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IMPACT AND EFFECT OF HISPANIC GROWTH ON SMALL BUSINESS AND ENTREPRENEURIAL DEVELOPMENT

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ABSTRACT

Hispanic growth is recognized throughout the United States of America, but nowhere is it as rapid as in the south. This report will assess the population growth in the United States since 1990 and more importantly the impact of that growth across America and Arkansas specifically. Hispanics come to America seeking better lives and job opportunities and they bring with them diverse cultures. The economic, social and educational challenges of an increasing population of immigrants must be met and dealt with on many levels. Issues, problems and opportunities will be examined as they relate to the Hispanic populous, the education arena and the business environment.

After analyzing the economic, social, and educational aspects of the Hispanic community, society must have a better understanding of what needs to be done to assimilate Hispanics into today's modern business world. Before the business community can start the assimilation into small business and entrepreneurship, one must first have an understanding of the culture and pitfalls to be overcome in order to be successful. By having this greater understanding, it will create better workers for small to medium sized companies, as well as create entrepreneurs.

AN EXAMINATION OF THE STRESS EXPERIENCED BY ENTREPRENEURIAL EXPATRIATE HEALTH CARE PROFESSIONALS WORKING IN BENIN, BOLIVIA, BURKINA FASO, ETHIOPIA, GHANA, NIGER, NIGERIA, PARAGUAY, SOUTH AFRICA, AND ZAMBIA

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ABSTRACT

Although numerous studies have examined the outcomes of stress and personal adjustment, relatively little research has examined the most commonly used measures of stress - especially in regards to expatriates. Using a sample of 268 expatriates/business partners who were working in Benin, Bolivia, Burkina Faso, Ethiopia, Ghana, Niger, Nigeria, Paraguay, South Africa, and Zambia, we examine the validity of Dick's (1999, 2000) measure of international stress. Our factor analysis results suggest that there are ten rather than eight dimensions of international stress - with two of his dimensions each splitting into two dimensions. In light of the newness of Dick's scale as well as the lack of cross-cultural stress research, we suggest several areas for future research.

LONG TERM EFFECTS OF FINANCE WORKSHOP ON BEHAVIOR

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ABSTRACT

Six years ago our Students in Free Enterprise Team [SIFE] developed a 4 hour workshop on the value of investing and compounding of your investment for long term financial security, which we call "Who Wants to be a Millionaire?" We had a total of 1, 715 people in attendance at 14 workshops between 1998 and 2003; the lessons were also presented in 6 personal Finance classes, 24 classes in Economic Issues for non-business majors, and 5 classes of Microeconomics between 1986 and 2003. We also placed the main lesson on the Internet at our website for 3,978 individuals to play. We knew that people enjoyed our workshop and improved their knowledge about compounding and investing. Our exit survey determined the popularity of our workshops; we received one of our highest ratings of 9.23 on a ten-point scale, representing outstanding. College students in the classes were only slightly less complementary with a 9.11 mean rating. The college students took a thirty-five (35)-question test entitled "Securing your Financial Future through Investing". The raw mean score of 31.32 on the posttest, was a 10.33 or 32% improvement from the mean rating on the pre-test. We decided to survey a sample group from each of the original workshops to determine if these results were maintained at a significant level and what factors influenced the results. Using a Chi Square test of significance, we discovered that the difference between the pre-and post- experience exams was significant at the .01 levels. The difference between the post-experience mean and the time passed mean was also significant.

Age and gender, independent variables, were not significant at the .01 levels on either test. The F and T Tests supported all findings. Years of full time employment were significant on both tests. The type of occupation you had chosen was also a significant predictor of success on the test. People employed in finance; banking or insurance, had a mean score of 33.98%, which was significantly different from dummy group 4 in manufacturing [mean 31.32] or sales [28.37]. Those who had more saved did better on the test than those in low saving groups. This indicates that they stayed inform about financial matters, since they had more invested in the outcome of their investing. The control group [N=41, mean Group 1 mean 18.21 and N=50, mean 16.13 Group 2, did not perform as well as the treatment groups [mean 31.23], which is also to be expected.

In general, we believe that our presentation given in the past 6 years was both well received and has had a lasting effect on participants. While other influences such as type of job, years of work and money saved were also significant predictors of success on the test of financial matters this does not diminish the impact of our presentation. College students like the general working public needs to have some experience with financial matters; such as these formal workshops, we have conducted to be financially successful over their working lifetime.

INTRODUCTION

In 1998 our Students in Free Enterprise team developed a 4 hour workshop on the value of investing and compounding of your investment for long term financial security, which we call "Who Wants to be a Millionaire?" We had 1, 715 people in attendance at 14 workshops between 1998 and 2003; the lessons were also presented in 6 personal Finance classes and 24 classes in Economic Issues for non-business majors, and 5 classes of Microeconomics between 1986 and 2003. We then placed the main lesson on the Internet at our website for individuals to play. To date we have had 3,978 people take the time to play our game for a total outreach in the past 6 years of 5,693. We are continuing to have a few people play each day. We advertised our website and the game in our regional newspaper.

Our workshop began with a 15-minute power point presentation on investment opportunities and the power of compounding interest. SIFE Team Members developed and presented the power point presentation entitled "Investing for Your Future". Various forms of investment, such as mutual funds, commercial bank CD's, government investments, the stock and commodities markets and private sector bond funds' were presented. We ended the session with a game designed to help people review and remember the facts about investing.

We followed this with a 20-minute presentation by a local stockbroker, Mr. Jay Fredrick a former SIFE Team member and ASU Graduate, who is now a broker with Morgan, Stanley Dean Witter of Jonesboro on investments. Mr. Fredrick's presentation included a question and answer session that we were forced to end after 25 minutes. Then we presented the simulation "Who Wants to be a Millionaire?" This simulation requires a calculation sheet for a 40-year period, a pencil and calculator. Participants in groups of two were given one of nine options to choose from based on a monthly investment of $25 (annual rate of $300], $100 [annual rate of $1,200} and $200 [annual rate of $2,400] and interest rates of either 6%, 9% or 15%. Each group began with an initial $2,000 dollar investment, which is required to open most mutual fund accounts. The objective is to see who reaches a million dollars through compounding interest given a 40-year period. One member of the team used a calculator and the other graphed the results on an annual basis. Each group used a calculation sheet for their problem. The team, who was the closest in guessing when they reached the million dollars mark, received a small prize. Then we have a discussion on the rate of return from compounding interest over a working lifetime. Students learned that it takes discipline to save or invest in your future. We discussed several aids that help promote financial discipline, such as regular and automatic bank withdrawals. The formats for the different workshops varied depending on the subject. We presented a balanced approach to investing at all workshops.

RESEARCH DESIGN

We provided an exit survey to determine the popularity of our workshops with students. At the Millionaire workshop, we receive our highest rating of 9.23 on a ten-point scale, representing outstanding. College students in the classes were only slightly less complementary with a 9.11 mean rating. College students took a thirty-five (35)-question test "Securing your Financial Future through Investing " and scored an average of 31.32 on the posttest. This represents a 10.33, or 32%, improvement from the mean rating on the pre-test. We decided to survey a sample group from each of the original participants. Of the 1, 715 participants who viewed the presentation live we randomly selected 10 from each class to survey again, 1 to 6 years later, to see if the presentation had any effect upon them, bringing the total surveyed to 350. A relatively high number of 108, were unaccounted for, either returned address unknown, non-returned surveys, or other reasons; this was 31% of the total. We offered $1 and a free booklet on investing to anyone returning the survey. We felt a return of 232 surveys, or 69% of participants were good, particularly in light of earlier mail outs requiring a returned survey in which we had about 22% returned. Similar experiences occurred in other research primarily Fizel [1996] and DeCanio [1996], in which the return rate ranged from 15% to 25% on mail outs. We also surveyed 41 randomly selected students from current groups in the same classes to act as a control group 1 and 50 students from past years who were not part of a treatment group, to form control group 2. We tested the raw data first using a chi square test of significance pre-established at the .01 level of significance to determine if the mean from the post experience [MPE] and the pre-experience tests [MPRX] differed and then if the post experience mean [MPS] and the surveyed mean differed 1 to 6 years later {IMPE]. The results for the groups as a whole proved to be significant; the null hypothesis was rejected, for all groups using both dependent Y variables [see table 1.] Then we used a regression analysis to determine what factors determined success on the final test-survey. We selected both the MPE score and the LMPE scores as the dependent Y variable again for our test. The x variables included:

X1= AGE Age of participants
X2=GEN sex of participants
X3=JOB years of full time employment
X4=SAL current salary `range
X5=SCO score on original post-test
X6= SCD difference between pre and post test score
X7=OCC Occupation Dummy variable [1-fincance related occupation such as banks, insurance, stock exchange 2-management 3-business education 4- sales, 5-social studies, 6-other educator, 7 services, 8- agriculture, 9-other]
X8= YEW year since exposure to the workshop
X9= SAV savings and investment funds [amts funded were from $) to $175,000]
X10= CON1 membership in control group [current]
X11= CON2 membership in control group [randomly selected past students not treated] Using the formula:

$Y= x1 + x2 + x3 + x4 + x5 + x6 + x7+ x8 +x9 + x10 +x11 + a$

CONCLUSIONS

The independent variables, age and gender, were not significance at the .01 levels on either test. The F and T Tests supported these findings. Years of full time employment were significant on both tests. The range of correct answers was a low of 28.01 for those with less than a year of full time employment and 33.32 for those with more than 6 years work experience. Students, with income were better informed about possible investments than those students with out income. Savings rates and income were also both significant, the more money you made and the more you saved the more you knew about financial matters. Also the mean score on the original posttest was not significant, but the difference between the pre and post experience test were significant. People who improved their score showed more interest in the presentation than those who did not do as well on the post-test. The type of occupation chosen was also a significant predictor of success on the test. People employed in finance; banking or insurance, had a mean score of 33.98%, which was significantly different from dummy group 4 in manufacturing [mean 31.32] or sales [28.37]. Those involved in non-business related education and other occupations did significantly worse. Those dealing with financial matters performed significantly better than those in other fields, which also seems logical. Also those who had more time elapse since having taken the workshop did not perform as well as more recent groups, which seems to be logical. Those who had more invested in savings did better on the test than those in low saving groups. This indicates that they stayed inform about financial matters, since they had more invested in the outcome. The control groups did not perform as well as the treatment groups [mean 31.23], which is also to be expected.

In general, we believe that our presentation given in the past 6 years were both well received and have had a lasting effect on participants. While other influences such as type of job, years of work and money saved were also significant predictors of success on the test of financial matters this does not diminish the impact of our presentation. College students like the general working public needs to have some experience with financial matters; such as the workshops, we have conducted to be financially successful over their working lifetime.

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Table 1 Test results for Independent Variables

Factor
Mean Chi Square Value Y dependent variable MPRX Y Dependent variable LMPE * F and T test
X1 AGE Mean
501 [28.14]
20-21 [32.32]
502 [30.22]
over 25 [31.01] .1243

N=350 NOT SIGNIFICANT
NOT SIGNIFCANT
NOT SIGNIFICANT
.0672 [2.12]
X2 GEN
Male= 31.12 [39.9%]
Female =30.28 [60.1%] .0581

N=350 NOT SIGNIFCANT NOT SIGNIFICANT NOT SIGNIFICANT
.0021 [2.91]
X3 JOB
YRS Mean
.> 1 28.01
1-2 28.75
3-4 29.04
5-6 32.31
<6 33.32
.0014

N=350 SIGNIFCANT SIGNIFICANT SIGNIFICANT
.0001 [21.21]

X4 SAL
Salary %subject Mean
.>20 14. 92% {27.31}
30-20 26.31% [27.94]
30-40 31.23% [31.26]
40-50 7.12% [29.99]
,<50 10.1% [34.1]
10.3% not working

.0001

N=350

SIGNIFCANT
SIGNIFCANT
SIGNIFCANT

.0001 [39.92]

X5 SCO mean 31.23% .0003
N=350 SIGNIFCANT NOT SIGNIFCANT NOT SIGNIFCANT
.098 [2.12]
X6 SCD + 9.25 .0006
N=350 SIGNIFCANT SIGNIFCANT SIGNIFCANT
.0001 [15.98]
X7 OCC mean per
5 fin 33.98 7%
4 man 31.23 26.24%
3 sales 28.37 41.23%
2 EDU 25.02 9.53%
1other 22.31 16.01%
.0021

N=350 SIGNIFCANT SIGNIFCANT SIGNIFCANT
.0002 [26.81]
X8 YEW Mean
1 33.24
2 31.17
3 27.34
4 25.2`
5 21.13
20.98 .0014

N=350 SIGNIFCANT SIGNIFCANT SIGNIFCANT
.0001 [9.09]
X9 SAV Mean
>$100 19.12
501 21.23
502 22.81
1001-10,000 31.31
10,000+ 32.82 .0002

N=350 SIGNIFCANT SIGNIFCANT SIGNIFCANT
.0002 [18.34]
X10 Control 1

X11 Control 2 .0009, N=41

.0002 N=50 SIGNIFICANT

SIGNIFICANT
SIGNIFICANT

SIGNIFICANT
SIGNIFICANT
.0001 [24.36]
SIGNIFICANT
.0001 [27.32]

First Value in the significance of the two tail t-test. The value of the F test is in brackets.
SIGNIFICANT
SIGNIFICANT
SIGNIFICANT
SIGNIFICANT
SIGNIFICANT
SIGNIFICANT

BEYOND HUMAN AND SOCIAL CAPITAL: THE IMPORTANCE OF POSITIVE PSYCHOLOGICAL CAPITAL FOR ENTREPRENEURIAL SUCCESS

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ABSTRACT

Financial, human, and social types of capital are widely discussed in the literature as they relate to entrepreneurial success. To date, however, positive psychological capital has not received adequate attention by academics or practitioners. Psychological capital refers to psychological states such as hope, confidence, resilience, and optimism, which are discussed in this paper as being crucial for all entrepreneurs and top management team members of entrepreneurial ventures to genuinely demonstrate. Each of the four psychological states is discussed accompanied with propositions. In addition, the Expanding Capital Model for Entrepreneurial Success is introduced.

INTRODUCTION

The word capital refers to the value of assets and resources available for a specific need. Many times financial capital comes to mind when thinking about an entrepreneurial venture, whether it is fixed, working, or growth capital. However, other types of capital are just as important to consider. These include human, social, and most recently psychological capital, which all incorporate the intangible assets and resources supplied by people involved in an entrepreneurial venture.

HUMAN CAPITAL

Human capital is the value of the skills, abilities, knowledge, and experience a person brings to an organization. Hayton (2004) studied 99 small to medium sized enterprises and found a positive relationship between human capital and entrepreneurial performance. When considering who to bring into the top management team of an entrepreneurial venture, potential candidates are often evaluated on things such as previous entrepreneurial experience, knowledge of the industry and market, years of education, past work experience, and technical knowledge directly related to a product or process. These factors are important in today's volatile business environment, especially in small, entrepreneurial companies that must continually be flexible, innovative, and quick to react to market demands.

SOCIAL CAPITAL

Social capital refers to the value of actual or potential assets and resources a person can acquire for an organization based on who he or she knows, what networks that person is associated with, as well as his or her reputation in certain communities. When considering who to bring into the top management team of an entrepreneurial venture, potential candidates are often evaluated on things such as their reputation in the business community, what associations they belong to, and people they know who can provide financial assets, information, or other resources to the organization. In a sense, social capital provides individuals with an important credential that can be directly converted into tangible assets (Baron & Markman, 2000).

PSYCHOLOGICAL CAPITAL

While human capital refers to "what you know" and social capital refers to "who you know", psychological capital is reflected in person's self-view or sense of self-esteem (Goldsmith, Veum, & Darity, 1997). Psychological capital encompasses an array of personal characteristics, which can influence productivity. The author of this paper chose to use the four constructs of hope, confidence, resilience, and optimism to embody the concept of psychological capital for an entrepreneur or top management team of an entrepreneurial venture. These constructs were chosen primarily because Luthans, Luthans, and Luthans (2004) used them to demonstrate the importance of positive psychological capital in the business environment.

Hope is a desire accompanied by an expectation of fulfillment. It is a positive motivational state with two important components, (1) willpower and (2) waypower (Snyder 2000, and Luthans et al., 2004). Hope has been shown to have a positive effect on leadership and workplace performance (Peterson and Luthans, 2003).

On a top management team, you would clearly want all members to have the energy to strive for the business' goals (willpower) as well as the ability to identify the avenues for reaching them (waypower). Even if only one member loses hope, either in a decrease in willpower or waypower, the entire business will suffer. Consider losing a significant amount of human or social capital because the one who has the majority of it has lost hope in his or her abilities or in the entire business.

Proposition 1a: If a top management member of an entrepreneurial venture demonstrates hope during initial business endeavors, the venture will achieve greater early-stage success.
Proposition 1b: If a top management member of an entrepreneurial venture continually demonstrates hope despite any and all obstacles and failures related to the business, the entrepreneurial venture will achieve greater long-term success.

Confidence is defined as a person's conviction about his or her abilities to successfully execute a given task within an identified context (modified from Luthans, et al., 2004). Stajkovic and Luthans (1998) have empirically shown that confidence has a positive effect on work performance, and Stajkovic (2003) has used this psychological state to develop his core confidence factor of work motivation.

An entrepreneur should feel confident in the knowledge, skills, and capabilities he or she brings to the business backed by a good work ethic. The demonstration of this confidence should be genuine and only earned through hard work. The business would surely suffer if a member of the top management team was simply posturing confidence, and truly lacked the human and social capital he or she purportedly attained.

> *Proposition 2a: If a top management member of an entrepreneurial venture demonstrates confidence during initial business endeavors, the venture will achieve greater early-stage success.*
> *Proposition 2b: If a top management member of an entrepreneurial venture continually demonstrates confidence despite any and all obstacles and failures related to the business, the entrepreneurial venture will achieve greater long-term success.*

Resilience is the process of adapting well in the face of adversity, trauma, tragedy, threats, or even significant sources of stress, such as business failure (modified from Luthans, et al., 2004). Timmons (1999) found resilience to be a common trait all successful entrepreneurs share. Likewise, psychologist Kosmas Smyrnios found resilience to be a shared trait among entrepreneurs and showed that the personality traits of entrepreneurs are an important driving force of the businesses (Gome, 2003).

When considering the common setbacks entrepreneurial businesses face, it is clearly important for all top management team members to have a strong sense of resilience. Any business would surely suffer if any member were not able to bounce back from adversities. All members need to be able to accept the reality of a given situation and adapt.

> *Proposition 3a: If a top management member of an entrepreneurial venture demonstrates resilience during initial business endeavors, the venture will achieve greater early-stage success.*
> *Proposition 3b: If a top management member of an entrepreneurial venture continually demonstrates resilience despite any and all obstacles and failures related to the business, the entrepreneurial venture will achieve greater long-term success.*

Optimism is defined as the positive side of an emotion that is utilized to explain good and bad events (modified from Seligman, 1998). This explanatory style has two important dimensions, permanence and pervasiveness. Permanence is in regard to time. When a bad event occurs, the optimist will see it only as a temporary situation, whereas a pessimist will view it as permanent. Pervasiveness is about space. People who make specific explanations about bad events are optimistic, while people who make universal explanations about bad events are pessimistic.

Optimism is a very important characteristic for an entrepreneur to possess. Jeff Bezos, the founder of Amazon.com stated, “I believe that optimism is an essential quality for doing anything hard – entrepreneurial endeavors or anything else” (Walker, 2004).

> *Proposition 4a: If a top management member of an entrepreneurial venture demonstrates optimism during initial business endeavors, the venture will achieve greater early-stage success.*
> *Proposition 4b: If a top management member of an entrepreneurial venture continually demonstrates optimism despite any and all obstacles and failures related to the business, the venture will achieve greater long-term success.*

The importance of psychological capital becomes clear when one considers all that an entrepreneur or entrepreneurial team must overcome in order to achieve success. These events can come in a variety of forms including lack of funding, legal constraints, a weakened economy, an increase in industry standards, employee turnover, a deluge of new competitors, changing customer needs, among other events and situations. These types of trials can lead top management to alter the original business plan, eliminate segments of the business, alter timelines and goals, change the entire direction of the company, and can even lead to business failure.

Each member of an entrepreneurial management team may be recruited and selected for different reasons specifically related to capital (i.e. financial, human, and/or social), but *all* should demonstrate and maintain high levels of psychological capital to offset the trials and tribulations associated with entrepreneurial endeavors.

Proposition 5a: If all top management members of an entrepreneurial venture demonstrate hope, confidence, resilience, and optimism during initial business endeavors, the venture will achieve greater early-stage success.
Proposition 5b: If all top management members of an entrepreneurial venture continually demonstrate hope, confidence, resilience, and optimism despite any and all obstacles and failures related to the business, the venture will achieve greater long-term success.

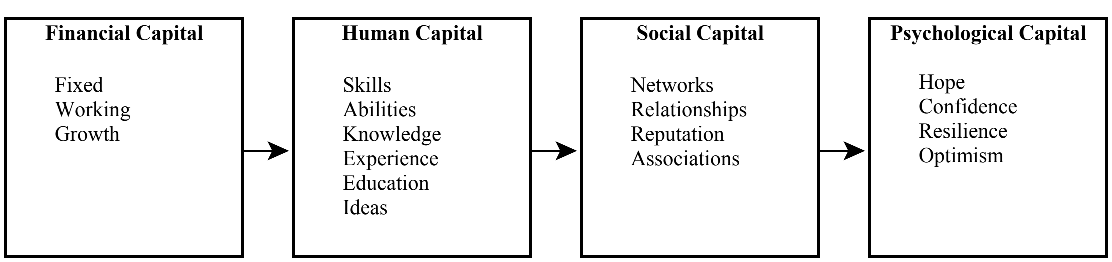
CONCLUSION

All top management teams are formed based upon complementary assets and resources. One member may be recruited because he or she provides the necessary financial, human, or social capital that other members lack. However, *all* members must demonstrate positive psychological capital in order for the business to achieve both early-stage and long-term success.

The four psychological states used in this paper to represent the concept of psychological capital for an entrepreneur were hope, confidence, resilience, and optimism. When one considers the beneficial results that can take place in a business when all members genuinely demonstrate these states, it is easy to see why psychological capital is just as crucial as financial, human, and social capital for entrepreneurial success.

Clearly, however, these four psychological states must be measured empirically to determine how significant each state is alone and in conjunction with the other states in relation to entrepreneurial performance. Additionally, other positive psychological states may be appropriate to either add to or replace the four discussed in this paper. More extensively, empirical research is needed to measure the aggregate effect of all forms of capital (see Figure 1).

Figure 1:
Expanding Capital for Entrepreneurial Success



The important contribution of this paper was to introduce the concept of positive psychological capital and contend that it is as important to consider as all other forms of capital when examining both short-term and long-term entrepreneurial success. The author hopes it will spark empirical studies in the area to advance academic and practitioner knowledge.

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A PROFILE OF HUMAN RESOURCE PERSONNEL AND PRACTICES IN MICRO, SMALL AND MEDIUM SIZED ENTERPRISES

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ABSTRACT

Human resource management (HRM) practices, support systems, personnel profiles and desired education, and credit methodologies were examined in micro, small, and medium sized enterprises (MSMEs). The investigation is an exploratory descriptive study employing a discussion of the results of a questionnaire. The results suggest that human resource management practices, support systems, and HRM personnel profiles impact HRM education needs. The research findings demonstrated that MSMEs perform a wide variety of basic HRM practices internally, utilize a flexible informal style of management, require employees to execute HRM duties along with other job responsibilities, and typically employ inadequate support systems. However, a majority of the firms are adopting management information system processes that may advance the concept that MSMEs are using technology instead of HRM personnel. HRM personnel in MSMEs have multiple years of HRM experience, although the data would proport that improvement in HRM professional expertise and education through succinct seminars or web-based courses that result in certification or continuing education credit is indicated.

FAST MOVING ENTREPRENEURIAL ORGANIZATIONS AND FAMILY BUSINESSES: OWNER AND FAMILY MEMBER EXPECTATIONS

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ABSTRACT

Families own approximately 75% of all businesses in the world (Raymond Institute 2003). Historically, family businesses have reinvested their profits back into the business. Now, owners are beginning to understand the high risks that may accompany reinvestment. Thus, family business owners are becoming aware of the growing importance of asset diversification – especially in rapidly growing entrepreneurial type family businesses.

Today's family business owners must cope with varying expectations among their employees/family members. This situation can be precarious to the owner because of the differing roles that he/she must continually fulfill between family member and boss. These role conflicts also exist among core employees who must meet the perpetual demands of the business owners who are also members of their family. Solutions to these problems might include aiming family members/employees toward particular business goals, using various performance measures, and examining ground rules for employee behavior.

In the present paper we look at entrepreneurial family businesses through several case studies and explore some the psychological issues to be examined when considering whether or not an individual should remain with an entrepreneurial business or seek to move on. These issues include the following: 1. How good are you at what you do? Take a hard look at the facts. 2. Consider your responsibilities to yourself, your birth family, and any dependents that you may have, 3. How resilient are you?, and 4. what your expectations from work.

FACTORS INSTRUMENTAL TO ACCESSING BANK LOANS

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ABSTRACT

A firm's access to debt capital can be critical to the success of the business. Commercial banks have traditionally played a significant role in providing credit. However, the continuing wave of bank mergers and acquisitions has raised concern about the availability of debt financing, especially to small business firms. And, as many small firms are owned by women and/or minorities and operate in low income geographical regions, questions concerning discrimination have been raised. Research on these issues has evolved at national as well as regional levels. Nowhere is this issue more hotly debated than in the southern border region of the United States where small firms dominate the business sector. Further, a significant portion of these entities are minority owned.

This paper relies upon data generated in two recent, representative surveys of small firms in the state of Texas (2002) and in El Paso, Texas (2000) to generate a statistical analysis of the key factors in accessing bank financing. Specifically, a binary logistic regression model is estimated to identify the individual and collective roles of the following variables concerning their influence on loan approval rates:

- *Banking relationship*
- *Nature of financial record keeping system*
- *Previous delinquency record*
- *Size of firm by revenues*
- *Size of firm by number of employees*
- *Age of firm*
- *Legal structure of the firm*
- *Geographical location of the firm*
- *Gender of majority owner*
- *Minority status of majority owner.*

The last three predictor variables allow a detailed analysis concerning possible discrimination practices present in the loan decision-making process of local banks throughout Texas and in a large metropolitan community on the US-Mexico border region.

INTELLECTUAL ENTREPRENEURSHIP – A STRATEGY FOR THE WAR ON TERRORISM?

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ABSTRACT

Management education particularly on "intellectual entrepreneurship" should be added to the West's response to global terrorism. The concept of "intellectual entrepreneurship" as espoused by a global community of scholars organized by the UNESCO Chair of Intellectual Entrepreneurship Dr. Stefan Kwiatkowski offers an approach to attract intellectuals away from terrorist activities to more constructive pursuits.

An analysis of the leadership of terrorist organizations reveals that highly educated and wealthy intellectuals are leading the campaign of terror and extortion against western nations. The terrorist organizations are not informal organizations of disaffected, impoverished and disenfranchised individuals but resemble the composition of elite terrorist organizations of the past such as the Nazi's SS and the upper middle class intellectuals of Che Guevara and Fidel Castro. The complexity of their activities: moving large amounts of funds across national boundaries, funding underground terror cells, organizing formal training in terrorism, and success in acquiring some sophisticated weaponry adds further evidence that Al-Qaeda and Hamas organizations are not unsophisticated, casual organizations, but are led by intellectuals quite capable of complex and sophisticated transactions. While confronting the militaristic threat with pre-emption and early detection, western nations should add other strategies to their arsenal to deprive these organizations of capable and educated leadership or at least to offer intellectuals a more creative and positive alternative to that of promoting terrorism.

This paper explores the basics of 'intellectual entrepreneurship,' its applicability to nations that have been spawning grounds for terrorist organizations, and reviews programs that contributed to the transition of Eastern European and Eurasian nations from command to free market economies that may suggest viable formats for assisting Middle Eastern and Asian countries embroiled in struggles with terrorists. While an enemy may be defeated militarily, there is clearly a need to defeat the terrorists intellectually to cut off future armies of those committed to the destruction of the West. Intellectual entrepreneurship is not a fully developed management theory, but there is a body of published works that present both the macro perspective (what public policies are needed to foster intellectual entrepreneurship) and the micro perspective (what intellectual entrepreneurship means to individuals).

MODELING KNOWLEDGE-BASED ENTREPRENEURSHIP AND INNOVATION IN JAPANESE ORGANIZATIONS

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ABSTRACT

This document develops a research framework to model an inquiry of Japanese knowledge-based entrepreneurship. It provides evidence that a better perceptive on Japanese entrepreneurship will add value to the understanding of innovation and technology transfer. It is shown that MOT (Management of Technology) knowledge management theory has roots in the literature of communication and information processing research. The technology transfer model is articulated in a tradition of technology-structure contingency theory and focuses on the work-group level of analysis. Technology transfer effectiveness is results from the fit between a project's information processing requirements and its information processing capabilities. Several variables from the MOT and small group literatures are proposed to moderate the relationships between fit technology transfer effectiveness

GROWTH ASPIRATIONS, RISK, GENDER AND LEGAL FORM: A LOOK AT THE SERVICES INDUSTRIES

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ABSTRACT

Previous research has noted differences between entrepreneurial enterprises owned by men and women. Some authors have attributed these differences to bias against women entrepreneurs, whereas others have focused on hypothesized differences in risk preferences and lifestyle. This study examines differences between the form of legal organization chosen by male and female owned entrepreneurial enterprises as an indicator of growth aspirations and risk preferences. Specifically we argue that the choice to organize as a corporation rather than a sole proprietorship is generally associated with greater growth aspirations.

Relying on a sample of nearly 12,000 service organizations in San Diego County, we find no evidence that the likelihood of organizing as a corporation rather than a sole proprietorship is related to the gender of the owner. We do find, however, that this result masks significant differences in the choice of legal form for women- and male-owned businesses within particular service industries.

INTRODUCTION

In this study, we examine the impact of gender differences on the choice of legal form of organization. The choice of legal form can be used as a proxy to measure both the growth intentions of an entrepreneur and the willingness to assume risk by entrepreneurs. A number of researchers (i.e. Almus and Nerlinger, 1999; Davidsson, Kirchhoff, Hatemi-J., and Gustavsson, 2002; Harhoff and Stahl, 1998; Storey, 1994) find that firms with legal forms that grant their owners limited liability with respect to personal losses grow faster. Two rationales exist for this finding – first, limited liability forms facilitate raising capital necessary for higher growth and secondly, entrepreneurs are more willing to implement higher risk strategies since their personal assets are protected. Because the choice of legal form is made fairly early in the life of a venture, this objective and easily measurable variable serves as a good measure of owner intentions and attitudes.

Considerable debate exists about women entrepreneurs and their attitudes towards risk and growth. While a number of studies find that women avoid using debt and are more risk averse than men, others find no difference when compared to men.

Unlike most previous large-scale studies that group small businesses in multiple industries together, this study of over 12,000 new ventures focuses exclusively on services. In addition, we examine each of 14 segments of the services industry separately. By comparing the choices of male-owned businesses (MOBs) and WOBs with regard to legal form in services, the business sector with the highest concentration of female ownership, we can determine if women face different types of opportunities and/or barriers in the industries representing their traditional strengths. This approach also minimizes the impact of industry differentials in examining attitudes towards risk and growth for WOBs and MOBs.

Various explanations are advanced for the discrepancy in growth intentions and risk aversion between WOBs and MOBs, and they tend to fall into three distinct categories. One set of arguments reflects a liberal feminist point of view and claims that women face barriers that men do not such as the lack of key resources for growth (Cliff, 1998), less access to business and government clients (Bates, 2002), and difficulties in being perceived as credible (Brush, 1997; Gundry et al., 2002). As a result, women would reduce their growth intentions and be unwilling to assume large amounts of risk.

However, social feminist theory suggests that these size differences are primarily result of the different socialization, and the different preferences and goals of men and women. In these cases, women prefer smaller businesses and take on less risk because they are more concerned about maintaining a satisfactory work/family balance, and place a lower value on high growth than men (Cliff, 1998).

Finally, industry distribution may explain the perceived risk aversion and low growth intentions of WOBs. Anna et al. (1999) note that female business ownership is concentrated in the retail and service industries where businesses are relatively smaller as opposed to firms in manufacturing, high technology or construction. According to Coleman (2002), these firms would be unlikely to require large amounts of external capital and can be successful even if they are very small. Thus, the relatively high concentration of women in industries with smaller scale businesses may be WOBs appear to have lower risk thresholds and more limited growth intentions overall.

In liberal feminist theory, women are overtly discriminated against or systematically deprived of important resources (Watson, 2002). It is implicitly assumed that women would behave similarly to men if they had equal access to the opportunities available to men, such as education, work experience and other resources (Unger and Crawford, 1992). Studies examining whether or not women are discriminated against by lenders and consultants, and if women have less relevant education and experience, are consistent with this perspective.

Cliff (1998) argues that women are more likely to face conflict between their professional and personal lives since they have greater household and childcare responsibilities. The primary domestic responsibility of men, which consists of providing, is compatible with running a growing firm. Thus women have inadequate resources for growth, in the form of lack of freedom from household responsibilities as well as more commonly noted deficiencies such as insufficient business experience. Therefore, women respond by deliberately adopting lower growth expectations and being less willing to assume risk for their businesses.

Social feminist theory takes the view that men and women are inherently different by nature, and that these differences do not mean that one sex is inferior to the other. Men and women differ inherently due to differences in early and ongoing socialization, and therefore may develop different and equally effective traits (Fischer et al., 1993). As a result, women adopt different approaches to business which may or may not be as effective as those adopted by men (Watson, 2002). Studies comparing men and women on socialized traits and values are consistent with this perspective.

According to Fischer et al., (1993), these studies have documented few consistent gender differences, and suggest that existing differences have little impact on business performance.

With regard to the choice of legal form, both the liberal and social feminist perspectives suggest that WOBs will be less likely to choose limited liability forms than MOBs. However, the rationales for this choice differ for each point of view. In the liberal feminist view, services may be a stronghold for women business owners by necessity – women lack the capital, contacts and/or experience to enter into faster growing, more profitable and/or more capital-intensive industries. Discrimination from non-household clients and from the suppliers of capital may force entrepreneurial women into the services sector.

H1: In the services sector, women-owned businesses will have a higher percentage of sole proprietorships, on average, than men-owned businesses.

METHODS AND RESULTS

The primary data source was the CALDATA database of all small businesses registered in the County of San Diego, California. The data is collected and maintained by Data Solutions of El Cajon, California, and was made available through the San Diego office of SCORE. For 11,961 firms in the sample, information on owner gender and organization forms was available.

Table 1 below displays the distribution firms across industry, as well as the percentage of firms within the industry organized as corporations and owned by women.

Table 1

Sample Size, Percentage of Firms Organized as Corporations, and Percentage of WOB by Industry

SIC Code	Industry	Sample Size	%Corporation	%WOB
70	Lodging	209	69.9	34.9
72	Personal Services	1849	11.7	52.6
73	Business Services	4117	39.4	32.0
75	Auto Repair	904	28.9	11.2
76	Misc. Repair	406	20.2	12.7
78	Motion Picture	80	27.5	19.8
79	Amusement/Recreation	404	27.8	33.4
80	Health Services	1945	36.2	32.6
81	Legal Services	663	12.3	25.0
82	Education Services	160	36.4	50.6
83	Social Services	262	41.8	76.3
84	Museums, Galleries and Gardens	7	57.1	42.9
86	Membership Organizations	78	70.9	34.6
87	Accounting, Engineering, and Architecture	877	32.8	24.5
Total		11961	30.9	35.3

Hypothesis 1 predicts that WOBs will less frequently be organized as corporations than MOBs. To test this hypothesis we performed a t-test the sample as a whole and for each of the 14 hypotheses separately. The results of these tests appear in Table 2 generally fail to support our hypothesis.

Table 2
T-Test of the Difference in Percentage of Firms Organized as Corporations for WOBs and MOBs by Industry

SIC Code	Industry	N	WOB %Corporation	MOB %Corporation	t
70	Lodging	209	69.9	69.9	. 01
72	Personal Services	1849	9.9	13.7	-2.58***
73	Business Services	4117	38.1	40.0	-1.17
75	Auto Repair	904	40.0	27.7	2.58***
76	Misc. Repair	406	36.5	17.8	3.18***
78	Motion Picture	80	18.8	29.7	- .87
79	Amusement/Recreation	404	22.2	30.9	-1.83*
80	Health Services	1945	38.2	29.4	3.99***
81	Legal Services	663	17.8	10.2	2.59***
82	Education Services	160	29.6	44.3	-1.93*
83	Social Services	262	39.5	50.0	-1.46
84	Museums, Galleries and Gardens	7	100.0	25.0	2.54
86	Membership Organizations	78	70.4	70.6	- .02
87	Accounting, Engineering, and Architecture	877	26.5	34.7	-2.24
Total		11961	30.0	31.3	-1.44

* p < .10
** p < .05
*** p < .01

For the sample as a whole, the results in Table 1 indicate that 30% of WOBs are corporations, whereas 31.3% of MOBs are corporations. This difference is statistically insignificant (t= -1.44) and provides no support for the hypothesis that WOBs are less likely to be corporations than MOBs. Within the various sectors of the services industry, however, there are significant differences in the frequency with which MOBs and WOBs organize as corporations.

For 9 of the 14 industry sectors, statistically significant differences in form of organization for MOBs and WOBs were found. Thus, the results for the entire sample mask important differences between sectors within the services.

CONCLUSIONS

Previous researchers have suggested female entrepreneurs have lower growth aspirations than male entrepreneurs. In this paper we argue that the choice of legal form of organization reflects the growth aspirations of the owner. In particular, we argue owners organizing their firms as corporations have higher growth aspirations than those that organize their firms as sole proprietorships. This implies that woman owned businesses are less likely to be organized as corporations than male owned businesses.

In this study, we test this hypothesis on a sample of nearly 12,000 service firms. For the sample as a whole, we find no evidence that female entrepreneurs have lower growth aspirations than male entrepreneurs. However, by examine 14 service industries separately, we find significant differences in the relative propensity of women to organize their firms as corporations. In male dominated industries, such as auto repair and miscellaneous repair, where less than 20% of firms are owned by women, woman owned businesses are significantly more likely to be organized as corporations than male owned businesses. In other service industries, the opposite is true.

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PUTTING ENTREPRENEURSHIP IN ITS RIGHTFUL PLACE: A TYPOLOGY FOR DEFINING ENTREPRENEURSHIP ACROSS PRIVATE, PUBLIC, AND NONPROFIT SECTORS

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ABSTRACT

Entrepreneurs and entrepreneurship have played important roles in modern economies and societies. Entrepreneurship has been the focus of researchers, economists, business leaders, and policymakers, all seeking to understand why and how it contributes to economic and social advancement. At the dawn of the 21st century, entrepreneurs are becoming even greater forces of change in developing, developed, and third world countries. Educators have become champions of entrepreneurship education. Corporations are encouraging innovation and entrepreneurship. Universities have supplemented research and teaching with technology transfer and commercialization. Policymakers are initiating entrepreneurship-friendly policies and programs. Nonprofit organizations have turned to entrepreneurial solutions to achieve their missions and goals. The public, private, and voluntary sectors are all jumping on the entrepreneurship bandwagon.

Despite entrepreneurship's popularity, the fundamental question of 'what is entrepreneurship' remains unclear, particularly when it comes to entrepreneurship in the public and nonprofit sectors. This paper offers an answer to this challenge that is grounded in the basic element of entrepreneurship – the generation of value through change. A classification system is presented that can be used to categorize entrepreneurial activity based on (1) the type of value generated – economic or social – and (2) the presence or lack of an organizational context within which it is pursued. The result is a four-cell entrepreneurship typology that allows entrepreneurial activity to be categorized as either: (1) social intrapreneurship; (2) grassroots social entrepreneurship; (3) corporate intraprepreneurship; or (4) independent entrepreneurship.

Social intrapreneurship encompasses entrepreneurial activity that generates social value and initiated and then undertaken within the confines of an organization, either in the private, public, or voluntary sectors. Social intrapreneurship in government can be exemplified by the privatization or private contracting of public services such as social services and waste management. Grassroots social entrepreneurship also involves the generation of social value, but initiated and undertaken by individuals or groups of individuals. Examples of grassroots social entrepreneurship include community leaders implementing downtown revitalization initiatives or concerned parents and teachers combining efforts to provide better education through forming charter schools. Corporate intrapreneurship and independent entrepreneurship, instead, are associated with the creation of economic value and are profit motivated. Corporate intrapreneurship, as its name suggests, refers to entrepreneurial activity pursued within a corporate

environment. Corporate venturing and strategic renewal fall under this category. Independent entrepreneurship, on the other hand, is pursued without a pre-existing organizational context, and exemplified by self-employment and new business start-up by an individual or individuals without any pre-existing organizational affiliations.

In addition to the entrepreneurship typology, the paper also includes a discussion of opportunity recognition and individual or organizational necessity as drivers of entrepreneurship. This paper's entrepreneurship framework, therefore, provides a multidimensional approach to categorizing entrepreneurship to better understand entrepreneurial activities based on where they fall within the entrepreneurship typology and their drivers. The framework applies to entrepreneurship and entrepreneurial activity across all sectors and provides a starting point for bringing together the traditional profit-driven entrepreneurship with social entrepreneurship in the private, public and nonprofit sectors.

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