success through entrepreneurial behavior (b = 0.098, p = 0.001).

Discussion

In this study, Behavioral Reasoning Theory (BRT) explains how opinions/beliefs and standards shape reasons, universal motives influence intentions, and intentions ultimately drive behavior (Westaby, 2005b). The study examines the association between cultural awareness and entrepreneurial success, highlighting the mediating role of entrepreneurial behavior among emerging entrepreneurs in Pakistan. The conceptual model presented here is an entrepreneurial behavior model, emphasizing that cultural understanding alone does not ensure success. To get meaningful results, cultural understanding must be integrated into

entrepreneurial behavior. The findings imply that emerging businesses in Pakistan might improve their chances of success by incorporating cultural understanding into their activities. This understanding enables entrepreneurs to respect and adapt to local traditions and values, thereby building trust with a wide range of consumers. It also enables them to adjust products and services to the needs of various cultural populations, gaining a competitive advantage (Brian Lobeda, 2024). Many new graduates are resorting to entrepreneurship in light of Pakistan's economic difficulties and rising unemployment. In this setting, successful entrepreneurs have proven to have sophisticated managerial abilities, inventiveness, and cultural awareness. Nonetheless, scholarly discussions on the standards and measurements of entrepreneurial success continue (Kirkley, 2016). By providing a theoretical framework that highlights cultural awareness as a route to business success, our study adds to that conversation. According to the paradigm, entrepreneurs can only succeed when they consciously integrate cultural awareness into their behavior, even though it helps people adapt to different environments. Thus, entrepreneurial success is significantly and directly influenced by cultural awareness. Understanding cultural norms, attitudes, and behaviors is essential in business settings since these elements influence interactions and results. Additionally, ethnic variety can foster creativity and innovation in entrepreneurial teams. Entrepreneurs can create innovative ideas, tackle difficult problems, and create goods that demonstrate cultural flexibility by accepting different points of view (Kara & Dheer, 2023).

Theoretical contributions and Future implications.

By focusing on particular difficulties and utilizing the benefits of cultural diversity, a behavioral model is essential to improving business success in multicultural societies (Jie & Harms, 2017). A multidimensional cultural behavioral model is especially important for organizational and entrepreneurial success in Pakistan, a country characterized by ethnic, linguistic, and religious diversity (Shah & Amjad, 2011).

This study's entrepreneurial behavioral model highlights the value of flexibility in a variety of cultural contexts. Emerging entrepreneurs can more successfully enter new markets by comprehending cultural conventions and modifying their behavior accordingly. This awareness builds connection and confidence with local stakeholders and clients, which is crucial for long-term success in Pakistan's multicultural settings. Successful corporate transaction negotiations, partnership formation, and the development of cross-cultural customer loyalty are essential in such a society.

By encouraging entrepreneurs to cultivate culturally sensitive communication skills, this model improves teamwork and lowers miscommunication. By incorporating motivational components from Behavioral Reasoning Theory (BRT) (Westaby, 2005b), the model proposes that by comprehending the cultural rationale underlying their actions, entrepreneurs may maintain motivation and overcome cultural obstacles. This useful means encourages entrepreneurs to adopt culturally appropriate practices by helping them understand why particular behaviors are appreciated in specific cultural contexts. Furthermore, by combining diverse viewpoints, cultural awareness fosters creativity. Entrepreneurs who are confronted with a variety of cultural perspectives are better able to solve complicated problems, come up with innovative solutions, and create goods that work in a variety of cultural situations (Jones et al., 2020).

Conclusion

The current study developed a behavioral model based on the behavioral reasoning theory (BRT) using an evaluation of empirical research and a survey of the literature. We came to the following result using the present model: Firstly, the findings support a strong positive association between entrepreneurial success and cultural awareness. This illustrates how people and organizations may embrace cultural awareness to foster diverse and inclusive settings, which, in turn, improve productivity and entrepreneurial outcomes. Secondly, a significant favorable connection between entrepreneurial behavior and cultural awareness was found. An entrepreneur's sensitivity to the customs, values, and beliefs of various groups is reflected in their cultural awareness, which directly shapes their business operations.

In the third place, the results demonstrate a strong positive relationship between entrepreneurial success and entrepreneurial behavior. This suggests that entrepreneurs who actively incorporate successful practices into their businesses can achieve success. In the fourth place, the study shows that the association between cultural awareness and entrepreneurial success is partially mediated by entrepreneurial behavior. This implies that to completely promote success, cultural awareness must be integrated into entrepreneurial behavior. All of these findings support the theoretical model's claim that incorporating cultural awareness into entrepreneurial behavior is essential for success in Pakistan's multicultural environment.

Contribution to the emerging market entrepreneurship

In Pakistan, cultural awareness operates as essential tool for navigating its rich tapestry of ethnic, linguistic, and regional diversity. In emerging entrepreneurial contexts, cultural awareness helps identify local needs and values, and enables responsive, inclusive business strategies. BRT emphasizes context-specific reasons as key drivers of intention. This study enriches this by showing how culturally embedded reasoning in emerging markets (such as Pakistan) differs from assumptions in developed economies. The integrated model offers actionable insights for entrepreneurship programs, NGOs, and policymakers targeting capacity-building in culturally fluid environments. It emphasizes how cultural competence fuels sustainable entrepreneurship.

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