PRELIMINARY

Small Business Institute ®

40th Annual Academic Conference

February 11-13, 2016

New Orleans, Louisiana

"Celebrating Business in the Big Easy"

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40th Annual Academic Conference

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February 11-13, 2016

New Orleans, Louisiana

MIDDLE TENNESSEE STATE UNIVERSITY

From the President

Welcome to the 40th Anniversary Conference of the Small Business Institute®! This tremendous organization was formed in 1976, and 2016 represents four decades of service to small business and entrepreneurial education and research. The Small Business Institute® continues to be a leader in experiential learning through student consulting, internships, and other field-based student outreach activities. It is great to be a member of this organization and to be a part of the dynamic impact that this method of education can have on our leaders of tomorrow!

This year's 40th celebration at the Annual Conference is certain to be memorable. John Batchelor, our Vice-President of Programs, and Debi Cours, our Vice-President of Programs – Elect, have worked diligently all year long to put together a program that is both academically stimulating and enjoyable for all participants. The program is full of thought provoking research papers, workshops for further education and ideas for research and the classroom, social functions that are designed to allow you to network with other researchers and educators, and keynote speakers that will challenge us to continue to strive for success in all of our endeavors.

One of the hallmarks of our organization is the opportunity to grow our careers through the relationships that we make at our Annual Conference. If you are new to the Small Business Institute®, let me encourage you to join in on conversations at the receptions, sit and make new friends at our meals, and engage others during the paper sessions and workshops. Many careers have been built over the years through the relationships, mentorships, and ideas that have been shared through this conference. Our opening reception on Thursday night is designed with the purpose of getting this type of networking started.

It has been a privilege to serve you as the President of the Small Business Institute® this past year. Your SBI board members are a true joy to work with. We have moved forward with some new initiatives, and my hope is that the direction we are heading will drive us to continued success as an organization. Let me encourage you to get involved, not only at this conference, but with the organization this coming year. It takes all of us working together to continue to make the Small Business Institute® successful for another 40 years!

Enjoy New Orleans, enjoy your new found friends, and enjoy the 40th Anniversary Conference of the Small Business Institute®!

William C. McDowell, Ph.D.
President, Small Business Institute®

CSUN | DAVID NAZARIAN COLLEGE OF BUSINESS AND ECONOMICS

Welcome to the 40th anniversary conference and celebration of the Small Business Institute in the "Big Easy."

It is a remarkable achievement to reach our "ruby anniversary" during a time when many academic travel budgets have been slashed. The real benefits of collegiality, mentoring, and knowledge that SBI offers are validated through the continued participation of our members and contributors. Witness the sessions, contributions and competitive submissions as evidence that the Small Business Institute remains relevant, engaged and impactful.

And while we're celebrating our anniversary in New Orleans, it's no "big easy" feat to put together a conference, and relies upon the contributions of many. It has been an honor to join the SBI Board of Directors and to work together to create this Conference Proceedings. I want to first recognize the support of Vice President of Programs, John Batchelor. His kindness, support, and guidance are invaluable, and we should all thank him for organizing such a fabulous conference venue. I benefitted greatly from support of the other Board members, including Josh Aaron, Blake Escudier, Joy Griffin, Michael Harris, John Hendon, William McDowell, Whitney Peake, and Patrick Walker. This passionate group is hard working and dedicated – all done with a great sense of humor and fun. I want to recognize the support of my Dean, the Department of Marketing, and the Wells Fargo Center for Small Business and Entrepreneurship at the David Nazarian College of Business and Economics at California State University, Northridge, and of also of my colleagues in the Office of Community Engagement. I want to call out to SBI Fellow and Past President, Sherrie Taylor, who first welcomed me to SBI, and to Bill McDowell and Dianne Welsh who encouraged me to run for this office.

I hope share my excitement about this program, and find so many interesting choices that it is difficult to choose among sessions. As conference goals, I hope you learn something new, share an idea (or many), enjoy time with "old" friends, and make new connections. The successes of these proceedings are a tribute to the contributors; any mistakes are mine.

All the best,

Deborah Cours, Ph.D.
Vice-President of Programs, Elect

February 2016

COMPETITIVE PAPERS

BEST PRACTICES

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WORKSHOPS

Factors Impacting Entrepreneurship in the Deaf Community

Richard DeMartino, Ph.D.
Rochester Institute of Technology
Robert Barbato, Ph.D.
Rochester Institute of Technology
Scott Atkins, Ph.D.
National Technical Institute for the Deaf

Introduction

Very little research has examined entrepreneurship in the deaf community, despite the fact that there are 11 million deaf people in the United States (Atkins, 2011). This large, minority community suffers from high unemployment and a variety of career barriers that result from communication and language challenges. The most challenged among the deaf are those where early onset hearing loss strongly impact language thus reducing educational, and professional opportunities. Members of this community rely mostly on visual communication, such as American Sign Language (ASL), as their primary form of communications. However, communication and other interactions between deaf and hearing individuals suffer from the absence of ASL communicators or interpreters.

While entrepreneurship offers an avenue for deaf individuals who want to enjoy economic success, researchers know little about the drivers, motivations and career preferences of deaf individuals who become self-employed. To address this gap in the literature, a study was conducted of deaf entrepreneurs and the factors and experiences that have impacted their decision to choose an entrepreneurial career. Because so little is known about this topic, this study selected a grounded research approach. Thirty deaf entrepreneurs were interviewed concerning their motivations to become entrepreneurs and the challenges they faced in starting and operating a new venture. The interviews also sought to understand the impact of environmental factors that impact entrepreneurial outcomes.

Literature Review

Although there have been no published empirical studies of deaf entrepreneurs, there are anecdotal reports of successful entrepreneurs in the non-academic literature targeting the deaf and hard-of-hearing communities (Lang, 2004; Gannon, 1981; Schein, 1989). Writing in the consumer magazine The Deaf American, Harris (1989) contrasted deaf entrepreneurs who provide products and services to the deaf community with deaf entrepreneurs marketing their products and services to the general population. While these examples have begun to shed some light on the characteristics of the ventures that deaf entrepreneurs have begun, very little is understood about what motivates the disabled community, specifically the deaf population, to pursue entrepreneurial careers. The first study of entrepreneurial motivations was a dissertation in the field of career counseling (Pressman, 1999). This study reported that that most deaf entrepreneurs start home-based, non-employer businesses and they are driven by intrinsic motivations, such as a desire to be one's own boss, rather than extrinsic motivations such as the desire to make more money. The Pressman study called for more qualitative research into the motivations of deaf entrepreneurs in order to provide a deeper and more meaningful understanding of the nature and experiences of deaf entrepreneurs. Research into the experiences of fourteen Deaf entrepreneurs was explored qualitatively through a subsequent study (Atkins, 2011).

In addition to the few studies of deaf entrepreneurs, there have been some studies that examine disabled entrepreneurs. Deaf people are considered disabled in the sense that they have a loss in one of their five senses and they are considered disabled by the American with Disabilities Act, which offers legal protection to those who are disabled. While many studies of disabled entrepreneurs focus on barriers that disabled face in becoming entrepreneurs (Gimbuta, 2012; Cooney, 2008; Mwangi, 2013; Namatovu, et. al., 2012), others have examined the importance of assistance to self-employed individuals and technologies that have increased entrepreneurship among the disabled. Angelocci, et.al. (2008) argued that assistive technologies now exist to provide opportunities to disabled individuals seeking self-employment, and they predict an increase in disabled entrepreneurship.

A few studies have examined motivations and characteristics of disabled entrepreneurs. In a review of the literature on disabled entrepreneurs, Cooney (2008) found support for both negative and positive motivations. On the one hand, discrimination and other barriers to employment push the disabled toward entrepreneurship while on the other hand, independence and flexibility were positive motivations. A qualitative study interviewed eight supported business owners with cognitive disabilities and examined both the motivations of the business owners as well as the extent to which the characteristics of those business owners resembled those of entrepreneurs (Hagner and Davies, 2002). The study found that the business owners took risks, were motivated by growth, enjoyed the autonomy that business ownership provided, and were motivated by their interests and the desire to pursue their talents, often as craftspeople. A more comprehensive study of motivations of disabled entrepreneurs was conducted in Romania in a questionnaire survey of 201 visually impaired individuals (Gimbuta, 2012). More than half of those surveyed had already started a business or intended to start a business. The study found that economic incentives and the desire for independence were important motivations for those seeking entrepreneurship. Finally a study of 125 Ugandan entrepreneurs with disabilities found that disability was not seen as a major impediment to success, and that these entrepreneurs are motivated to grow their businesses (Namatovu, et. al., 2012).

One of the objectives of this study is to learn more about deaf entrepreneurs, and especially the motives that drive the decision to seek self-employment. It is important to note that many deaf people do not view themselves as having dysfunctional hearing as much as having a unique view on the world. With this approach, deaf people embrace their identity as members of a unique and close-knit community. Their perspective is that they are a minority group in a predominantly hearing world (Foster, 1992; Sacks, 1989; Padden & Humphries, 1988; Lane, 1993). As Sacks

(1990) reported, most of the barriers that deaf people face in today's world are primarily of a linguistic nature. Although the literature on deaf and disabled entrepreneurs is sparse, the findings of the literature on non-majority entrepreneurs can enlighten the study of deaf entrepreneurs. It is assumed that, like deaf entrepreneurs, non-majority entrepreneurs have significant barriers that affect the drives and motives to seek self-employment as a career option.

Included among those non-majority entrepreneurs are women, racial minorities, ethnic entrepreneurs, and disabled entrepreneurs. Several studies have compared non-majority entrepreneurs to majority entrepreneurs and concluded that there are differences in entrepreneurial outcomes among the ventures initiated by those two groups. Non-majority entrepreneurs are more likely to start smaller firms, and these firms are less successful than new ventures started by majority entrepreneurs. For instance a study using Kauffman Foundation data found that women launch businesses with less capital than men, and they are more likely to use personal capital rather than rely on outside capital (Robb, 2011). In addition, the same study found that women are more likely than men to launch their firm as a sole proprietorship. In a different study of non-majority entrepreneurs which included women, racial minorities and ethnic minorities, it was found that all non-majority entrepreneurs had lower business survival rates than white men except for Asian entrepreneurs (Robb, 2002). The study concluded that survival rates were affected by several factors, but that non-majority entrepreneurs faced greater obstacles than majority entrepreneurs. Other studies have also found that Asian entrepreneurs are anomalous compared to other non-majority entrepreneurs. Bogan and Darity (2008) compared black entrepreneurs to Asian immigrant entrepreneurs, and concluded that Asians have better access to capital and resources and are less likely to suffer the effects of discrimination. These differences among non-majority entrepreneurs are particularly important, since deaf entrepreneurs may resemble certain non-majority entrepreneurs more than other groups, such as the disabled groups.

Studies of entrepreneurial outcomes provide evidence that non-majority entrepreneurs face barriers that majority entrepreneurs do not, but in an interesting study that has particular relevance to deaf entrepreneurs, it was found that foreign-born Hispanic entrepreneurs face greater difficulties than native-born Hispanic entrepreneurs because of language barriers (Shinnar and Young, 2008). The same study also concluded that those facing language barriers have different motivations for starting a business than those who are not disadvantaged by language abilities. It was found that those non-majority entrepreneurs who have to overcome language barriers are "pushed" into entrepreneurship because of disadvantages, but they are also "pulled" into entrepreneurship by a desire to serve their ethnic enclave.

The motivations of non-majority entrepreneurs to serve their particular enclave is particularly germane to understanding the motivations of deaf entrepreneurs, since some studies of deaf entrepreneurs have provided evidence that deaf entrepreneurs do start businesses that primarily serve the deaf community. In a study by Harris (1989), two specific types of deaf entrepreneurship are identified. The first type is entrepreneurship with a primary focus on marketing services and products to the general population. The second type is entrepreneurship with a focus on marketing to deaf and hard-of-hearing people in their own deaf community.

According to the study, a business that provides marketing services and products to the general population is likely to have higher costs due to the need of interpreters and other access services. However, a business that caters only to the deaf and hard-of-hearing population is limited by the size of the market. The study does not examine the motivations of these two different types; however, other studies of non-majority entrepreneurs do. A study of 156 Mexican-American entrepreneurs concluded that US born Mexican entrepreneurs are motivated by financial goals while the immigrant Mexican entrepreneurs were motivated by serving their ethnic enclave (Shinnar, et. al., 2009). However, other studies comparing black entrepreneurs and white entrepreneurs found no differences in the motivations of entrepreneurs to start a business (Edelman, et. al., 2010). Still other research has indicated that the level of personal involvement by non-majority entrepreneurs in their ethnic community can be affected by many variables, including the entrepreneur's characteristics and cultural values (Radha and Greene, 2002). Still other studies conclude that differences within groups of non-majority entrepreneurs can be more significant than differences among groups (Boston and Boston, 2007).

Finally, a recent literature review of Latino entrepreneurs concluded that educational attainment plays a large role in successful self-employment among Latino entrepreneurs. The study pointed out that low levels of educational attainment will result in barriers to success as an entrepreneur as measured by firm growth. This dynamic leads to a push toward self-employment that is hampered by little personal wealth or access to capital, both important factors in determining growth of a new venture. However, a growing number of college-educated entrepreneurs have created a more visible and upwardly mobile class of entrepreneurs (Robles and Cordero- Guzman, 2007). This finding could have significant implications for the deaf entrepreneur, because there have been important educational gains in the deaf community over the last generation. During the mid-1960's, through President Johnson's "Great Society" initiatives, post-secondary options for deaf people greatly expanded. Public Law 89-36 was established to create the National Technical Institute for the Deaf at the Rochester Institute of Technology in 1968. Additional funding was given to Gallaudet University, then the only college for the deaf in the world. In addition, funding was established to create regional programs for deaf college students throughout the nation. The number of deaf people with earned doctorates increased through the 1970's and beyond. Thus, some members of the deaf community have begun to remove a significant barrier to success in our modern, technologically advanced world, and this should have implications for a study of deaf entrepreneurs. The paucity of research in the area of deaf entrepreneurship creates an opportunity to learn more about the experiences of deaf people in entrepreneurship. As Schein (1989) points out, "Unfortunately, systematic studies of Deaf Entrepreneurship have not been undertaken. What we are left with, then, are anecdotal accounts that may mislead more than inform."

Research Methodology

In-depth interviews were conducted with 21 deaf entrepreneurs. The entrepreneurs were chosen with the assistance of the National Deaf Business Institute (NDBI) and the Rochester Institute of Technology's National Technical Institute for the Deaf alumni relations office. Individual selection was strongly influenced by the desire to reflect a diversity of entrepreneurial approaches, firm size, and industries. Each entrepreneurial venture was in existence for at least one year. Each interview lasted approximately one hour. Follow up conversations were conducted to clarify information where appropriate. Nineteen of the interviews were conducted through deaf-enabled video phone communications--the video phone program is a federally required service than enables the deaf community to communicate visually through an off-site sign interpreter. The interpreter translates the deaf individual's sign language communications to words and vice versa. One interview was conducted face-to-face. Another was conducted through an instant messaging service. Transcripts were developed from the interpreted voice recordings of the interviews. The content of the transcripts was analyzed in an approach consistent with the insights of Miles and Huberman (1984). The semi-structured interviews were informed by the literature review. One of the coauthors was involved in each interview, but flexibility was maintained to allow for follow-up questions arising during the interviews. The interviews, when compared against the framework and variables associated with the above literature review; provide rich insights into the nature of entrepreneurship within the deaf community.

The deaf entrepreneurs founded and operated relatively small businesses requiring limited start- up capital. Typically the businesses were service related in the fields of financial planning, management consulting, software/IT services, food services, and distribution. Several closely related characteristics stand out regarding the fields in which they entered. First, the cost of entry into these businesses was relatively minor, and the ventures created were relatively small ranging from 3 to 70 employees. Two of the three largest companies were family-related business where the entrepreneur was a partial (generally primary) owner. Six of the 21 entrepreneurs targeted the deaf community as their primary market niche. Two of the 21 entrepreneurs were serial entrepreneurs—one reported succeeding financially with his final venture, the other reported multiple successes. One respondent reported revenue of $15 million with growth rates annualized at over 20%. This was the only gazelle-like firm in the sample.

Results

Two important themes emerged from the interview data; a push toward entrepreneurship and the importance of entrepreneurial self-efficacy (ESE). A striking finding was the high number of deaf entrepreneurs driven by unemployment and underemployment. Of the 21 interviewees, 18 elected to start their entrepreneurial activity during a period of unemployment or underemployment. One entrepreneur was laid off from a professional job and had difficulty locating similar work. After exploring options he located an opportunity to sell deaf enabling technology on a part-time basis.

He leveraged this opportunity to start one of the largest companies in the sample. Another entrepreneur worked as a programmer for a larger technology company until he, along with most of his division, was laid off. He was discouraged both because of the loss of employment and his perception of a strong barrier against deaf advancement. Once laid off, he thought a great deal about his professional career path and ultimately decided to become a building and renovation contractor. He had the skills and would rather “go on out on my own, than work for another company.” This theme continues with an entrepreneur who was employed as computer software developer. While formally employed, a previous associate provided him with part-time consulting work. When he was laid off from his full time job, the entrepreneur sought additional work from his part-time customers, and this ultimately led to his venture which now employs three people. In each of these cases, the decision to become an entrepreneur was not planned; rather, it was driven by prior employment loss.

The interviewees as a group reported that they were not satisfied with their previous career and employment. The vast majority reported that this lack of career satisfaction and commitment was closely associated with both a pervasive feeling that they could not advance in their previous organization and isolation related to communications. For example, one entrepreneur noted that, after becoming unemployed, his decision to start a business was based on being passed over for a management position “over a dozen times for less qualified hearing employees”. His large point was that it was difficult for deaf individuals to advance in their careers in large organizations. Other entrepreneurs brought up unique deaf challenges of working in corporations which they sought to escape through entrepreneurship. Several entrepreneurs explicitly mentioned the challenges associated with “water cooler” discussions. Deaf individuals cannot fully participate in informal discussions which play an important role in transmitting information essential to career advancement and development.

The majority of deaf entrepreneurs did not initially view self-employment/entrepreneurship as a potential option. Only three of 21 deaf entrepreneurs stated that self-employment was a career objective. However, when faced with unemployment, the interviewees started their businesses based on whatever skills or opportunities were available. Some employed their most recent occupational professional skills (programming, video editing etc.), other employed family trade skills (construction, general contracting, catering), and still others found unique opportunities associated with the deaf community (government communication mandates, niche deaf consumer markets, etc.).

A closely related theme was the deaf entrepreneurs’ perception of their entrepreneurially abilities (ESE). The interviewees described high degrees of self-confidence in the skills and tasks associated with starting a new venture. This high degree of entrepreneurial self-efficacy wasself-reported prior to becoming an entrepreneur and during the entrepreneurial period. The entrepreneurs expressed confidence they could overcomes exiting barriers, and their stories suggested they had largely done so.

An astonishing 19 of 21 interviewees had close family members who were self-employed. The two that did not possess entrepreneurial family members described a childhood or young adult environment replete with entrepreneurial activities and role models. What was obvious within this group is that they felt relatively comfortable with the limited risks associated with becoming self-employed, and they gained confidence from their entrepreneurial role models. Most respondents even described family members who provided inspiration or guidance. The entrepreneurship literature broadly supports the notion that the children of entrepreneurs are far more likely to be entrepreneurial in their approaches to employment. The interviews appear to parallel similar dynamics within the deaf community.

One widely described exception; however, was the challenge of working with hearing individuals. The entrepreneurs described unique circumstances both in their previous employment and entrepreneurial careers related to communications difficulty. All 21 interviews emphasized prior employer challenges associated with communications. These challenges included some lack of formalized interpreting services in meetings. Larger meetings generally included interpreters, but small, more ad hoc meetings often lacked these services. Nineteen of 21 also alluded to the water-cooler challenges of working at organization. The deaf entrepreneurs felt that they had been disadvantaged by being left out of the more informal conversations that occur between employees. Once they became entrepreneurs, the interviewees continued to describe communications challenges but developed more unique approaches to 'level the playing field". Some interviewees required some of their employees to use sign language. Others primarily made themselves available to external stakeholders through email, texting, and instant messenger services. The impact of modern telecommunications services was clearly an enabling factor in employing communications. The entrepreneurs also offered insights into the lack of entrepreneurial self-efficacy of the deaf community in general. They viewed themselves as outliers in the deaf community and uniformly viewed the overall deaf community as possessing very low entrepreneurial self-efficacy. When asked what could be done to increase entrepreneurial outcomes within the deaf community, 15 of 21 interviewees noted the low confidence of the deaf community. The common theme of the group was expressed by Entrepreneur B, "they (the deaf community) need to believe they can be independent and try (entrepreneurship as a career)."

Conclusions and Future Research

There are millions of deaf individuals who must overcome communication and other challenges in order to participate in the economy. Entrepreneurship can be a viable career option for some

of those individuals, but we know almost nothing about deaf entrepreneurs. This study is limited in the number of entrepreneurs that have been interviewed; however, it has been able to uncover some findings that will hopefully lead to a fuller understanding of the motives that drive deaf people to choose self-employment.

Perhaps the clearest conclusion is the important role that entrepreneurial self-efficacy plays in the decision to choose self-employment. That finding in and of itself would not be surprising were it not for the strong presence of entrepreneurial role models among the deaf entrepreneurs interviewed. Virtually all the deaf entrepreneurs gained ESE from a role model, and in almost every case that role model was a close relative. Given the challenges that deaf individuals face when integrating themselves economically into the cultural mainstream, one would expect lowered ESE, and communication barriers would exacerbate this challenge. However, the presence of an entrepreneurial role model would likely increase ESE and this would offset the disadvantageous effect on ESE of the deaf culture.

A surprising finding was the small number of deaf entrepreneurs who were attracted to an entrepreneurial career. Only three deaf entrepreneurs were pulled toward entrepreneurship, and the large majority was pushed in the direction of entrepreneurship by a lack of career opportunities. Most of the deaf entrepreneurs were unemployed when they chose self-employment, and several indicated that their career options were limited. Communication difficulties and other barriers made it difficult for deaf individuals to succeed in a hierarchical setting, so entrepreneurship became a better option not because it was attractive; rather, because the other opportunities were so limited.

This study has attempted to provide some insight into an area of entrepreneurship that has not been studied before. The deaf community is large, and there are significant challenges and limited opportunities for traditional career paths. Certainly there are ways to address some of those challenges, but deaf self-employment offers an important option for those who seek career success. Future studies are needed to better understand the motivations of deaf entrepreneurs as well as some of the factors that can increase ESE among the deaf community. This study had a limited sample of only 21 deaf entrepreneurs, but future studies with larger samples are needed to provide more generalizable findings.

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High Performance Work Systems: A Necessity for Startups

Josh Bendickson*, East Carolina University
Jeffrey Muldoon, Emporia State University
Eric Liguori, University of Tampa
Chelsea Midgett, East Carolina

Abstract

New businesses are an important part of any economy, yet the key elements to achieve startup success are often unclear or up for debate. Attracting, selecting, and training employees are often critical activities for most startups. Research suggests that high performance work systems (i.e., a bundle of human resource practices) enhance organizational performance. However, we posit that most startups lack these systems at the onset, yet with minimal effort can establish a system to improve their likelihood of meeting their goals, enhancing capabilities, and ensuring long-term survival.

Keywords: Startups; human capital; high performance work systems (HPWS)

Introduction

Human capital and human resources are valuable not only to established organizations, but also to startups and new ventures (Hornsby and Kuratko, 1990). The primary growth mechanism of the firm is the human capital that the firm possesses, which resides in the individual workers in the firm as well as the joint relationships they form (Nahapiet and Ghoshal, 1998). Human capital determines the quality of the products and services that a firm offers (Nahapiet and Ghoshal, 1998). The primary focus of human resource management is on the development, selection, compensation, and performance management of workers. Over the last 20 years scholars have gone beyond traditional human resource management and began to analyze the strategic value of human resources. The primary focus of this approach has been the study of the bundling together of various practices. When bundled, human resource practices can create synergies among the practices deploying human capital. Despite the various differences and contextual factors in play, there is agreement among scholars on what are considered to be best practices and how well those best practices are determined by contextual factors (Becker and Huselid, 2006). We seek to extend this literature by proposing a set of propositions about the role of strategic human resource management in developing startups.

Such an approach is important because startups, new ventures, and new businesses are an important part of the economy and are often the source of job creation and new economic growth (Birch, 1987; Mazzarol, Volery, Doss and Thein, 1999; Baumol and Strom, 2007). Yet startups face a wide set of problems including lack of both financial and human resources. We believe that startups can utilize superior human resource management to experience higher rates of growth and survival. Accordingly, we seek to address two research questions in order to better understand the use of human resources, particularly high performance work systems (HPWS), as evidence that companies in which a focused or differentiation strategy is applied are more likely to use HPWS than companies that use cost leadership (Buller and McEvoy, 2012).

This is an issue in small business research as well (e.g., Bamberger, Bacharach and Dyer, 1989). What scholars have examined regarding HPWS in startups have been narrow studies that focused on industries (e.g., banking, Bamford, Dean and McDougall, 2000). More definite and generalized conclusions have not been drawn. Some scholars have suggested that startups lack the resources needed to possess HPWS whereas others have suggested the opposite (Becker and Huselid, 2006) For these reasons, we find it necessary to describe why we believe HPWS can enhance outcomes in startups and/or new ventures, in an effort to address our questions and contribute to the literature. The purpose of the paper is to develop propositions regarding the relationship between HPWS and various types of outcomes for startup businesses. Our argument is that HPWS are an important part of the organization during the startup process. Those organizations that possess HPWS will grow more quickly, have higher rates of goal achievement, be more likely to survive, and more likely to develop capabilities than startups in which HPWS are not used.

High Performance Work Systems

High Performance Work Systems (HPWS) are a bundle of Human Resource Management (HRM) practices that typically include the following emphases: staffing, self- management teams, decentralized decision making, training, flexible work assignments, communication, and compensation (Evans and Davis 2005). Staffing includes the processes whereby abilities for job fit and organization fit are evaluated. There are different levels to the extensiveness of this procedure. These evaluations are based on knowledge, skills, and abilities (KSAs), which result in then selecting the best candidate for the position. Startups cannot wait until there is more time to conduct more rigorous staffing procedures and we argue staffing is a fundamental portion of HPWS that can give startups a competitive advantage. Examples of staffing procedures include selective screening of employees and assessment of technical and interpersonal skills. Attitudes and personality may provide other measurements for desired characteristics. Additionally, performance-based promotions represent internal candidates (Evans and Davis, 2005). Though KSAs are mentioned, more specific findings support selection based on general mental ability (Schmidt and Hunter, 1998). Relatedly, Lepak and Snell (1999) provide a quadrant of the HR architecture implying appropriate uniqueness and value vary across an organization. This is a useful consideration for selective staffing. Upmost, KSA value and uniqueness is perhaps not necessary for every position, but the importance is in finding the appropriate job fit and organization fit to enhance individual and organizational performance. Lastly, as a prelude to selective staffing, attention to attracting applicants from an organizational level (Rynes and Barber, 1990) may be an important and intertwined aspect to ensure selection from the best talent pools.

Self-managed teams address a power relationship at an individual level. With self- managed teams, power is shifted down the chain of command granting many different teams authority over their decision making. While startup owners may fear relinquishing control, allowing employees to work autonomously often leads to positive outcomes as well as increasingly motived employees (Pink, 2011). Examples of self-managed teams include employee participation programs, teams with task and decision-making authority, and extensive use of teams in general throughout the organization (Evans and Davis, 2005). Teams provide success in various ways. For example, Gibson, Porath, Benson and Lawler (2007) demonstrated that team-enabling practices significantly predicted quality. Delegation to self-managed teams not only provides empowerment for employees, but also gives employees a chance to demonstrate initiative and achieve personal growth and development (Heimovies, Herman and Jurkiewicz, 1993).

Similar to self-managed teams, decentralized decision making offers employees more control and power in the decision making process. Employees gain autonomy under this practice and also gain access to resources. This is accomplished in numerous ways, some of which include: creating tasks for employees that aren't as clearly defined, granting employees the authority to make decisions, involving employees in the decision making process, and through participative management which essentially grants employees access as a collaborator rather than a subordinate (Evans and Davis, 2005). Eisenhardt and Bourgeois (1988) determined that top management teams overly engaged in centralization and internal politicking, and that power games were likely to decrease firm performance. This helps create the case for decentralized decision making and also explains a unique internal power relationship. Startup owners need to rely on others to ensure the success of their business and hence realize the importance of decentralized decision making at early stages of inception.

Training and development are programs designed to help employees increase KSAs. These are generally formalized procedures that are pertinent for current and/or future necessary skills and knowledge. Different outcomes of training may include the enhancement of technical skills or the development of interpersonal skills. Cross training allows for employee growth as well as internal dependency reduction. Though training is often designed for new employees, it's an imperative component for experienced employees as well (Evans and Davis, 2005). Of course there are many considerations. Some of these are at the individual level such as personality characteristics (Major, Turner and Fletcher, 2006) or differences between passive and active learners (Bell and Kozlowski, 2008). Some training is carried out at a more organizational level such as training design and effectiveness (Arthur, Bennett, Edens and Bell, 2003). Training has gone through dramatic changes (Salas and Cannon-Bowers, 2001) but remains an important feature for improving individuals, organizations, and society (Aguinis and Kraiger, 2009) and is beneficial for startups as well as established corporations.

Advances in KSAs again appear in flexible work assignments. Here, individuals often have the opportunity to broaden KSAs. This may occur through job rotation, which may happen in a team, or with counterparts of an individual's position. While larger teams may not be present in startups, another example of a flexible work assignment includes job enrichment allowing for employees to use the array of KSAs in their repertoire (Evans and Davis, 2005), something startups can more likely participate in. As mentioned, these work practices are highly interconnected. Flexible work assignments can improve work-related attitudes, organizational commitment, job and organizational satisfaction, reduce absenteeism, and reduce turnover; many of which are items thought to impact performance (Scandura and Lankau, 1997).

Communication within organizations is on a spectrum between closed and open. Open communication provides opportunities for employees to express their opinions, concerns, and suggestions whereas closed communication does not. Beyond the open/closed spectrum, open communication can be both horizontal and vertical within an organization. When horizontal and vertical communication are both open, the greatest amount of information will be shared and the greatest number of viewpoints will be represented. This occurs through relatively simple initiatives such as explaining business strategy throughout the organization. Open communication may also occur through available access to information and/or an employee suggestion system (Evans and Davis, 2005). Employees involved in the open system have a better understanding of the competitive position and are able to participate which creates environments where employees can identify with the organization and will have the desire to help it succeed (Wright, Gardner and Moynihan, 2003). Because startups typically have fewer channels, not only is this important, but it also is more feasible than in larger established organizations.

Compensation is addressed in a few different ways. Pay and compensation structures all provide opportunities for organizations to use compensation as a mechanism to steer employees. More specifically, these compensation initiatives may occur through profit sharing, employee ownership, a comparatively high level of pay, performance-contingent pay, and/or team-based pay (Evans and Davis, 2005). Compensation has many elements but clearly impacts satisfaction, fairness, and turnover (Tekleab, Bartol and Liu, 2005). Brown, Sturman and Simmering (2003) found that pay level practices and pay structures interact to affect financial performance as well. Pay for performance (i.e., performance-contingent compensation) has also shown the ability to increase productivity (Cadsby, Song and Tapon, 2007). Startups may be limited in cash but can take part in better compensating individuals through equity options, a powerful incentive with a large upside if the company is successful. This can also help align the goals between owners and employees.

In total, these seven human resource practice categories are commonly found in High Performance Work Systems (HPWS) and are critical and interdependent. Although most companies use some, if not all of the best practices, the real benefit of HPWS comes when there is synergy between the various practices (Subramony, 2009). In fact, Delery and Doty (1996) suggested that the best performance comes through an interaction between strategy and practice. It is important to note that many scholars accept the fact that best practices provide a basic ground level for performance (Becker and Huselid, 2006). They help explain why and how human resources can positively impact organizational performance, and help enhance startup performance in a variety of ways.

One problem is that HPWS research has a lack of theoretical development between HPWS and firm performance—treating it as if it is a black box (Becker and Huselid, 2006). Yet scholars also seem to have an understanding that firms that use HPWS will have a better time recruiting high quality workers; selecting workers that actually fit both the organization and job; have more skills through training; be more likely to stay in the organization; have higher levels of commitment and satisfaction; and be more likely to be engaged with organizational goals (Pfeffer, 2007; Gong, Chang and Cheung, 2010). In addition, the general combination of those practices will lead to an increased level of human capital in the organization (i.e. through training and selective hiring) and also the social capital of the organization.(i.e. through proper incentives) will combine to produce intellectual capital. Intellectual capital is the ability to develop new products and services that create greater value than competitors.

We argue that HPWS will have the same effect on startups as they do on large companies. Many of the practices provide for advancement in KSAs and allow for greater flexibility in employee decision making. Further, these practices that are part of the system enhance aspects for the individual (i.e., compensation, internal promotion, and job enrichment) and in turn provide positive outcomes for startups. Accordingly, all else equal, we believe that startups with HPWS in place will experience better outcomes. These outcomes are similar to other outcomes in the HPWS literature including: higher goal accomplishment, enhanced capabilities, and long-term survival.

Goal Accomplishment

Goals are an extremely important consideration in strategic performance (Teece, Pisano and Shuen, 1997). As goals determine the focus, effort and intensity that individuals will display and are not only important for firm performance (Locke and Latham, 1990). Yet, goals are often not completed either due to worker disengagement or a lack of skills (Pfeffer, 2007). HPWS can lead to higher levels of goal completion for several reasons. Firstly, improved selection should allow the organization to identify workers who have a higher fit to the organization’s culture and have a better fit to the job (Becker and Huselid, 2006). Secondly, increased and improved communication would increase goal commitment, since workers would have a greater understanding of what needs to be done (Pfeffer and Veiga, 1999). Thirdly, compensation would align worker behavior to firm goals, providing incentives for workers to maintain goal alignment (Pfeffer and Veiga, 1999). Finally, the synergistic interplay of those practices should lead to higher goal accomplishment. Thus we propose:

Proposition 1: New ventures with high-performance work systems in place will be more likely to meet their goals than startups without high-performance work systems.

Capabilities

Capabilities are those characteristics which allow the organization to comfort and adapt to changing outside environments (Teece, et al, 1997). Capabilities are unique resources that the organization could deploy that are difficult to imitate, substitute for, have value, and are rare (Barney, 1991). Capabilities consist of knowledge, routines, and competencies which allow the organization to produce greater value than the organization's competitors. HPWS create capabilities through superior selection of workers, increasing human capital (Pfeffer and Veiga, 1999). Status reduction, increasing training, and incentives create superior social networks throughout the organization providing motives for workers and management to share important information, which is an important consideration in the development of capabilities (Nahapiet and Ghoshal, 1998). The improved social networks and information will lead to the development of social capital in the firm (Nahapiet and Ghoshal, 1998). The combined relationship between human capital and social capital will produce intellectual capital—meaning that the firm will now will have higher degrees of flexibility in dealing with environmental factors—such as new products and innovative methods (Wright, Dunford and Shell, 2001). Thus, startups that use HPWS should have a more fluid experience in creating capabilities. Accordingly we propose:

Proposition 2: New ventures with high-performance work systems in place will grow capabilities better than startups without high-performance work systems.

Survival

Resources are necessary for the survival of the firm (Pfeffer and Salancik, 1978). They are also are necessary for growth (Barney, 1991). Through superior selection, development, compensation and sharing of information, firms that use HPWS are more likely to develop internal resources that are difficult to replicate by outside organizations (Barney, 1991). HPWS will develop these resources through superior selection of workers; improved training and skill development; improved commitment and motivation; and through the synergistic effects of each of the best practices (Becker and Huselid, 2006).These internal resources will provide the basis for the startup to produce superior products and services, enabling the firm improved survival and growth potential (Barney, 1991). These internal resources are able to promote organizational survival and create added growth. Thus, based on the findings from the HPWS literature, we propose the following propositions related to startups:

Proposition 3: New ventures with high-performance work systems in place will have a better chance of survival than startups without high-performance work systems.

Discussion

Based on previous research regarding major corporations we developed a series of propositions regarding the role of HPWS for startup companies. The propositions state that startups that use HPWS will be more likely to experience higher levels of growth, survival, development of capabilities, and goal achievement. The reason for this higher level of performance in startups is the same in larger more established firms. Namely that superior human capital and social capital is the accelerator of the firm's growth as better human capital leads to products that create more value for customers than competitors. As established firms will have a greater chance of meeting certain desirable organizational outcomes. Such a proposal is significant because it suggests that HPWS are universal, rather than one based on contingency. Such a statement should be taken broadly rather than in depth. Nevertheless, based on the development of the propositions in the paper, generally speaking, there are best practices.

There are several important aspects to note rewarding the HPWS. Firstly, although scholars have a strong idea that there are universal practices, how those practices are implemented and the various contingencies that exist may make the implementation of HPWS very different in startups than more established companies. For instance, incentives, such as stock options—designed to eliminate agency problems, may have greater salience and influence in startups than they would have in larger companies due to the fact that workers have more control in a startup. Another potential difference would be in status reduction. It is difficult to

have a great deal of status in a smaller firm with fewer employees than a larger one with multiple layers of bureaucracy and regulations. Yet there could still be status in a smaller firm (i.e. a family-owned firm) and how a startup handles status differences issues could vary when compared to an established firm.

One particular thing to note is that many aspects of HPWS—such as status reduction and sharing of information—speak to company culture. Although culture can be changed, it is often difficult to do so. Therefore, startups that use HPWS may have an easier time implementing and continuing to use them when they mature than companies that did not use them during the initial phase. Another important issue is that HPWS requires trust between workers and management. It is especially difficult to create trust where none had existed previously. Thus it is also possible that firms that use HPWS early in their tenure should have an easier time deploying them in the future as the firm goes from a startup to an established company. For that reason alone it would make sense to maintain a set of best practices from the commencement of the firm. It would be interesting to note how the HPWS change as the size of the company changes.

One of the primary problems within HPWS research is that scholars have often argued there is a gap between HPWS and firm performance (Kaufman, 2010). To the point that some scholars have suggested that firms embrace HPWS for institutional factors—namely that having HPWS is a sign of legitimacy rather than higher performance (Wright and McMahan, 1992). Hence it may be

HPWS leads to higher performance in firms only when they are young rather than when they are older.

Our limitation is that we developed hypotheses for best practices but did not examine potential moderators. Nor did we discuss a precise mechanism for superior research. Future research—both empirical and theoretical—is needed to develop the contingencies that exist in the formation and deployment of HPWS in startups. It is clear that while there are best practices, how they are implemented and their exact nature remains an unknown (Becker and Huselid, 2006) in the general literature of HPWS, as well as in the literature on startups. There are several reasons for this. Firstly, what configurations do HPWS take in startups? For example, in terms of selective screening—is this a formal process or an informal process? Does the startup have an in- house program or do they outsource? Would there be a potential difference between who takes different types of implementation? These would be interesting theoretical questions that warrant further development and analysis. Secondly, does the type of strategy selected by the company play a role in the development of HPWS? For example, firms that pursue a cost leadership strategy probably would not spend a tremendous amount of time on selection of certain employees (Wright and McMahon, 1992). How would a generic strategy influence the selection in startups that pursue in terms of HPWS configuration? Such work is needed for HPWS in established firms and will certainly be needed for startups (Kaufman, 2010). A final potential area of research is to examine if there are industry differences in the use of HPWS and the various outcomes predicted. There are three potential findings here. One potential finding is that HPWS may not make a difference in certain industries. For instance, companies in technology or bio-tech may not invest in HPWS since they would be selling to company soon. However, another argument could be made that they may need to invest in HPWS to produce new technology (Nahapiet and Ghoshal, 1998). Research could produce answers to that question.

The major practical implication gleaned for this paper is the need for startups to consider HR as a strategic component. Generally speaking, a great many companies do not look to HR for value creation within the organization; rather they view HR as a means of controlling costs or maintaining legal requirement. The biggest take away from the paper is that firms should, from the start of inception, use HPWS as a means of growing the firm.

Despite our limitations such as a lack of empirical evidence, we believe our review of common human resource practices that make up HPWS helps to answer our questions and demonstrates the following: human capital is essential to startups; startups need HPWS to enhance and develop excellent human capital; and rather than focusing on human resources practices on an as needed bases, systems of high performance work can enhance organizational level outcomes. Thus we advocate for scholars, managers, and entrepreneurs to put such systems in place in the early stages of new ventures.

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Examining Linkage between Resource Constraints and Multifunctinal Ag-Entrepreneurs' Decisions

Kathleen Liang, University of Vermont
Paul Dunn, University of Louisiana at Monroe

Abstract

A recent survey funded by the USDA was designed to explore how farmers decide to be involved in Multifunctional Agriculture (MFA) besides conventional farming given resource constraints. Many small farmers particularly choose MFA to gain financial stability and to improve family wellbeing. However these small farmers might not operate at the level that could be validated by the traditional theory of economy of scale. The research results In New England region indicate that Dairy farmers who participate in MFA have the largest operating acreage (average 314 acres) compared to other types of farmers. The Animal farms who participate in MFA have the smallest operating acreage (average 145 acres). From the labor perspective, Vegetable/Fruit/Horticulture farms that participate in MFA hire most full-time labors (average 7.6) compared to other types of farms such as Dairy farms hiring an average of 5.1 full-time employees and Grain and Hay hiring an average of 4.7 full-time employees. Animal farms hire the least number of full-time employees (average 4.4). Dairy producers who participate in MFA have the largest asset value, followed by Grain and Hay producers. Vegetable, Fruit, and Horticulture producers have the lowest value of assets. Discussions and implications will reveal a new paradigm of diversification and resource allocation.

Website Quality for SME Wineries: Measurement Insights

Bonnie Canziani*, University of NC Greensboro
Dianne Welsh, University of NC Greensboro

Abstract

The study explored automated website evaluation as a complementary tool in the evaluation of SME winery websites. The automated evaluation scoring system was able to discriminate between a sample of known best practice websites and other independently formed samples representing average wineries in the United States and in North Carolina. Wineries can benefit by incorporating automated website evaluation and benchmarking into their internet strategies. Reported human rater limitations in alternative evaluation research designs may be minimized using this technology. Automated evaluation system metrics tend to be updated more frequently and offer better alignment with trending consumer expectations for website design.

Small business employees' intention to learn: Establishing research directions

Jeffrey Young*, Mount Saint Vincent University
Paulette Cormier-MacBurnie, Mount Saint Vincent University
Ned Kelleher, Mount Saint Vincent University
Peter Mombourquette, Mount Saint Vincent University
Gary Sneddon, Mount Saint Vincent University

Abstract

The following paper overviews the importance of learning in small business and entrepreneurship. It examines the notions of behavioral intentions and behavior in particular with respect to small business and entrepreneurship and intention to learn. The paper also examines the roles that learning affordances, engagement, and self-directed-learning style play in the links between employee intentions to learn and their learning behavior. In total 15 propositions for future research are identified and described and a research agenda is briefly discussed.

Success Factors for Small Businesses in Guanajuato, Mexico

Judith Banda Guzmán, Guanajuato University
Robert N. Lussier, Springfield College

Abstract

The purpose of this research was to analyze the success versus failure variables in Guanajuato State, Mexico using the Lussier model with a sample of 303 small businesses (199 successful, and 104 failed) using personal interviews. Logistic regression analysis supported three variables. A small business that uses (1) professional advice, (2) can successfully attract and retain employees, and (3) with partners has a greater chance of success. The overall classification accuracy rate was 66.3%. Results support the model's validity in Mexico reinforcing its global validity and moving toward a theory. Implications for research and small business owners is discussed.

Introduction

The definition of small and medium enterprises (SMEs) varies from country to country (Mahmood, Asif, Imran, Aziz, & I-Azam, 2011). In Mexico, SMEs have 250 or fewer employees, and 46% are commerce businesses, 12% manufacturing, 11% hotel and food services, with 31% in other categories (Censos Económicos, 2009). SMEs comprise 99.8 % of the business that contribute to the GDP by generating 65% of the formal labor force (Censos Económicos, 2009). Globally, SMEs contribute to productive employment, income generation, and poverty reduction. The best way to reduce poverty is to promote economic growing through increased SMEs that create employment opportunities (ONUDI, 2013). However, SME business success rate in Mexico is between 25 to 30%, which is lower than the world average of around 40% (Fernández, 2010).

Mexico is an important member of NAFTA, and it is ranked as the eleventh economy in purchasing power (PP) by generating goods and services valued at one billion 249 thousand dollars. But in terms of purchasing power it is ranked in 76th place (Banco Mundial, 2008 cited by González, 2008).

So the possibilities of creating a profitable company is a critic topic for those who want to start a new business, those who advise and assist them, lenders and investors, and for government policies to support startups (Dennis & Fernald, 2001). Understanding why some SMEs are successful and others fail is crucial for the stability of a country (Pompe & Bilderbeek, 2005). Thus, an important research question is "Which variables contribute to success and failure? As shown in Table 2, there is great discrepancy in the literature and there is no accepted theory of success versus failure (Marom & Lussier, 2014). Therefore, there is need for further research (Rogoff et al., 2004). The objective of this study was to analyze the variables of success versus failure using the Lussier (1995) model. This is the first such study conducted in Mexico.

Literature review

Mexico is located as the second NAFTA economy in Latin American according to the International Monetary Fund. Their exports have multiplied by seven. In 1993, the country exported 51 thousand 886 million dollars: 37 % in manufacturing, 70% was oil. For the year 2012, Mexico raised exports to 370 thousand 705 million; 87% for the manufacturing and 15% for mining. The main exports to the world, in accordance of the Banco of Mexico are: Machines and electric material; Terrain vehicles and parts: Mechanic devices, Mineral fuels and their products; Pearls, precious stones and metals; Instruments and optic and medic devices; Raw plastics and plastic parts; Minerals, vegetables, plants, tubercles, beverages and vinegar (Forbes, 2014).

Since the incorporation of Mexico to the general agreement of commerce and tariff (GATT) in 1936, it has accumulated 30 trade agreements, including NAFTA, for the promotion and protection of mutual investments and 9 agreements of commerce in the frame of the Latin associations (Forbes, 2014).

On the positive side, in Mexico the younger generation has an entrepreneurial mindset at the age of 20 to 25 years old; this contrasts with the average age of 40 years of an American founder (Fernández, 2010). Some 60% of the successful Mexican entrepreneur have family businesses (Beuter, 2014).

A major problem blocking the startup and sustainability of Mexican small businesses is funding; 70 % of the companies that require funding do not obtain any money. Thus, limiting startups and their size, as owners had to self-fund or acquire partners (Censos Económicos, 2009, cited by Secretaria de Economía, 2014). Around 61% of small businesses have two or more partners (CNBV, 2010).

Another problem is the lack of training. Most Mexican entrepreneurs start with a limited knowledge about starting and operating a business. Their previous business management experience is almost nonexistent (Secretaría de Economía, 2014), as only 2 of 10 entrepreneurs have had previous experience (Banco Interamericano de Desarrollo cited by CNN, 2011). Some 48% of entrepreneurs have a bachelor degree, usually not in business, (Observatorio PyME, 2002), and when applying for financing resources they don't work with a business consultant for help. There is also limited entrepreneurial training (Fernández, 2010). Studies in

Mexico have found a relationship between strategic planning and business success (Navarrete & Sansores, 2011). However, related to training, from the 99.8% of the SMEs in Mexico, an estimated 90% start without a business plan (El Economista, 2014).

Another problem area is employee turnover, according with the Secretaría de Economía (2011). Turnover rates include: transportation with 72.73%, manufacture with 45.61%, services 32% and construction 17.78%. A major cause of staff turnover is employees searching for a better job.

Mexican SMEs also lack technology and the use of the Internet to promote their companies and conduct business. Only around 50% of them acquire electronic domains for advertising and offer their economic activity thought the creation of simple or complex web sites. Many only use free sites or other free tools like blogs (Secretaría de Economía, 2011).

Aragón, Ballina, Calvo-Flores, Garcia & Madrid (2004) conducted a study in the state of Veracruz, Mexico and found that the most important factor of success are: Develop of new products/services, Lower prices than their competitors, Access to new markets, Quality of the product/service, Flexibility of the productive or commercial process, Research and development, Technological process, Focus on flexible technologies and innovation, Training and molded of people, Customer service, Marketing, Integrity, and company image.

Estrada, García & Sánchez- (2009) conducted a study of the factors that determine success of SMEs using a sample of 405 Mexican companies. Results support that high competitive companies are the ones that have innovation in their products, process and management with a high technological level and they have strategic plans.

Note that the above two studies by Aragón, et al. (2004) and Estrada, et al. (2009) findings relate more to larger size well established innovative SMEs, rather than the more traditional smaller startup business that is not offering new and innovative products or services using technology. In Mexico, no success versus failure predict model studies were found focusing on small businesses, which is the focus of this study. Also, the two prior studies are now dated.

Method

Selection of the Model

The Lussier (1995) model was selected to be utilized in this study due to the efficacy of the 15 variables identified from 20 previous studies. The model has been published in more journals (Lussier 1995, 1996a, 1996b; Lussier & Corman, 1996; Lussier & Pfeifer, 2000; Lussier & Halabi, 2010; Marom & Lussier, 2014) than any other model and it has been utilized to predict the success or failure in different parts of the world including Croatia (Lussier & Pfeifer, 2000); Chile (Lussier & Halabi, 2010); and Israel (Marom & Lussier, 2014). One of the advantages of the

Model is that it is not simply a financial model, making it more appropriate for startup businesses with no prior quantitative data for use in the model (Dennis & Fernald, 2001).

The theoretical model from Lussier (1995) identified 15 variables from the literature and for each variable from the literature a hypothesis was developed to explain the relationship between the 15 independent variables and the dependent variable of success vs failure. See Table 1 for an explanation of the 15 independent variables Lussier Model.

Table 1
Explanation of success versus failure variables

Capital (capt): Businesses that start undercapitalized have a greater chance of failure than firms that start with adequate capital. **Record keeping and financial control (rkfc):** Businesses that do not keep updated and accurate record and do not use adequate financial controls have a greater chance of failure than firms that you. **Industry experience (inex):** Businesses managed by people without prior industry experience have a greater chance of failure than firms that are managed by people with prior management experience. **Planning (plan).** Businesses that do not develop specific business plans have a greater chance of failure than firms that do. **Professional Advisors (prad).** Businesses that do not use professional advisors have a greater chance of failure than firms using professional advisors. **Education (educ).** People without any college education who start a business have a greater chance of failing than people with one or more years of college education. **Staffing (staff).** Businesses that cannot attract and retain quality employees have a greater chance of failure than firms that can. **Product/Service Timing (psti).** Businesses that select products/services that are too new or too old have a greater chance of failure than firms that select products/services that are in the growth stage. **Economic Timing (ecti).** Businesses that start during a recession have a greater chance to fail than firms that start during expansion periods. **Age (age).** Younger people who start a business have a greater chance to fail than older people starting a business. **Partners (part).** A business started by one person has a greater chance of failure than a firm started by more than one person. **Parents (pent).** Business owners whose parents did not own a business have a greater chance of failure than owners whose parents did own a business. **Minority (mior).** Minorities have a greater chance of failure than nonminorities. **Marketing (mrkt).** Business owners without marketing skills have a greater chance of failure than owners with marketing skills.

See Table 2 for a comparison of the variables identified in 31 articles from the literature as a factors that contribute on the success or failure. Due to the great discrepancy in the literature, there is no unified theory of the success versus the failure of small business. Therefore, this is study identifies the variables that can predict the success vs the failure in Mexico, and at the same time can contribute to developing a global model.

Table 2
A Comparison of Variables Identified in 31 Articles as Factors Contributing to Business Success versus Failure

	Independent Variables														
Author (First)	**a pt**	**kfc**	**nex**	**aex**		**rad**	**duc**	**taf**	**sti**	**cti**	**ge**	**art**		**ior**	**mrkt**
Barsley	F	-	F	F	F	F	-	-	-	-	-	-	-	-	-
Bruno	F	F	-	F	F	-	-	F	F	F	-	-	-	-	F
Cooper 90	F	-	N	N	F	F	N	-	F	F	F	F	-	F	-
Cooper 91	F	-	F	N	-	F	F	-	N	N	N	N	F	F	-
Crawford	--	F	-	-	F	F	-	-	N	N	-	-	-	-	
Cressy	F	-	-	F	-	-	-	-	-	-	-	-	-	-	-
D+B St.	F	F	F	F	-	-	-	-	-	F	-	-	-	-	-
Flahvin	F	F	F	F	-	F	-	F	-	-	-	-	-	-	-
Gaskill	N	F	F	F	F	F	N	-	-	N	-	-	-	-	F
Hoad	--	F	N	N	F	F	-	-	-	-	-	-	-	-	
Kennedy	F	-	-	F	F	-	-	-	-	F	-	-	-	-	-
Lauzen	F	F	-	F	F	-	-	F	-	-	-	-	-	-	-
Lussier 95	N	N	N	N	F	F	F	F	N	N	N	N	F	N	N
Lussier 96[a]	N	F	N	F	F	F	N	F	N	F	N	F	F	N	F
Lussier 96b	N	F	N	N	F	F	N	N	F	F	F	N	N	N	N
Lussier & Corman 96	F	F	F	N	F	F	F	F	N	F	N	N	F	F	N
Lussier & Pfeifer 01	N	N	N	N	F	F	F	F	N	N	N	N	N	N	N
Lussier & Halabi 10	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N
Marom & Lussier 14	F	F	N	N	F	F	N	N	N	N	F	N	N	N	N
McQueen	F	-	F	F	-	-	-	-	-	-	-	-	-	-	F
Rauch	--	F	F	-	-	F	-	-	-	-	-	-	-	-	
Reynolds 87	F	F	-	-	F	-	-	N	F	-	-	-	-	-N	
Reynolds 89	F	F	-	-	F	-	N	N	F	-	N	F	-	-	-
Sage	F	-	-	F	-	-	F	-	-	-	-	-	-	-	-
Santarelli	--	-	-	-	-	F	-	-	F	-	-	-	-	-	
Sommers	--	-	F	F	-	-	F	-	-	-	-	-	-	-	
Thompson	N	-	-	F	F	-	-	F	F	-	-	-	-	-	F
Vesper	F	F	F	F	N	F	F	-	F	F	-	F	-	-	F
Wight	F	F	-	F	-	F	-	-	-	-	-	-	-	-	-
Wiklund	F	-	-	F	-	-	-	-	-	-	-	-	-	-	-
Wood	-	F	F	F	F	-	F	-	-	-	-	-	-	-	-
Total F	18	14	12	18	17	15	11	9	7	9	2	4	4	3	6
Total N	7	3	7	9	3	1	7	5	7	7	9	7	4	6	7
Total -	6	14	12	4	11	15	13	17	17	15	20	20	23	22	18

F supports variable as a contributing factor
N does not support variable as a contributing factor as an individual variable
\- does not mention variable as a contributing factor

An extended revision of the literature was made to identify the variables that influence success of small companies, starting with the need for necessary capital (González, Correa & Acosta,2012; Vivanco, Aguilera & González, 2011; Sefiani & Bown, 2013); control records (Lussier & Halabi, 2010; Lussier & Pfeifer, 2001); previous experience in the industry and time to lead the organization (Arasti, Zandi & Talebi, 2012; Chawla, Khanna & Chen, 2010; Islam, Aktaruzzaman, & Muhammad, 2011; Lussier & Halabi, 2010; Van Praag, 2003); the use of written business plan (Mazzarol, 2009); professional counseling (Dobbs & Hamilton, 2007); prior knowledge and education (Chawla, Pullig, Alexander, 1997; Coy, Shipley, Omer & Nisar, 2007; Lussier & Halabi, 2010; Lussier & Pfeifer,2001; Simpson, Tuck y Bellamy, 2004); using skilled labor (Arasti, Zandi, & Talebi, 2012; Lussier & Halabi, 2010), and marketing skills (Simpson et al., 2006).

The model includes a total of 15 variables identified in the literature revision. Although, Benzing et al., (2009) concluded that the success factors have variations among countries, nevertheless there exists a need to test the models in various countries to evaluate the robustness of the results (Bono & McNamar, 2011).

This research used the Lussier (1995) Model quiestionnaire. The survey instrument was translated into Spanish by a professional and the questionnaire was piloted tested for accuracy in translation. The questionnaire included all 15 variables used by Lussier (1995) that was previously validated. Again, see Table 1 and 2 for an explanation of the 15 model variables found in this study.

Sampling and Data Collection

The population was defined as all the small businesses in Guanajuato. A random sample of small businesses were selected within 27 municipalities in the Guanajuato State, Mexico. A total of 303 businesses completed the questionnaire. Of the respondents, 199 (66%) were classified as successfully making a profit and 104 (34%) as failing due to lack of profitability.

Peronal interview survey research was used for data collection. The questionnaire was answered by phone and personal interviews were conducted with the managers or owners of small businesess of Leon, Celaya, Irapuato, San Francisco del Rincon and others in 23 municipalities in the Guanajuata State.

Statistical Analysis

SPSS software was used for data analysis. Logistic regression was run to test each of the 15 variables measuring the success factors of the small business sample.

Results and Discussion

Descriptive statistics for the sample mean and standard deviation includes: Age (m =33.76 / s.d. 9.15), Years of conducting business (m =14.34 / s.d. = 12.48), and Number of employees (m = 18.53 /s.d. = 27.46).

Logistic regression analysis of the entire 15 variable model was not significant (p = .450). A major reason is probably due to the fact that the failed business were not truly failed because they were still in business. Thus, when the sample is too similar, it is difficult to find significant difference distinguishing success from failure.

However, the second logistic regression analysis of classification accuracy of the model beats random guessing with a 50% probability of success because the overall accuracy of the model is 66%. Thus, the model beats random guessing by 16%. Also, the classification was 94.5% accurate at identifying a specific business as a successful firms, whereas it was only accurate at predicting a failed businesses 12.5% within the sample. Thus, a business owner has a greater probability of success if it considers the variables in the model, rather than random guessing.

Also, the third logistic regression analysis of determining if each individual variable is a predictor of success or failure indicated that two of the variables are significant at the .05 level and one at the .10 level of significance. Thus:

- A business that uses professional advice has a greater chance of success (p = .040).
- A business that can successfully attract and retain employees has a greater chance of success (p = .046).
- A business with partners has a greater chance of success (p = .098).

The most likely reason for the lack of significance for the other individual independent variables is because the model has near multicollinearity. Near multicollinearity, also called faced or just multicollinearity, exist when one independent variable is linearly dependent to one or more other independent variables; without the variable(s) the estimators would not exist. For example, the number of years of industry experience, the number of years of management experience, and the age of the owner are exceedingly likely to be correlated.

Implications and Conclusions

This study has limitations, including the subjective measures of the questionnaire. Further research can make the measures more objective. The sample also includes several economic sectors, so the results do not indicate the characteristics of each industry. Also, Mexico does not have database of failed businesses, so the percentage of unprofitable enterprises was lower, so it could not validate the entire model as hypothesized. For further research, data from actual failed companies should be obtained.

This study has implications for employers, researchers, and government. In Mexico and other countries it is important to promote the survival of small businesses for their potential it brings to the economy of a country. The results of this study can help governments and institutions to understand why it is important to identify those variables that determine the success or failure of a small business and providing the necessary tools to increase their performance.

The fact that the Lussier (1995) model variables do in fact predict success and failure in five very different parts of the world, North America U.S.A. and Mexico, South America Chile, Central Eastern Europe Croatia, and in the Middle East Israel, is of importance because success versus failure prediction research benefits both the would be and current entrepreneurs; those who assist, train and advise them; those who provide capital for their ventures; their suppliers; and public policy makers. If they use the model to assess a firm's potential for success, society can benefit in direct and indirect ways via the allocation of limited resources (entrepreneurial capital, investments and loans, government aid, and so forth) toward higher potential businesses.

A promising finding of this study is that although there is great discrepancy in the literature, see Table 2, and differences between countries, the Lussier (1995) model is significant in five different countries from varying parts of the world. Maybe business success vs. failure variables in different countries are more similar than people realize, or maybe it is the effect of globalization. The exploratory global success vs. failure prediction model may be a significant predictor in other countries as well. Although there is much discrepancy in the literature, and no unifying theory, this study helps to move us in that direction. With the trend toward increasing globalization, international global business success vs. failure prediction models become more valuable.

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An Examination of the Transition from Informal to Formal Entrepreneur in a Developing Country Context.

Christopher F. Achua, University of Virginia, College at Wise
Department of Business & Economics
Robert N. Lussier Springfield College

Abstract

This study identified three sub-categories of retail entrepreneurs commonly found in developing countries. They are the Street-Walker, Street-Corner and Store-Owner retail entrepreneurs. The findings from a survey of 200 retail entrepreneurs in Cameroon (West Africa) are that a majority of Street Walker and Street Corner entrepreneurs belong to the informal sector and have a predominantly necessity-driven motive while the Store Owner retail entrepreneur has a predominantly opportunity- driven motive for starting a business. Also, a transition pattern was observed whereby a significant number of Street-Walkers do progress to Street-Corner and ultimately to Store Owner entrepreneurs. These latter findings do point to public policy implications for institutional support that can grow the informal or hidden sector into the formal economy.

Keywords: Entrepreneurship; informal economy; street-walker, street- corner, store-owner; necessity-driven motive; opportunity-driven motive; Cameroon.

Introduction

The literature on entrepreneurship in the formal economy as a strong driver to economic growth has been well debated and empirically supported (Carree & Thurik 2010; Hitt et al. 2001; Schumpeter, 1943). A new area that is now receiving much needed attention is entrepreneurship in the informal economy. Among those leading the research in this area are works of Webb et al., 2013; Webb et al., 2009; Williams, 2007, 2008, 2009, 2013; Williams & Gurtoo, 2011; Williams & Nadin, 2010).

In 2012, the Academy of Management called for an examination of the informal economy beyond the institutional settings of North America and Europe. In fact, the Academy went on to sponsor a special conference on Africa in 2013 to expand the understanding of the informal economy from an African context. During the conference, there was acknowledgement that indigenous research by scholars with intimate knowledge of the African context was critical because as the academy put it, “Too often scholars from mature economies, who commonly have little or no grounding in the institutional setting they are examining, will find significance in their statistical analysis but may be revealing results with little materiality or face validity" (Bruton, Ireland & Ketchen, 2012:9; Zoogah et al., 2015). The Academy's interest and focus on Africa is timely and relevant given that it is a home to more than a billion people, 54 countries and fast growing economies such as those found in Ghana, Nigeria and South Africa (Mckinsey Global Institute, 2012 & 2010).

Informal entrepreneurs are described as businesses that are unregistered with any governmental institution but derive income from the production and sale of legal goods/services (Nichter & Goldmark, 2009).

They operate outside of regulatory regimes such tax administration, safety and health certification, licensing and zoning requirements (Williams & Nadin, 2010). Though it is a world-wide phenomenon practiced in both developed and developing economies, it is more prevalent and growing in developing countries.

A big part of the informal economy in developing economies is composed of individuals struggling to survive through peddling consumer goods on the streets or in open market spaces. The streets, bus stations, airports and markets are crowded with budding entrepreneurs (young and old, men and women) selling everything from food, art, clothing, cosmetics, medicine and more. They approach pedestrians or hang on car/bus windows inviting you to buy whatever they are selling. Some have described this enterprise form as "survivalist self-employment" (Thai & Turkina, 2013). It is not the type of retail experience that one would normally find in many western or advance economies. The unique cultural, social, economic and political landscape of many Africa nations thus supports the case for more indigenous research that reflects the reality on the ground. As Michalopoulos and Papaioannou (2015) point out, any fruitful research agenda on African must take into account the importance of ethnic-specific traits shaping its development. Williams and Gurtoo (2011) examined this retail phenomenon in India while Odom and Williams (2012) focused on Ghana. They focused on the necessity-opportunity dichotomy between informal and formal entrepreneurs. This study builds on these previous works by focusing on the transition pattern from informal to formal entrepreneurs using a categorization approach not previously employed.

Based on observed behavior patterns of retail entrepreneurs in Cameroon (West Africa), we have created three sub-categories: Street- Walker, Street-Corner and Store-Owner retail entrepreneurs. We speculate that most street walker and street corner retail entrepreneurs operate as part of the informal economy. We further speculate that most store-owner retail entrepreneur at some point were street walker and/or street corner retail entrepreneurs. The store owner retail entrepreneur is seen as someone who has transitioned towards legitimacy and moving towards full participation in the formal economy. He or she has to operate according to the regulatory enforcement regime of the state or local authorities (paying taxes and licensing fees). The existence of such a transitional pattern from street-walker and/or street-corner to a formerly recognized store-owner will lend support to the ILO's thesis that the informal economy acts as "an incubator for business potential and … transitional base for accessibility and graduation to the formal economy." According to the ILO, informal entrepreneurs show "real business acumen, creativity, dynamism and innovation" (ILO, 2002a). This is contrary to the way authorities in many developing economies treat these early-stage entrepreneurs. More often than not, they are seen as a nuisance and impediment to economic growth. Obviously, the ILO disagrees with this view.

In this paper, we aim to find evidence that supports or rejects the presence of a transitional pattern from street-walker and/or street-corner to store-owner. First, we start with a review of the literature on the informal retail economy in a developing country context; section two will explain the methodology and data collection; section three will present the results and discussion and section four will draw some conclusions and implications from the study.

Literature Review

There is growing acknowledgement amongst scholars, practitioners and policy makers that entrepreneurship in the informal sector is a fast growing part of the economy of developed and developing countries around the world. It is a significant source of employment and livelihood for many in developing economies (Bureau & Fendt, 2011; Dibben & Williams, 2012 & 2013; Odom & Williams, 2012; Williams & Gurtoo, 2011; Williams & Nadin, 2010; Webb et al., 2009; Webb et al., 2013). According to some estimates, informal entrepreneurial activities account for a sizeable share of economic activity around the world – over 30% on average and in many developing countries as high as 70% (Schneider et al., 2010).

A key question for many of the studies in this area has been on drivers or factors that motivate or influence informal entrepreneurship. In their study, Valdez, Doktor, Singer and Dana (2011) reiterated the consensus view that there are two dimensions of entrepreneurship: (1) necessity entrepreneurship driven primarily by the belief that one's own initiative is the only option available for survival and, (2) opportunistic entrepreneurship driven primarily by the recognition of opportunity in the market environment. In the first case, there is a thesis that entrepreneurs operating in the informal economy, especially in developing economies do so out of economic necessity as a survival strategy~~.~~ The decision to become an entrepreneur is described as a "push or desperation effect" on the part of these individuals (Beeka & Rimmington, 2011; Odom & Williams, 2012; Thai & Turkina, 2013; Williams & Gurtoo, 2011; Williams & Nadin, 2010). They are more likely to be marginalized and removed from the formal labor market. Thus the name "necessity entrepreneurship."

An opposing thesis argues that participation in the informal economy is opportunity-driven. Proponents argue that entrepreneurs start new businesses predominantly to take advantage of market opportunities.

Unlike necessity-driven entrepreneurship, opportunity-driven entrepreneurship is more likely to be the result of advance planning, due diligence, and organization (Aidis et al., 2006; Williams & Nadin, 2010; Minniti et al., 2006). Its pursuit is entered into voluntarily by the entrepreneur. Supporters do argue that because it is planned and well thought-out, opportunity-driven entrepreneurship is more likely to be a venture with higher return potential than necessity-driven ventures (McMullen et al., 2008).

Finally, a third thesis on the motive question departs from the portrayal of informal entrepreneurs as either universally necessity-driven or opportunity-driven. This view argues that both necessity and opportunity driven motives have the potential to be co-present in the rationales of individual informal entrepreneurs and also that the drivers underpinning informal entrepreneurship can change over time, often from more necessity- to opportunity-driven. This necessity-opportunity continuum is important because there seems to be a tendency to under-value the significance and contributions of necessity-driven entrepreneurs. As mentioned above, there is a biased assumption that opportunity-driven entrepreneurs provide a better chance of economic growth and prosperity than necessity-driven entrepreneurs. However, Williams along with many others have argued that it would be a mistake for economic and enterprise development practitioners to write-off necessity-driven entrepreneurs operating informally as unworthy of support (Williams, 2007, 2008, 2009).

Proponents of this necessity-opportunity continuum argue that successful necessity-driven entrepreneurs do go on to become more opportunity-driven over time (Odom & Williams, 2012; Williams & Nadin, 2010). In other words, there are street peddler informal entrepreneurs who do go on to become participants in the formal economy. DeCastro & Bruton (2012:3) maintain that "informality is better captured or described by a continuum along which there are degrees of informality." As they put it, if this characterization is correct, then it demands that scholars "examine in a more nuanced way what drives the decision regarding where along the formal-informal continuum a firm/individual chooses to locate and how this decision affects such issues as taxation, borrowing and responding to government policies."

It is a fact that in many African countries, there is very high unemployment. Wage employment, particularly in the civil/governmental sector is highly dependent on a formal education and/so social connections. The unemployed find themselves with little choice but to try their luck at retail entrepreneurship in the informal sector. It is the only option available to provide for their basic needs. It is even the case that with declining national budgets in many African countries, the composition of these survivalist entrepreneurs includes many well educated university graduates who cannot find work in the civil service. Others are wage earners who subsidize their meagre earnings with side businesses in the informal sector. It is quite possible that these marginalized individuals would never have selected entrepreneurship as their first choice. This explains why the choice towards entrepreneurship is sometimes seen as an adaptive-response behavior to marginality (Dana, 1997). Williams & Nadin (2010) found similar results in their studies. They found that necessity-driven informal entrepreneurs generally come from the lowest-income quartile of the population and are more likely to have no formal occupation, thus they engage in lower-paid forms of off- the-books entrepreneurial endeavors. In his study of Haitian immigrants in Montreal, Dana (1993) found that self-employment was often an occupation of last resort, limited to those who could not find jobs in the civil sector.

As mentioned in the introduction, a keen observation of the retail scene in Cameroon, West Africa, reveals that there are basically three specific types of retail entrepreneurs - the Street-Walkers, the Street-Corner and Store-Owner entrepreneurs. It should be noted that these retail types are not specific to Cameroon and may not represent an exhaustive list. A visitor to any developing country in Africa, Central and South America or parts of Asia will immediately observe these same retail types. Achua and Lussier (2014) described these retail types as follows:

- The Street-Walker retailers, also known as street hawkers have no fix location. They carry their wares with them everywhere along city and neighborhood streets.

- The Street-Corner retailers are those who have a temporary location on the street or open market area with a few more items displayed for sale on a kiosk or wooden stand. Some operate under tents or tarps that they have set up on the street corner. They can change location instantly or temporarily abandon their locations when necessary (to avoid licensing officers and tax collectors).

- The Store-Owner is one who has earned enough capital (or can afford the financing) to lease or purchase a permanent store-front location along the urban streets, in a designated market center or residential neighborhood. They pay rents and taxes to the city or market authorities.

The Street Walker and Street Corner retail entrepreneurs have always been perceived as driven out of necessity into such endeavors as a last resort (Gallin, 2001). Some describe their efforts as “involuntary,” “forced,” “reluctant” or “survivalist” (Hughes, 2006; Singh & De Noble, 2003; Travers, 2002). It is generally the case that many of street-walker and street- corner retail entrepreneurs are informal. They didn’t choose to be informal entrepreneurs because they weighed the benefits of wage employment in the formal sector and decided that the informal sector was a better alternative. Street-walker and Street-corner informal entrepreneurs are described as being in it to make a living and provide for their family. It is, according to Odom and Williams (2012), “living maximization” rather than “profit maximization.”

However, despite this acknowledgement that the majority of informal retail entrepreneurs in Cameroon are necessity-driven, there is also evidence to support the opportunity-driven thesis for informal entrepreneurs. For example, there are sub-cultural groups (also known as tribes) that are well known for their entrepreneurial drive or instinct. In the Western Region of Cameroon, the Bablilkeahs are well known for their entrepreneurial dominance in the informal economy. There is a cultural orientation towards entrepreneurship that is not forced or done out of necessity. It is a cultural trait that is passed on from generation to generation. Similarly, the Kwahus from the eastern region of Ghana have been depicted as “born” entrepreneurs. With limited formal education and little training in entrepreneurship, they have been portrayed as the most successful entrepreneurs in Ghana and doing so out of choice (Hung Manh et al., 2007). The same is true of Ibo and Yoruba people of Nigeria.

Because the Store-Owner retail entrepreneur has a permanent location, they pay taxes, license fees, rents and other dues that street vendors avoid. The question we ask is whether there is a progression pattern (transition) in which one starts off as a Street-Walker and with success, progresses to a Street-Corner and ultimately to a Store-Owner entrepreneur? To test this transitional pattern, the following hypotheses are developed:

Hypothesis 1: Street-Walker and Street-Corner entrepreneurs’ motives are more likely to be necessity-driven rather than opportunity-driven.

Hypothesis 2: Store-Owner entrepreneurs’ motives are more likely to be opportunity-driven rather than necessity-driven.

Hypothesis 3: Street-Corner entrepreneurs are more likely to report prior experiences as Street Walker entrepreneurs.

Hypothesis 4: Store-owner entrepreneurs are more likely to report prior experience as Street-Walkers and/or Street-Corner entrepreneurs.

Methodology and Data

The methodology is survey research with personal interviews. A nation of 25 million people, Cameroon is located on the central western part of African. The survey targeted informal retail entrepreneurs in Bamenda. Bamenda is a city in northwestern Cameroon and capital of the North West Region. The city has a population of about 500,000 people, and is located 366 kilometres (227 miles) north-west of the national capital, Yaounde. Within the Bamenda urban community, this study employed maximum variation sampling to identify four key locations where informal retail entrepreneurs concentrated. The locations consisted of (1) the main streets in the city center, (2) the entrances to the main market centers, (3) inside the main market and (4) residential neighborhoods. Through a random process, the study sampled 50 individual entrepreneurs from each location, which resulted in a total of 200 completed questionnaires. The randomness was in the sense that the researcher invited informal entrepreneurs who happened to be present at a particular location on a given day and time to participate in the survey.

The initial goal was to complete 250 questionnaires. However, roughly one of every 5 persons invited to participate turned down the offer. At the end, 217 questionnaires were completed and 17 were rejected for improper or missing data. Therefore, the study had a response rate of 80 percent. All the interviews were conducted face-to-face using a structured questionnaire with 15 close-ended questions. The first question was a three-part question. It asked respondents what type of entrepreneur (St.-Walker, St-Corner or Store -Owner) they are; what type(s) of products/services they are selling and how many years they have been in business. It should be noted that the study used the 5 categories of product/service offerings and the 7 store-type categorizations described in the literature review to structure this question and the responses. The second and third questions addressed the progression from St-Walker to St-Corner to Store-Owner entrepreneur. The study also gathered demographic data on respondents' gender, age, education and family status (do they work with family members, non-family members or solo?).

Results and Analysis

4.1 Descriptive Statistics

Of the 200 respondents, 107 (53.5%) were males and 93 (46.5%) were female. The average age of respondents was 35.08 with a standard deviation of 11.91. When it comes to working with or without assistance, 64.5% (129) work solo, 25.5% (51) have assistance from a family member, 2% (4) have assistance from a non-family member and 8% (16) have both family and non-family members assisting in the business. See Table 1 below for the frequencies and percentages of the types of entrepreneurs: 27% of retail entrepreneurs identified as St-Walkers, 46% as St-Corner entrepreneurs and 27% as Store-Owners.

Table 1. Type of Informal Entrepreneurs

	Frequency	Percent
Street-Walker	54	27
Street-Corner	92	46
Store-Owner	54	27
Total	200	100

4.2 Test of Hypothesis 1

The first hypothesis stated that St-Walker and St-Corner entrepreneurs' motives are more likely to be necessity-driven rather than opportunity- driven. It is the case that in developing countries like Cameroon, informal retail entrepreneurs (St-Walker and St-Corner entrepreneurs) are perceived as individuals from socially and economically disadvantaged backgrounds who seek employment in the informal economy out of necessity not as a choice. To these populations, the informal economy is a last resort in the absence of alternative sources of employment (Hanson, 2005; Palmer, 2007). As mentioned earlier, previous studies on the necessity/opportunity- drive question had been confined to the advanced economies in the West and a few Latin American nations (Perry & Maloney, 2007).

As revealed in Table 2 below, 89% of St-Walkers and 71% of St- Corner entrepreneurs identified with the necessity or push motive for starting their businesses. Therefore, the hypothesis is supported by chi- square testing (p = 000).

Table 2. Reason for Starting a Business by Type of Informal Entrepreneur

	Street Walker	Street Corner	Store-Owner n and %	p - value
Necessity	48 /	65 /	16 / 30%	
Opportun	6 /	27 /	38 / 70%	
Total	54 /	92 /	54 /	.000

4.3 Test of Hypothesis 2

Hypothesis 2 stated that Store-Owner entrepreneurs' motives are more likely to be opportunity-driven rather than necessity-driven. As shown in Table 2 above, 70% of Store-Owners identified with the opportunity or pull motive for starting their businesses while 30% cited with the necessity or pull motive. Therefore, the hypothesis is supported through chi-square testing (p = .000).

In their study, Odom and Williams (2012) found that a vast majority (70 percent) of informal entrepreneurs tend to cite both necessity- and opportunity-drivers when explaining their rationales for participating in informal entrepreneurship. We found similar results. This explains Odom and Williams' (2012) cautionary tale that the tendency by some to want to squeeze all informal entrepreneurs into one side or the other of the necessity/opportunity dichotomy is misleading and should be avoided.

4.4 Test of Hypothesis 3

Hypothesis 3 stated that Street Corner entrepreneurs are more likely to report prior experiences as Street Walker entrepreneurs.

Table 3. Street-Corner Informal Entrepreneurs – Progression Patterns

	Frequency	Percent	p -value
Started as St.	55	60%	
Started as	38	40%	
Total St.	92		.097

As seen in Table 3 above, the majority of St-Corner informal entrepreneurs started out as St-Walker entrepreneurs (60%) while 40% started out as St-Corner informal entrepreneurs. Although more St-Walker informal entrepreneurs did progress into St-Corner informal entrepreneurs, it was not a significant number compared to those who started out as St. Corner informal entrepreneurs by chi-square testing at the .05 level, but it is at the .10 level of significance (p = .097).

4.5 Test of Hypothesis 4

Hypothesis 4 stated that Store-owner entrepreneurs are more likely to report prior experiences as St-Walkers and/or St-Corner entrepreneurs.

Table 4. Store-Owner Informal Entrepreneurs – Progression Patterns

	Frequen	Percen	Cumulat	p -
From S Walker	2	3.7	3.7	
From S Corner	13	24.1	27.8	
St Walker to	19	35.2	63.0 100%	
Started	20	37.0	37%	
Total	54	100.0		.002

Looking at Store-Owner entrepreneurs' progression patterns (Table 4), one will see the following: only 3.7% of Store-Owners said they started as St-Walkers, 24.1% said they started as Store-Corner entrepreneurs, 35.2% said they progressed from St-Walker to St.-Corner and then to Store- Owner entrepreneurs and 37.0% said they started right off as Store-Owners. What this reveals is that the majority of Store-Owner entrepreneurs had some experience as informal entrepreneurs at the St-Walker or St.-Corner level. In fact 35.2% went through the cycle from St-Walker to St.-Corner to Store-Owner and 24.1% went from St.-Corner to Store-Owner, skipping the St-Walker phase. This means that combined, 63% of Store-Owners had some previous experience as informal entrepreneurs at the St-Walker and St-Corner levels. Thus, Hypotheses 4 is supported by chi-square testing (p = .002). It is a strong possibility that the experiences gained from previous phases carried over (the learning curve effect).

Conclusion and Implications

The objective of this study was to determine whether informal retail entrepreneurs' motives display the same co-presence of push (necessity- driven) and pull (opportunity-driven) factors among three sub-groups – the street walker, street corner and store owner retail entrepreneurs - in Cameroon, West Africa.

This study found that more Street-Walker and Street-Corner entrepreneurs identified with the necessity-driven (push) motive than Store- Owner entrepreneurs. More Store-Owners identified with the opportunity- driven (pull) motive for starting their businesses. This is understandable given that store ownership in many developing economies is a major decision that requires more capital and other resources to be put at risk. There is a deeper level of market analysis (or so it's assumed) that goes into opening a store than hawking a few items on the streets. A successful marketing strategy specifies a target market with unmet needs and a related marketing mix, also referred to as the "4 Ps that align with the target customer's needs. The Store-Owner entrepreneur is more likely to employ this marketing construct than the Street-Walker or Street-Corner entrepreneur, which supports why they display a greater level of the opportunity-driven motive. This is consistent with Odom and William's findings that many informal entrepreneurs are not only partially or fully opportunity-driven, but also that push and pull factors are co-present in their rationales for participating in informal entrepreneurship (Odom & Williams, 2012). In this study, the group most likely to exhibit this characteristic is the Store-Owner retail entrepreneur.

As mentioned in the introduction, the International Labor Organization has come to view the informal economy as "an incubator for business potential and … transitional base for accessibility and graduation to the formal economy" (ILO, 2002a). This thesis was supported as seen in the observed progression pattern from Street-Walker to Street-Corner and ultimately to Store-Ownership. As revealed in the findings, more than half (63%) of Store-Owners had some previous experience as informal entrepreneurs operating as Street-Walkers or Street-Corner entrepreneurs.

These findings have important public policy and educational implications. African governments and NGOs must realize the significant role that the informal economy has on the livelihood of citizens, especially the economically disadvantaged. Though it is precarious employment, the informal sector is what most people (young and old, educated and not educated, male or female) in developing countries have come to rely upon for survival. As Lydia Polgreen (deputy international editor at The Times and a former correspondent in western and southern Africa) appropriately states, "the steel mills, auto and textile factories that built middle class societies from Europe to the United States and now in parts of Asia are nowhere on the horizon in most of Africa" (Olopade, 2014). Self- employment through entrepreneurship seems to be the best option at this time. Public policies that support and nurture informal entrepreneurs in the early stages of the entrepreneurial journey (street-walker and street-corner entrepreneurs) would be mutually beneficial given that more than half (64.5%) of those who start-out as informal entrepreneurs do go on to become part of the formal economy. This will be a win-win for both sides. Educational policies that incorporate early entrepreneurial teachings in the educational process can be very helpful for future or prospective entrepreneurs.

For future research, we will point to two areas that directly relate to this study: (1) we did mention the Bablilkeahs in Cameroon and the Kwahus in Ghana as examples of "born" entrepreneurs who seem to be more opportunity than necessity-driven. There is an opportunity for future research to contextualize this phenomena (especially for western scholars who are not very familiar with it) by examining in detail why some individuals/sub-cultures within these contexts are more entrepreneurial than others? (2) We found evidence that some street-walker and street- corner informal retail entrepreneurs do transition to store-owner formal entrepreneurs. The next step is to entertain the question as to whether there does exist a learning curve effect that carries over from one phase to the next? Why are some individuals able to learn whereas others are not, what is learned and how do they learn? We can only assume at this point that there is a learning effect.

This study acknowledges an obvious weakness in the sampling methodology used. As described in the methodology, it was more of a convenient than a truly representative statistical sample. Also, although a face-to-face survey (as was applied in this study) allows room for clarifications when need be, it can also encourage over or under reporting of sensitive data items like age, education level or business performance.

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The Role of Confidence in the New Venturing Process

Justin Weinhardt, University of Calgary
Justin Davis*, University of West Florida
Olga Petricevic, University of Calgary

Introduction

Confidence plays a significant role in entrepreneurial decision-making processes and behaviors (e.g., Simon, Houghton, & Aquino, 2000; Hogarth & Karelaia, 2012). However, extant literature to date has mainly focused on *how* confidence and the extreme form, overconfidence relate to entrepreneurial outcomes, such as the likelihood of starting a business (e.g., Townsend, Busenitz, & Arthurs, 2010; Khan, Tang, & Joshi, 2014), the performance of a new product (e.g., Simon, Elango, Houghton, & Savelli, 2002), or venture failure rates (e.g., Bernardo & Welch, 2001), without examining *when* or *under what conditions* confidence plays a positive or negative role. In this paper, we propose that the effects of confidence are conditional on the timing of different decisions made during the new venturing process. Our line of reasoning has parallels to the recent discussions on rationality in the entrepreneurship literature, suggesting that entrepreneurs invoke different rationalities that are contextual, dynamic, and evolve during different phases of the entrepreneurial process (Miller, 2007). This discussion highlights the contingencies of contextual factors and different stages of the new venturing activities in the decision-making processes. This is particularly noteworthy since prior research neither in strategic management nor entrepreneurship has systematically investigated these contingencies in the research on confidence. Instead, existing research has shown that confidence has both predictable positive effects on key strategic outcomes, such as commitment to risky, new projects (Simon & Houghton, 2003), as well as negative effects such as a failure to commit sufficient resources for the new ventures (Hayward, Shepherd, & Griffin, 2006) without making explicit distinctions with regards to the context, dynamic factors or different stages of the new venturing process. Most studies thus far have analyzed the role of confidence *after* an entrepreneurial opportunity has been recognized and have provided rather inconclusive evidence that ranges from negative to positive to no relationship detected or mixed results (e.g., Dushnitsky, 2010; Hyytinen, Lahtonen & Pajarinen, 2015; Simon & Shrader, 2012; Baum & Locke, 2004; Simon, Houghton, & Aquino, 2000) strongly highlighting the need to examine context-specific nuances in the role of confidence throughout an entrepreneurial process. We posit that in order to develop a better understanding of what role confidence plays during the decision-making of the entrepreneurship process, it is necessary to account for and explicate the decision-making processes and contextual influences that occur *before* as well as *after* new venture inception.

The dichotomy of the findings in the current literature coupled with the lack of systematic efforts to explicitly specify different process-related contingencies suggest that the role of confidence in entrepreneurial decision-making might be more complex and more contextual than initially conceptualized. Indeed, Miller (2015) discusses both the positive and negative effects of certain individual differences in regards to entrepreneurial processes. Excessive optimism and belief in one's self can turn into "grandiosity, overconfidence, narcissism and hubris" (Miller, 2015).

To address this complexity regarding confidence we integrate a multi-stage self-regulation framework (Gollwitzer & Brandstatter, 1997; Steel & Weinhardt, in press) that predicts differential effects of confidence depending on the stage of motivation with four major decision- making phases of the new venturing process. This multi-stage framework is particularly useful as it allows for a more insightful analysis of the implications of confidence under varying contextual and new venturing process-related influences with differing goals, which has not been investigated in the extant literature to date. In line with Shepherd, Williams, and Patzelt (2014), we propose that the four major decision phases in the new venture process are: 1) *decision to become an entrepreneur, 2) decisions related to opportunity assessment and entrepreneurial entry, 3) decisions about exploiting opportunities*, and 4) decisions about venture *survival versus exit*. Self-regulation theories from motivation psychology (cf. Lord et al., 2010) offer particular insights into how individuals' behavior is guided by their expectations and the goals they setover time. As such, theories of self-regulation provide a particularly relevant platform from which entrepreneurial decision-making processes can be better highlighted and understood. By integrating the four decision phases of the new venturing process with self-regulation, we are able to offer behavioral insights into the role of confidence at different phases of the new venturing process. These different stages are coupled with different goal setting processes of an entrepreneur. By integrating these insights we can better understand the conditions under which confidence may have positive or negative effects on the new venturing process.

We use self-regulatory framework of the new venturing process to systematically examine to the impact of confidence on new venturing outcomes at different decision-making stages and suggest several gaps in our understanding of the underlying mechanisms and relationships between confidence and new venturing processes. From this we develop a set of propositions on the effects of confidence for each of the four major decision-making phases in the new venturing process by integrating predictions from theories of motivation and decision-making, and offer suggestions for methodological and theoretical extensions and future research directions. First we define confidence and how it will be discussed in our paper.

Defining Confidence

Confidence and its excessive form overconfidence have been defined in a number of different ways and have been referred to in various forms. Generally, confidence refers to someone's certainty in beliefs about either some event occurring, something being correct or their ability to perform some action in a certain context. When these beliefs are excessive, this is referred to as overconfidence. Researchers often use a host of different names to refer to these types of beliefs such expectancy, optimism, self-efficacy, overconfidence, overestimation and hubris.

Expectancies refer to beliefs about contingencies (Lewin, 1951; Tolman, 1938), which are often described in terms of the belief in the probability of one condition (e.g., performance) given another condition (e.g., behavior). Therefore, expectancies are a general class of beliefs about future outcomes. In terms of entrepreneurship, individuals will have expectancies about the success of their business based on certain actions they perform or because of some market forces. Optimism is the general belief that positive outcomes are more likely than negative outcomes and has been found to be a stable dispositional characteristic (Scheier et al., 2001). Therefore, in the case of entrepreneurship individuals who are optimistic will believe their chance of success is more likely. Self-efficacy was introduced by Bandura (1977) as a member of the expectancy family of concepts and refers to one's belief in one's capacity to perform some action. Self- efficacy beliefs differ from other confidence/expectancy beliefs because the focus is on the belief in one's capacity to perform some action and not just in an expectancy that positive effects will occur if some action is taken—the focus is on capacity. Within the entrepreneurial literature, self-efficacy has been investigated using the concept of entrepreneurial self-efficacy and general self-efficacy. Specific self-efficacy is a person's belief in their ability to perform a specific task (Bandura, 1997). Therefore, entrepreneurial self-efficacy is a more specific self-efficacy belief. Whereas, general self-efficacy is person's belief in their ability for a number of different tasks and is often considered a personality trait and has been widely studied in the entrepreneurship literature (Chen, Gully, & Eden, 2001; Rauch & Frese, 2007). Although these constructs share the same nomological net, they are often looked at separately from one another or researchers use various different measures and use the overall concept of confidence.

These constructs in their excessive form are referred to as overconfidence, overestimation, and hubris. Across, the entrepreneurship literature it is often assumed that entrepreneurs are overconfident (Cooper, Woo, & Dunkelberg, 1988; Hayward et al, 2006; Simon & Schrader, 2012). In the judgment decision-making literature, overconfidence is defined as confidence in judgments exceeding the accuracy of judgments (Klayman, Soll, Gonzalez-Vallejo, & Barlas, 1999). However, to adequately understand overconfidence it is necessary to break down overconfident beliefs. Hayward et al. (2006) propose that in regards to entrepreneurship there can be overconfidence in knowledge, prediction and personal abilities. Therefore, entrepreneurs could be overconfident in their knowledge regarding the business, have excessive certainty their business will survive and/or a belief they can succeed where others have failed. This approach offers a much more fine-grained way of discussing overconfidence.

However, relatively few researchers examining overconfidence in entrepreneurship literature use this fine-grained approach (Hayward et al., 2006). Even fewer explicitly use the definition of overconfidence from the judgment decision-making literature (Simon & Houghton, 2003). Often researchers either measure entrepreneurial overconfidence by using a Likert-type measure or use related constructs such as self-efficacy, expectancy or optimism (Chen, Greene, & Crick, 1998; Hmieleski, Corbett & Baron, 2013). All these measures share a common definition of belief in ability (self-efficacy) or belief in success (optimism). In regards to entrepreneurship, these beliefs are likely to be excessive because of the high rate of entrepreneurial failure (Cooper et al., their beliefs even though it has been shown numerous times that these beliefs are often wrong (Dunning et al., 2004). Therefore, it is unlikely entrepreneurs have calibrated beliefs about knowledge, prediction and abilities (Hayward et al., 2006). Here we attempt to understand how these beliefs operate at different decision points in the new venture process.

Motivational View of Confidence in Entrepreneurship

Only recently, research on strategy and entrepreneurship has begun to integrate cognitive psychology and judgment decision-making research (for a review see Powell, Lovallo, & Fox, 2011, or Weber & Mayer, 2011) to enrich our understanding of how individual's cognitive biases, frames, or emotions impact decision-making within and between organizations. Specifically, Powell et al. (2011) make an extensive argument for rooting behavioral strategy in psychology, which they describe as the "fourth pillar of strategic management theory" (p. 1370). However, only integrating cognitive and judgment decision-making into strategic management is theoretically deficient because it ignores the motivational processes of individuals. Indeed, Foss and Lindenberg (2013:85) argue, "the proper microfoundations for strategic management theory must recognize that the management of motivation is first and foremost a matter of the management of cognitions of organizational members," which suggests that entrepreneur's motivation that regulates its goals and behaviors must be taken into account when examining entrepreneurial decision-making processes. Building on this call for microfoundations work (Foss & Lindenberg, 2013; Lindenberg & Foss, 2011), we take a multidisciplinary approach to understanding confidence by addressing entrepreneurs' motivation. Specifically, we draw on theoretical contributions from theories of self-regulation, which are the dominant motivational theories in psychology (Bandura, 1997; Carver & Scheier, 1998; Vancouver, 2008) and offer theoretically complementary insights on the interplay between motivation and new venturing decision-making processes that impact the directionality of the effects of confidence. Self-regulation is defined as the processes of setting, planning, maintaining and attaining one's goals over time (Vancouver & Day, 2005). We posit that this process of goal setting, planning, maintaining and attaining is a critical aspect underlying the effects of confidence in the entrepreneurial context, which specifically addresses the question of *when* confidence matters in new business venturing processes.

Individuals set goals, compare their current state to their goals, and perform some action, if there is a discrepancy between their current state and their goal (Vancouver, 2008). In addition, behavior and motivation is driven by expectancy-value perceptions of the individual (Vancouver, Weinhardt, & Schmidt, 2010; Vancouver, Weinhardt, & Vigo, 2014) and goals, which are internally represented desired states (Austin & Vancouver, 1996). When there is a large discrepancy between an individual's current state and their goal state there is lower confidence that one is able to reach the goal (Carver & Scheier, 1998). If this discrepancy is too large individuals will not engage their goals (Vancouver, More, & Yoder, 2008; Sun, Vancouver, & Weinhardt, 2014). These expectancy beliefs and the reduction of discrepancy is a dynamic changing process (Vancouver et al., 2010; Vancouver et al., 2014).

Theories of self-regulation also address the dynamic interactions between the person and environment over time. That is, behavior creates both changes within the person and between the person and the environment (Vancouver, 2008). This is a continual process, where individuals change their behavior over time depending on how successful they are in reaching their goal. In the entrepreneurial context, goals direct entrepreneur's attention and his/her actions and behavior in the new venturing process. However, individuals are not just regulating one goal at a time.

Individuals must regulate multiple goals over time (Vancouver et al., 2010; Vancouver et al., 2014) and decide how much time and effort should be allocated to each of their goals. This is a particularly prevalent situation for any entrepreneur who is undergoing the new venturing process, which is plagued with uncertainty and multiple, often competing, goals for time, effort and resources. The decisions an individual makes are driven by the expectancy (i.e. confidence) one has for attainting a particular goal and the value of attaining that goal. However, these processes change dynamically. Specifically, motivational processes can have different effects on self-regulation depending on the stages of motivation (Gollwitzer & Brandstatter, 1997; Steel & Weinhardt, in press) and the stages of the new venturing process. Steel and Weinhardt have proposed that confidence has positive effects early in the motivation process, particularly during goal choice, but has negative effects on later stages of motivation such as goal planning and goal striving. In these stages higher levels of confidence lead individuals to not allocate the proper amount of resources towards to be successful (Steel & Weinhardt, in press; Vancouver et al., 2008; Sun et al., 2014) Therefore, it is important to account for the temporal aspects of goal regulation in the entrepreneurial context in order to understand the possible effects of confidence at different decision points in the entrepreneurial process. In this paper we specifically examine when confidence can have positive or negative effects conditional on the varying decision phases of the new venturing process.

Stages of Motivation and the New Venturing Process

Following prior research, we assess motivation at various stages (Gollwitzer & Brandstatter, 1997; Steel & Weinhardt, in press). We explicate a parallel between these motivation stages with the major decisions of the new venturing process (Figure 1). First, an individual must determine if they desire to *become an entrepreneur* (Hellmann, 2007; Lazear, 2004, 2005; Nicolaou et al, 2008), which links to goal choice or the pre-decisional phase according to Gollwitzer and Brandstatter (1997). After the decision to become an entrepreneur has been made, the individual must make a number of subsequent *opportunity assessment* and *entrepreneurial entry decisions* (Grégoire, Barr, & Shepherd, 2010; Haynie, Shepherd, & McMullen, 2009; Shepherd et al., 2014), which links with the goal choice, goal establishment and goal planning processes in motivation literature (Steel & Weinhardt).

These three goal processes fall under the pre-actional phase of motivation. In this stage the entrepreneur is searching for an opportunity, evaluating the opportunity, and choosing that opportunity as a goal they want to pursue. Now that they have chosen to engage in a goal, they must establish a goal for their business. In particular, they must begin to develop a strategy and plan how to reach their goal for the new venture (Castrogiovanni, 1996). Further, they must make a number of *decisions about exploiting opportunities* (Choi & Shepherd, 2004; Eckhardt & Shane, 2003; Shepard et al., 2014; Welpe et al., 2012). Decisions about exploiting opportunities link to the action phase of motivation where goal striving processes are enacted. In this stage, the entrepreneur is actually running their business. Therefore, they are applying resources (e.g. time, effort, money) toward the business and must make important organizational decisions on a daily basis (Aldrich & Yang, 2014). Throughout this process, they must regulate other competing

goals in their lives, including other business ventures, family, physical/mental health and a social life (Carter, Tagg, & Dimitratos, 2004).

Finally, entrepreneurs enter the *survival versus failure* phase (Geroski, Mata, & Portugal, 2010; Cressy, 2006; Shepard et al., 2014) and face a variety of exit decisions (Arikan, 2005; Wennberg & DeTienne, 2014), which parallels the post-actional phase of motivation where individuals evaluate whether they have reached or failed to reach their goal. If the entrepreneur decides to continue being an entrepreneur this process continues. It may continue in a linear or non-monotonic fashion, which again depends on the situation and the decisions that an entrepreneur is facing.

Now that we have outlined the stages of motivation during the new venturing process, we will further elaborate on the temporal effect confidence has during these various stages. Examining the temporal nature of organizational constructs is necessary because the relationships between organizational constructs can change over time depending on the context (Mitchell & James, 2001; Sonnentag, 2012). Ignoring the temporal nature of organizational constructs can lead to non-diagnostic tests of theories, misrepresentation of the empirical literature and misrepresentation of the underlying process in theoretical development (Vancouver & Weinhardt, 2012).

The framework presented in Figure 1 offers insights into the microfoundations of entrepreneurship by building on entrepreneurship, strategy, and psychology literature. It also breaks down the entrepreneurship processes into various decision points that line up with the motivation theories from psychology. This breakdown offers significant clarity when discussing the positive or negative nature of confidence and facilitates the development of propositions that can spur future research. All propositions are grounded in decision-making and motivational theories from psychology and entrepreneurship literature on new venture start-up processes.

Differential Effects of Confidence

Deciding to Become and Entrepreneur

The decision to become an entrepreneur links to the motivation stage of goal choice. Gollwitzer and Brandstatter (1997) call this stage of goal choice the pre-decisional stage of motivation. In the new venturing context, individuals are choosing to engage the goal of becoming an entrepreneur. However, the decision to become an entrepreneur is multifaceted and is influenced by things such as an employer rejecting their ideas, need for achievement, riskiness, openness to experience, pro-active personality, entrepreneurial orientation, genetics, and general self-efficacy/confidence levels (Hellman, 2007; Nicolaou et al., 2008; Rauch & Frese, 2007; Zhao & Seibert, 2006). Here, we will only focus on individual's belief in ability with regards to the decision to become an entrepreneur.

Boyd and Vozikis (1994) propose that self-efficacy is positively related to intentions to become an entrepreneur. For both general and specific self-efficacy, this proposition has received support. In regards to general self-efficacy, individuals who are high on general self-efficacy are more likely to engage tasks in novel and uncertain environments (Chen et al., 2001), show greater initiative (Speier & Frese, 1997), and pursue business creation (Rauch & Frese, 2007).

Specific self-efficacy has also been investigated within deciding to be an entrepreneur. Chen et al. (1998) found that entrepreneur self-efficacy was positively related to intentions to start an entrepreneurial venture.

Given these findings, the baseline proposition (Proposition 1) is that confidence will positively relate the initial decision to become an entrepreneur. Past research has supported this proposition (e.g., Brodzinski, Scherer, & Wiebe, 1990; Laguna, 2013). Yet, objective information about success rates of new businesses is rather daunting and indicates that most new ventures fail (Bernardo & Welch, 2001). For example, in a sample of almost 3,000 entrepreneurs, 81% believed their chances of success are at least 70% while 33% believed their chance of success are 100% for their new venture (Cooper et al, 1988). However, the reality is that only 25% of new ventures are around after five years (Bernardo & Welch, 2001). Therefore, high levels of confidence at this stage could lead individuals to believe they will succeed where most others have failed. Johnson and Fowler (2011) have proposed that the tendency to be overconfident is evolutionary adaptive for a similar reason. If we were not optimistically biased towards believing we could catch our prey, cross dangerous terrain, or to try new risky endeavors our species may never have survived.

Although, there may have been evolutionary advantages for overconfidence, this does not imply that it will result in optimal outcomes or behaviors given our current environment. We propose that confidence is positively related to the decision to become an entrepreneur, but this does not necessarily that those with higher self-efficacy at this stage are more likely to succeed as entrepreneurs. Indeed, work on self-regulation has shown that self-efficacy is positively related to goal choice, but negatively related to performance over time within the person (Vancouver et al., 2008; Sun et al., 2014

Proposition 1: *Confidence is positively related to the decision to become an entrepreneur.*

Opportunity Assessment and Entry Decisions

Now that one has decided to become an entrepreneur they begin to search for an opportunity in the environment or decide to start a new venture to pursue the idea that they have generated during their employment. The opportunity recognition phase is dependent on the search practices and recognition processes of the entrepreneur and the proactive behavior to then pursue the identified opportunity. This opportunity recognition can come as a result of a deliberate search, an unintentional recognition process, or creation process (Alvarez & Barney, 2007; Sarasvathy, 2001). This stage links up to the pre-actional phase of motivation (Gollwitzer & Brandstatter, 1997). In the pre-actional phase, individuals are at the commencing stages of their motivation. They look either within themselves (Nicolaou et al., 2008) or at their environment (Hellmann, 2007) for a task they want to engage in through the new venturing process. Once they choose a task to strive towards they set a goal for that task and plan the amount of resources needed to reach their goal. From an entrepreneurial perspective, this is where entrepreneurs choose which business to start, begin to set their goals for their venture, and evaluate resource requirements (Brinckmann, Grichnik, & Kapsa, 2010), therefore in regards to motivation this is where goal choice and goal planning are engaged.

One of the key initial steps in the continuing new venturing process is the opportunity recognition (Ardichvili, Cardozo, & Ray, 2003; Hills & Shrader, 1998; McMullen & Shepherd, 2006). Much of the contemporary debate among entrepreneurship scholars centers on the ontological nature of opportunities, whether they are objective or subjective (cf. McMullen & Shepherd, 2006; Companys & McMullen, 2007) or whether they are created or discovered (cf. Alvarez & Barney, 2007). Increasingly, however, entrepreneurship scholars have been shifting their focus on entrepreneurial cognition and its linkages to opportunity recognition in an attempt to uncover the microfoundations of processes by which individuals (entrepreneurs) recognize opportunities (Grégoire, Corbett, & McMullen, 2011; McMullen & Shepherd, 2006). Our approach in this paper adopts the perspective that opportunity recognition rests, at least in part, on the psychological characteristics of an individual – in this case, level of entrepreneur confidence at different stages of the new venturing process. As such, we are addressing nested stages of entrepreneurial action; that is the attention stage and the evaluation stage (McMullen & Shepherd, 2006). Many factors influence an individual's ability to perceive and recognize opportunities. Some scholars attribute this process to heightened levels of alertness to information or environmental conditions (cf. Gaglio & Katz, 2001), individual's imagination and creative actions (cf. Alvarez & Barney, 2007), individual's ability to create mental connections and associations (cf. Grégoire et al., 2010), or entrepreneurs' human capital (Davidsson and Honig, 2003). We argue that an individual's confidence level underpins these different factors and facilitates the process of perceiving and recognizing opportunities. Individuals with higher levels of confidence are more likely to engage in venture creation has received a significant amount of attention and support (e.g., Boyd & Vozikis, 1994; Ensley, Carland, & Carland, 2000; Douglas & Fitzsimmons, 2013).

After individuals have recognized the opportunity, they must choose to engage the goal. Theories of motivation are generally in agreement with rational theories of decision-making on this particular issue. Individuals choose to engage goals that have high expectancy-value. Indeed, in a meta-analysis of expectancy-value models, it was found that the correlation between expectancy-value and goal choice was .49 (Van Eerde & Thierrey, 1996). Expectancy-value models that have been incorporated into self-regulation predict similar effects. Among the many competing opportunities in the environment, individuals choose the one with the highest expectancy-value. However, self-regulation theories have expanded on this to show how expectancy-value changes dynamically over time as one engages a task (Vancouver et al., 2010; 2014).

Therefore, if individuals believe they can succeed with their recognized opportunity and believe there is a high payoff, they will choose to engage that opportunity. In this situation then, confidence will lead to a greater likelihood to engage their recognized opportunity. Again, although this is a positive effect, it does not necessarily indicate that this is normatively or prescriptively advantageous. Confidence may positively relate to the decision to engage the goal, but that does not mean it is a worthwhile goal to engage in the face of opportunity costs and the potential pool of other alternative opportunities. The decision to engage the recognized opportunity is not only driven by the entrepreneur's confidence but also by their risk propensity.

The moderating influence of risk propensity has received much attention in entrepreneurship research (e.g., Pirinsky, 2013; Martiarena, 2013; Puri & Robinson, 2013). Entrepreneurs are generally more risk tolerant than the average person, especially those with high growth aspirations (Stewart & Roth, 2001) and riskier entrepreneurs are also more likely to over perceive the value of the recognized opportunity (Forlani & Mullins, 2000), thus making it more likely that they will engage the opportunity. Therefore, for entrepreneurs it is not just that confidence is positively correlated with risk-taking behavior, but it also influences an overvaluing of the potential payoffs as entrepreneurs generally tend to have an overly optimistic perception of risk involved in the opportunities (Cooper et al., 1988). Therefore, the combination of confidence and increased tendencies towards risky choices would lead to increased likelihood to engage the recognized new venturing opportunity.

Proposition 2: *Confidence is positively related to the decision to engage the recognized opportunity. This relationship is positively moderated by risk propensity indicating that those entrepreneurs who are confident and have high risk propensity are also more likely to engage the recognized opportunity.*

Once the opportunity is engaged, the entrepreneur must begin to develop a number of business goals for their venture, or engage in business "gestation" phase. Samuelsson and Davidsson (2009) as well as Liao and Welsch (2008) demonstrated that the opportunity exploitation process is systematically different by level of innovativeness or technology base of the new venture. Thus, activities that entrepreneurs engage in during gestation phase (or exploitation phase) are also systematically different from venture to venture. Liao, Welsh and Tan (2005) concluded that firm gestation is "a complex process that includes more than simple, unitary progressive paths" (2005: 15) and "a process where developmental stages are hardly identifiable" (2005: 13).

However, despite the complexities surrounding opportunity exploitation, we can still categorize some activities that are general across most new ventures. These gestation activities include, but are not limited to: talking to customers, acquiring resources, registering the business, deciding on business ownership form, obtaining funding, accessing new knowledge/technology, building legitimacy, finding a location, building/selecting a team, legal aspects (e.g., patenting inventions, protecting IP), business model, marketing/promotion strategies, etc.; (see also Reynolds, Carter, Gartner, & Greene, 2004).

When an individual has more confidence in their ability they are more likely to set higher goals with respect to each of the gestation activity they must decide on (Bandura, 1997; Locke & Latham, 2002). In the context of new ventures, such higher goals could be obtaining larger sums of capital funding or finding more prominent sources of funding through affiliation with reputable venture capital firms (VCs). Therefore, with each of the goals an entrepreneur chooses to set, the more confident the entrepreneur is, and the higher he/she will set their goals. In a static single goal snapshot, this is advantageous. However, when regulating multiple goals across time, this can lead to deficits in performance (Vancouver et al., 2010; 2014). This is because it is not possible to maximize on all goals (Simon, 1955) and some of the goals may be only satisfied while others may be maximized. In addition, more confident entrepreneurs by nature have the tendency to overcommit on too many goals, as they believe that they can accomplish all of them. This overcommitment will have negative effects on productivity because the entrepreneur in such situations becomes spread too thin across their multiple competing high set goals. In addition, failure to reach some of these various high (potentially unrealistic) goals will lead to higher levels of frustration and lower levels of satisfaction with the entrepreneurial pursuits.

Failure to reach entrepreneurial goals has shown to be a negative affective experience (Cope, 2011; Shepherd, 2003). This is compounded by the fact that confident entrepreneurs are more likely to believe they will succeed on their goals, which will lead to greater disappointment. Although there is a large amount of research about goal setting in organizational behavior and motivation research (Lord et al., 2010; Schmidt, Beck, & Gillespie, 2013) this research has not transferred to entrepreneurship to a large degree. Therefore, here we make a single proposition regarding goals because it is a basic tenant of motivational theory (Locke & Latham, 1990). However, we will extend this focus on goals later in the research opportunities section when we assess the issue of regulating multiple goals.

Proposition 3: *Confidence will be positively related to goal setting. Specifically, confident entrepreneurs will set higher individual goals and will set higher goals across their various goals.*

Now that the goals for the business have been set the entrepreneur must begin the planning stage. During this stage, we submit that confidence has both positive and negative relationships with planning. Here, entrepreneur must decide how many hours they need to work each week to succeed, when they should hire employees, how much money they need, should they form a joint venture, should they obtain government funding, etc. All these decisions are likely not made at the same time or in a specific order. In addition, different cognitive evaluations may be invoked when making these decisions and evaluating particular situations (Miller, 2007).

Individuals may have an overall image (Beach & Mitchell, 1987) for how much they need to plan for their business. In this case, individuals have a general idea or heuristic for how much resources (time, effort, money) need to be allocated toward the business based on past experience or from information obtained from others. Therefore, people make an overall judgment about planning their resource allocation. However, these decisions regarding planning are often extremely biased because people overestimate their ability and future performance (e.g., Hyytinen, Lahtonen & Pajarinen, 2015; Cassar, 2010; Cooper, Woo & Dunkelberg, 1988) and underestimate the level of resources actually needed to obtain the goal (Dunning et al., 2004; Vancouver et al., 2008). The planning fallacy (Buehler, Griffin, & Ross, 1994) is our tendency to underestimate the time, cost, and effort a task will take to complete. For example the Denver Airport took much longer than planned and was 200 percent over budget (Buehler, Griffin, & Ross, 2002). The planning fallacy occurs because individuals underestimate how difficult the task will be, how many distractions there will be to obtaining the goal, and overestimate how effective they are going to be in obtaining the goal. Indeed, Vancouver et al. (2008) have shown that individuals, who are overconfident, plan to allocate fewer resources towards their goal and are less likely to obtain their goal. Therefore, those who are more confident about their business may underestimate the amount of time and resources the business needs to get past the beginning stages (Hayward et al., 2006). This will have a negative relationship with plan hours worked, hiring new employees, obtaining outside funding, and forming a joint venture. A striking example is that entrepreneurs often obtain less money than they should, which we propose is a function of their overconfidence (Dushnitsky, 2010; Hayward et al., 2006).

Proposition 4: *Confidence will be negatively related to the amount of resources needed when planning new venturing pursuits.*

However, confidence is not universally negative in the planning stage. An integral part of the planning phase is, for example, obtaining funding. Therefore, entrepreneurs must go out into the market and generate interest and investment into their venture. Nevertheless, there has been much debate in the entrepreneurship literature whether VC investments actually have positive effects on the performance of new ventures they fund. Recent meta-analysis of the relationships between VC funding and new venture performance is raising doubts whether there is, on average, a positive effect of obtaining VC funding and new venture performance (Rosenbush et al., 2013). In these uncertain environments, entrepreneurs must believe not only that they can obtain VC funding, but also that the funding will actually provide the performance boost they are desiring.

Furthermore, entrepreneurs must at the same time navigate a social network that can be extremely influential to their business. Prior research has found that network ties and affiliation can impact new venture survival and performance (Stuart et al, 1999). In particular, Khaire (2014) found that social resources embedded in social networks can compensate for the lack of economic or material resources, and that they can also lead to increases in financial and human resources.

We propose that confident entrepreneurs exhibit higher levels of enthusiasm and the persistence to follow through in risky situations, which in turn is used as a signal to potential investors and network members that the entrepreneur is successful and that their investment will pay off. Not many people are going to want to invest in a company or support the new venture idea if the entrepreneur herself/himself does not think it will succeed. In fact, research suggests that potential investors place more emphasis on their confidence in the entrepreneur than in the potential venture success (Payne, Davis, Moore, & Bell, 2009). Baron (1998) found that successful entrepreneurs were overconfident and very socially skilled. De Carolis et al. (2009) found that social networks and relational capital not only directly impact the progress of new venture creation, but they also impact an entrepreneur's illusion of control. Furthermore, De Carolis et al. (2009) found that entrepreneur's relational capital positively impacted his or her risk propensity. We propose that these are intimately linked. Pessimistic people are less likely to be socially accepted (Kurzban, 2012). Whereas, confident people attract more partners, more friends, and are more persuasive (Kurzban, 2012) and generally tend to develop more social and professional relationships. Therefore, confident entrepreneurs will be better able to obtain funding, particularly if they are socially skilled, which in turn gives them access to more information through their social and relational ecosystem.

Proposition 5: *Confident entrepreneurs will be more likely to obtain funding from potential investors. This effect will be positively moderated by the entrepreneur's social skills.*

In conclusion the pre-launch opportunity phase is a complex and dynamic time for entrepreneurs. There are times and situations where confidence can have a positive effect and when it can have a negative effect. When deciding to be an entrepreneur and starting a business confidence has a positive effect. However, when it is time to plan for that business having some self-doubt is likely to be beneficial.

Decisions About Exploiting Opportunities

Much research is focused on the traits of entrepreneurs, the factors influencing the likelihood of pursuing a new venture, and the processes leading up to venture creation. However, the actual practice of entrepreneurship extends into post-venture actions such as strategy implementation, market analysis, customer pursuit, and other day-to-day operations. Early on in the venture process, entrepreneurs are tasked with being the "jack-of-all-trades" in their business, regardless of their past experience or training. Thus, the entrepreneur is required to take on numerous roles such as leader, manager, organizer, product/market specialist, financier/accountant, and even administrative assistant. The early venture stage brings about an extreme level of uncertainty, requiring a high level of flexibility and adaptation by the entrepreneur encompassing a set of very complex decisions they must make (Aldrich & Yang, 2014). Long work hours, high stress, and extreme commitment to venture operations are all required of the entrepreneur to give the venture the greatest opportunity for success. With the dynamic nature of a new venture in the early stages, the day-to- day activities of an entrepreneur can be both highly volatile in variety and highly demanding in their requirement for timeliness and quality of action (Shelton, 2006; Jennings & McDougald, 2007). The ability of the entrepreneur to take action, often without the luxury of fully rational analysis, is often viewed as a learned art.

This stage of entrepreneurship links to the action phase of motivation where goal striving occurs. In this stage, the entrepreneur begins running their actual business. According to self- regulation theory individual's goal striving is a function of their discrepancy between their current state and their goal. Therefore, the entrepreneur is regulating various goals across time, implicitly comparing their current state to their desired state. In this stage, confidence has a diverse set of effects. To our knowledge Uy, Foo and Ilies (2014) is the only study to examine the motivation and perceived progress on entrepreneurship using a dynamic methodology. Therefore, to spur on future research we form our propositions regarding confidence and the decision to exploit opportunities by more heavily drawing on the motivational literature regarding dynamic goal pursuit (Vancouver and colleagues, 2010; 2014). Entrepreneurs must allocate their resources across a number of goals over time. It has been suggested that entrepreneurs' businesses and families are often inextricably intertwined and they each often pose very competing demands and goals on the individual entrepreneur (Dyer, 2003; Jennings & McDougald, 2007). Traditionally, theories of goal striving have only focused on a single goal in a static snapshot. However, Vancouver and colleagues (2010; 2014) have developed computational models that account for how individuals allocate resources across multiple goals. They propose that individuals allocate resources towards the goal with the largest discrepancy. This creates a sense of negative affect and drives the individual to reduce this discrepancy (Carver & Scheier, 1998). As they allocate resources toward one goal, discrepancies grow larger in other goal systems. Therefore, individuals continually switch back and forth between these goals as their expectancy for success dynamically changes (Vancouver et al., 2010). However, as a deadline approaches, an individual's behavior begins to change. If they have been regulating a number of goals with the same deadline, they will work on the goal with the smallest discrepancy because they want to achieve at least one of the goals (Vancouver et al., 2010). Most of the time, the largest amount of resources will be allocated towards a goal has that a larger discrepancy and that the person is less confident in achieving. However, the reverse happens when the deadline approaches. In addition, as the deadline approaches for one goal, other goals may be abandoned to reach the goal with a deadline (Steel & Konig, 2006). In this case a large amount of resources may be allocated to a single goal, leaving other goals neglected.

Proposition 6: *Entrepreneurs will allocate more resources towards goals that have large discrepancies between their current state and their goal state. When facing time pressures for a* *single goal, entrepreneurs will allocate more resources toward this single goal as they have high confidence in achieving it, whereas other goals will be neglected.*

Confidence not only plays an integral part in how the entrepreneur allocates their resources across multiple goals, it can also have a strong impact on their persistence and commitment to a certain strategy (Baum & Locke, 2004). Research has shown that greater belief in ability leads to greater persistence in the face of setbacks (Bandura, 1997). Research has even shown that those with greater confidence will persist longer on a losing strategy (Audia, Locke, & Smith, 2000). Therefore, during difficult times, being overconfident may act as a buffer against giving up on the business. However, this same overconfidence may cause them to follow unsuccessful strategies and less likely to adopt a new business strategy. They may continue to throw good money after bad (i.e. escalation of commitment) (Staw & Ross, 1987) or be less likely to disengage from unsuccessful development efforts (Khan, Tang & Joshi, 2014; Lowe & Ziedonis, 2006), which is contrary to logic (Staw, 1976). This is in part due to their biased approach to processing of information and ignoring the need to attain more knowledge prior to decision- making (Merkle & Weber, 2011).

Proposition 7: *Confidence is positively related to persistence toward a certain strategy or plan.*

In this stage, an entrepreneur is not only regulating multiple business goals, they are also regulating multiple goals in their personal lives. Therefore, a number of difficult decisions must be made on how to allocate resources to all these various competing goals. Models of self- regulation (i.e. Vancouver et al., 2010) have proposed that expectancy beliefs are an integral component of this decision-making process. In certain circumstances, greater confidence can lead to positive outcomes and in other situations negative outcomes. This stage highlights the importance of examining confidence dynamically and taking the context into consideration.

Survival Versus Failure Stage

After the business is up and running the entrepreneur begins to attain or fail on the various goals they have set. In the motivation literature this stage of entrepreneurship links to the post-actional phase of motivation. In this stage the entrepreneur must establish new goals as a function of their success or failure. New venture survival or failure

is found to be the function of both the characteristics of the new venture and the characteristics of the owner (or entrepreneur/founder) (Headd, 2003).

Due to the established view that individuals may come to overestimate the base rate of some negative event (such as business failure) after experiencing it and hence believe it is more likely to reoccur (Weinstein, 1982), it is to be expected that entrepreneurs who have experienced business failure are less likely to engage in new entrepreneurial pursuits. However, many serial entrepreneurs and portfolio entrepreneurs have experienced failure at some point. Yet, they seem to "dust themselves off" and continue in entrepreneurial pursuits. Sarasvathy (2001) argues that management of failure, rather than its avoidance, conditions successful serial or portfolio entrepreneurs who are able to learn from both their failures and their success. In fact, individuals may learn more from failure than from success.

The role confidence plays in establishing new goals depends on the success or failure of previous goals. If the entrepreneur succeeds on their goal, the greater confidence will lead to the establishment of new, more difficult goals and higher levels of aspiration. Bandura (1997) calls this discrepancy production. After achieving a goal, individuals with high confidence set a new higher goal to motivate themselves. However, after failure, confidence can have different effects. If the failure causes the individual to have lower confidence in their ability to be an entrepreneur they will either abandon their goal or set a lower more attainable goal. In the case of venture success or failure, this could mean they abandon their business venture altogether or even decide to stop being an entrepreneur. However, if they are generally overconfident, failure on a certain goal may not be enough for them to abandon their goal (Lowe & Ziedonis, 2006). In fact, Hayward, Forster, Sarasvathy, and Fredrickson (2010) suggest that overconfident entrepreneurs will recover more easily from failure because they possess higher levels of resilience (e.g., emotional, cognitive, and social resilience). As stated above, overconfidence can act as a buffer against setbacks. Therefore, overconfident entrepreneurs may continue to pursue their goals, even in the face of objective feedback about their failure. As work on escalation of commitment and sunk costs demonstrates, this can lead to a number of negative outcomes.

Proposition 8: *Confident entrepreneurs who have failed on their goals will continue to strive towards their goals*.

Discussion

Integrating theories of motivation with entrepreneurship research gave us the ability to examine confidence at various stages of the new venturing process. As demonstrated in Figure 1, the effect of confidence changes based on the point at which confidence is being assessed. Although confidence is positively related to deciding to be an entrepreneur, the chances of success as an entrepreneur are small and therefore having an inflated belief in ability propels individuals into a field with high levels of risk and high levels of uncertainty. Once becoming an entrepreneur, the decision to engage the opportunity is also positively related to confidence. Therefore, in these early stages confidence is positively related to entrepreneur performance.

However, as we move into planning and obtaining resources for the new venture, things become more complicated. Entrepreneurs who are overconfident will underestimate the amount of resources needed for their new venture, which will likely have negative consequences down the line. However, during the planning stage confidence is not all bad. Entrepreneurs who are confident and have good social skills will be able to obtain resources more easily and individuals will create more trust in potential investors. What is troubling is that confident people are considered more competent and attain greater status through the *illusion* that they are being competent when in fact they are not (Anderson & Brion, 2010). Unfortunately there is not much entrepreneurship research on the dynamics of the day-to-day operations of entrepreneurship regarding confidence. We used theories of self-regulation to propose that entrepreneurs would apply the most resources to tasks that needed the most work but as deadlines approach they will work on tasks that are closest to completion at the expense of all other tasks. More research is needed on examining the motivational processes of entrepreneurs during this stage and we propose some tools to help researchers conduct these studies in the next section. From entrepreneurship and motivation research, we know that the greater level of confidence leads to increased persistence. In addition, those who are more confident will be more likely to try again after failure. Finally, the effect of confidence on overall firm performance appears to be mixed. To truly understand the effect of confidence on entrepreneurship performance, one must track potential entrepreneurs through the entire new venture process up until the venture fails or succeeds after a number of years.

The effects of the entrepreneur's confidence do not simply subside once the venture is launched, but arguably become even more influential on the functioning and performance of the firm as the decision-making requirements of the entrepreneur continues to become more broad and involved. Indeed, past research has reached differing conclusions when studying the influence of entrepreneur confidence after venture launch. For example, confidence has been associated with slower venture growth (e.g., Hundal, 1971), lower financial outcomes relative to competition (e.g., Arabsheibani et al., 2000), lower revenue growth for optimistic entrepreneurs with experience (Hmieleski et al., 2013) and higher failure rates (Bernardo & Welch, 2001). In contrast, it has been found to enhance new product performance (Simon et al., 2002) and positively influence firm performance in transition economies (Luthans & Ibrayeva, 2006). These competing findings highlight the importance of continuing to move the discussion of entrepreneur confidence beyond simplistic analysis of direct relationships to the consideration and testing of more complex models that analyze moderating or mediating variables, multi-level relationships, and many potential contextual factors that play a role.

Hmieleski and Corbett (2008) noted the importance of considering multiple factors when assessing the impact of confidence in the entrepreneurial setting. In their study, the dynamic or stable nature of the organization's environment was found to be a moderator of the relationship between confidence (self-efficacy and optimism) and firm performance. Specifically, high levels of self-efficacy were useful in stable environments, but had a negative impact on firm performance in highly dynamic environments. With findings such as this, researchers must move beyond trying to find a one size fits all answer for the influence of confidence in the entrepreneurial setting. This echoes similar calls in the motivation literature to explore moderators and multilevel issues regarding confidence and motivation (Beck & Schmidt, 2013; Schmidt & DeShon, 2010; Vancouver et al., 2008; 2014).

Future Directions

We outline new empirical directions for future research. In line with the multidisciplinary theoretical approaches to studying confidence and given the findings of our systematic review, we suggest that different research designs and analytical strategies are more suitable for investigating the relationships outlined in our theory development. While our description is based around understanding entrepreneurs, we believe scholars investigating microfoundations in other domains will find these research designs and analytical methods useful.

Dynamic theories of individuals must account for change within the person over time. Therefore, longitudinal designs must be employed to test our proposed relationships between confidence and new venture performance during different stages of goal setting processes. Specifically, entrepreneurial confidence must be measured at each stage of the entrepreneurship and goal setting processes. Uy, Foo, and Aguinis (2010) have outlined how experience-sampling methodology (ESM) could be used to examine the dynamic process of entrepreneurship. ESM is a methodological approach that gives researchers the opportunity to easily have subjects fill out short surveys multiple times. This can be done multiple times a day, every few days, weekly or monthly. Therefore, researchers using ESM can have entrepreneurs respond multiple times a week about their motivation, confidence, job performance, hours worked, stress levels and much more. This provides proximal state measures of important and changing psychological variables, particularly in the highly dynamic environment of a new venture. The appealing property of this methodology is that it can easily be designed in a cell phone application. A practical benefit of within-person designs over between-person designs is that since individuals are being measured multiple times, fewer people are needed to have the proper sample power.

The microfoundations approach assumes that lower-level processes influences higher-level processes. To test this assumption the use of multilevel modeling is necessary because the processes are nested within another level of analysis modeling (Bliese, Chan, & Ployhart, 2007). Our motivational approach assumes two levels of nesting. One, the entrepreneur is nested within the firm. In addition, the repeated responses of the entrepreneur are nested within the individual.

Therefore, in our approach we have both longitudinal testing and organizational level nesting. Therefore, using multilevel modeling with dynamic research designs can reveal how the underlying processes change within the person over time and how these changes influence firm-level performance. This requires the researcher to examine cross-level effects. The psychological and organizational behavior literature has developed a number of sophisticated analytical methods that will be indispensable for those examining both the microfoundations of strategic behavior and dynamic change (Bauer, Preacher, Gil, 2006; Bliese & Ployhart, 2002; Edwards & Lambert, 2007; Vancouver & Weinhardt, 2012; Weinhardt & Vancouver, 2012; Zhang, Zyphur, & Preacher, 2009).

Conclusion

Researchers continue to provide more detailed, specific insights into the complexities of the new venture creation process. Our paper extends knowledge in this area by examining the role that confidence plays across various stages of the venture creation process. Our findings suggest that entrepreneurship researchers should strongly consider the behavioral, motivational and/or cognitive biases of the entrepreneur when evaluating their decision-making. These factors can play an essential role in the likelihood of opportunity pursuit and quality of decision-making after a venture has been founded.

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Military Veterans and Civilians Response to Entrepreneurship Training: Impacts on Entrepreneurial Attitudes and Networking Frequency

Sharon Kerrick*, University of Louisville
Denise Cumberland, University of Louisville
Namok Choi, University of Louisville

With veteran unemployment rates in the U.S. higher than civilian rates there has been growing support for assisting military veterans starting businesses. This study compares the impact of a community entrepreneurship training program for civilians and military veterans. Cohort groups (2012-2014) were scored with pre/post surveys in the areas of entrepreneurial self-efficacy and passion as well as networking frequency. Military participant's passion scores were significantly higher than civilians as were their percentage of actual launch. Findings contribute to strategy of how entrepreneurship programs can change attitudes and behaviors that influence startup as well as revealed information regarding veterans pursuing entrepreneurship.

KEYWORDS: Entrepreneurial self-efficacy, entrepreneurial passion and networking, military veterans

Introduction

Entrepreneurship is touted as the American Dream, as well as a strategy for economic growth and job creation. Defined as the creation of new ventures by individuals or small groups, entrepreneurship typically begins with enterprises that are characterized as small businesses with less than 500 employees (SBA Office of Advocacy). In 2011, 28.2 million small businesses employed 50% of the working population (US Small Business Administration, Office of Advocacy, 2012). Small businesses have generated over 65% of the net new jobs since 1995 with total revenues generating over $989 billion annually (Nazar, 2013). While these business may each be small in size, combined together they provide fuel for the U.S. economic engine. Kauffman Foundation (2013), a leading entrepreneurship research organization, identifies that there are approximately 543,000 new U.S. companies launched each month.

Due to the significant drawdown of military personnel (Alexander & Shalal, 2014) and veteran unemployment rates higher than compared to civilian unemployment rates (Garamone, 2014), there has been growing support for assisting military veterans interested in starting business ventures. Interest in military veteran business startups is based on a strong track record of former military personnel pursuing entrepreneurial endeavors. According to a 2007 U.S. Census Bureau report, military veterans are majority owners in over 2.4 million businesses (9% of all businesses in the U.S.) employing over 5.8 million people and generating over $1.22 trillion in revenue. Recent research identifies that approximately 45% of military veterans are likely to become self-employed (Hope, Oh, & Mackin, 2011).

The premise that entrepreneurship is a learned skill (Henry, Hill, & Leitch, 2005; Mitra & Matlay, 2004; Zimmerer & Scarborough, 1998) suggests that education can fuel the passion for creating and implementing new business ideas (Kuratko & Hodgetts, 2004), as well as impact individuals' confidence in achieving their goals. Beyond impacting core attitudes, entrepreneurship training and education should also help individuals expand their networks and resources. How does community-based entrepreneurship training influence nascent entrepreneurs (civilian and military) and what impact does it have on strengthening entrepreneurial passion, positively impacting entrepreneurial self-efficacy as well as increasing levels of networking frequencies comparing military veterans and civilian participants? This study contributes to the literature in these three specifically measured constructs as well as compares military veteran nascent entrepreneurs to civilian nascent entrepreneur participants thus providing information for economic development strategy, policy and entrepreneurship education and training.

Using data harvested from a community startup entrepreneurship training program composed of nascent entrepreneur civilians and military veterans, our study addresses three primary research questions:

1. Will a community based entrepreneurship training program improve participants' entrepreneurial self-efficacy (ESE) scores, and is there a difference between military veteran participants and civilian participants' scores?

2. Will a community based entrepreneurship training program improve participants' Entrepreneurial Passion (EP) scores, and is there a difference between military veteran participants and civilian participants' scores?

3. Will a community based entrepreneurship training program impact participants'

networking frequency, and is there a difference between military veteran participants and civilian participants in this realm?

In subsequent sections we begin with a literature review on entrepreneurship education and training programs, entrepreneurial self-efficacy, entrepreneurial passion, and participants' network frequency. This is followed by a description of the research methodology, including an overview of a Midwestern city community entrepreneurship training program called "LaunchIt". We conclude with an analysis of the results followed by discussion and implications.

Theory and Hypothesis

Entrepreneurship Training and Education

Community programs, economic development initiatives, universities, community colleges and private industry are offering a variety of entrepreneurship educational training courses to address employment issues and build local economies. Entrepreneurship training and education is delivered in many shapes and sizes. University entrepreneurship education courses have continued to grow (Carey, Flanagan, & Palmer, 2010; Dess, Lumpkin, & Eisner, 2008). Many approaches are utilized in these various programs: face-to-face, classroom, online, business simulations etc. Within specific industries the approach for training startups varies (e.g. Mano, Iddrisu, Yoshino, & Sonobe, 2012; Sonobe & Otsuka, 2011). For example, some micro financing organizations offer classroom training (McKenzie & Woodruff, 2012) and others offer it as part of their regular group meetings (e.g. Karlan & Valdivia, 2011; Berge, 2011) some mandatory some optional (e.g. Bruhn & Zia, 2012). The need and demand for entrepreneurship education and training continues to grow although evaluation outcomes regarding attitude and behaviors throughout these programs are frequently not tracked, these are the very items we investigate further.

Nascent entrepreneurs are challenged with developing both hard skills and soft skills to persevere. The hard skills encompass gaining knowledge with respect to marketing, finance, legal, operations and other functional disciplines. Research has shown, however, there is the need for entrepreneurial training to impact the attitude of individuals pursuing their dream of starting their own business. Harris, Gibson, and Taylor's (2008) study of 358 students revealed that completing a Small Business Institute (SBI) course positively impacted entrepreneurial attitudes with respect to innovation, achievement, personal control and self-esteem. Moving beyond college students, there is empirical evidence identifying that entrepreneurial education and training interventions impact adult attitudes toward entrepreneurship (Hansemark, 2003; Hatten & Ruhland, 1995). Empirical evidence on how entrepreneurial training impacts veterans' attitudes, however, is limited.

Another component tied into the notion that entrepreneurship education has impact on outcomes is the theory of planned behavior (Ajzen, 1991). It provides a foundational element regarding the notion that attitudes are influenced by beliefs and outcomes are associated with behaviors. Participants' levels of accomplishing tasks, such as marketing, networking and customer discovery are influenced by the belief that these activities will impact behavioral outcomes in regards to starting their business. Research shows that entrepreneurial attitudes can be developed through entrepreneurship education programs (Mitra & Matlay, 2004; Robinson, Huefner, & Hunt, 1991). It has also been well researched that education and skills development help explain the various levels that people engage in entrepreneurial activities and are more successful than others (Carter, Gartner, Shaver, & Gatewood, 2003; Gatewood, Shaver, Powers, & Gartner, 2002). During entrepreneurship education, participants attend class and engage in various business activities that potentially lead to attitudes changing, situations changing through an interactive process with the environment (Gibson, Harris, Walker, & McDowell, 2014). Once a person's attitude has been measured, a prediction can be made about the person's future actions (Carlson, 1985). During participation in an entrepreneurship business startup training program, goals are set by individual participants, and along with their attitude and beliefs being impacted, we specifically study their entrepreneurial self-efficacy and entrepreneurial passion scores as impacted via pre and post surveys. We also examine how entrepreneurial training influences networking frequency behavior.

Self-efficacy

One way to define self-efficacy is that it is the belief that one can achieve a goal. Derived from Bandura's (1977) social learning theory, empirical studies have subsequently demonstrated that self-efficacy is linked to an individual's ability to succeed (Judge & Bono, 2001; Stajkovic & Luthans, 1998; Wood & Bandura, 1989). Chen, Crick, and Greene (1998) define entrepreneurial self-efficacy (ESE) as the degree to which an individual believes that they have the ability to successfully perform various roles and tasks related to starting a business. Given that self-efficacy is a predictor of behavioral outcomes, scholars sought to understand the impact of entrepreneurial training individual's ESE (Cumberland *et al.*, 2015).

Research on whether entrepreneurial education improves confidence in pursuing entrepreneurial endeavors, however, has been mixed. Cox, Mueller, and Moss' (2002) study, for example, found that university entrepreneurship courses had a negative impact on ESE scores among students. These scholars suggest education of entrepreneurship may shed a more realistic light on the demands involved in launching and sustaining a business thereby decreasing interest in these endeavors. Karlsson and Moberg's (2013) pre/post survey study, on the other hand, found that entrepreneurial education had a significant positive effect on university student's ESE scores. These studies may not be generalizable since they were university students. The lack of consistent results in these various studies suggests further research is needed and led us to research a community entrepreneurship training program whereby adult participants state that their intentions for enrollment are to start a business. In summary, we expect:

Hypothesis 1: A structured community entrepreneurship training program will positively impact both military veterans and civilian participants' entrepreneurial self-efficacy.

Entrepreneurial Passion

Passion has been described as a key driver of entrepreneurial action (Anderson, 2013; Cardon, Gregoire, Stevens, & Patel, 2013) and has been associated with the ability to raise capital (Cardon, Wincent, Singh, & Drnovsek, 2009). Both entrepreneurial action and capital have been determined as critical components for nascent entrepreneurs. Entrepreneurial Passion (EP) appears to be an element in entrepreneurship that can foster creativity, as well as enhance recognition of new patterns for the discovery and exploitation of opportunities (Baron, 2008; Sundararajan & Peters, 2007). This multi-dimensional construct identifies three domain roles specifically aligned to the activities of inventing, founding and developing (Cardon *et al.*, 2009). Passion for *inventing* involves scanning for new market opportunities (Cardon *et al.*, 2009). Those within this domain role enjoy and seek satisfaction by coming up with new solutions and ideas for products and services. Passion for *founding* is the desire to create an organization (Aldrich & Zimmer, 1986); here the founder's role identity is central to the entrepreneur's self- concept (Hoang & Gimeno, 2010). Need to achieve is an element of creating an entrepreneurial endeavor (Katz & Gartner, 1988), thus supporting the passion for founding. The last domain, passion for *developing*, is identified by characteristics of growing and expanding a venture once founded (Cardon *et al.*, 2009).

Despite the level of theorizing around EP over the last decade, only a limited number of empirical studies have been undertaken to understand variables that impact entrepreneurial passion. A recent study by Murnieks, Mosakowsi, and Cardon (2014) linked entrepreneurial passion to an individual's behavior and found that passion was positively correlated with entrepreneurial self-efficacy. With respect to how passion can be triggered, Dalborg and Wincent (2014) found a skill based explanation for how passion develops. In their study of Swedish entrepreneurs, these researchers found that optimism does not drive passion; rather, self-efficacy plays a critical role in building passion. This finding suggests that an entrepreneurial training program, which provides time for entrepreneurs to be further pulled into their business by giving them time to focus, will build ESE and EP. This leads to our second hypothesis:

Hypothesis 2: A structured community entrepreneurship training program will positively impact both military veterans and civilian participants' entrepreneurial passion.

Networking

Starting a company some say takes a village or let's call it a "network." A network for entrepreneurs is composed of a cast of characters such as friends, family, accountants, bankers, lawyers, government, economic development folks, and other contacts that have resources and information. Networks potentially provide linkage to resources (Cope, 2005; Greve & Salaff, 2003; Liao & Welsch, 2003; Shane & Cable, 2002). Previous research suggests that network ties are critical for a startup as well as growth of entrepreneurial firms (Aldrich & Zimmer, 1986;

Alexiev et al., 2010; Birley, 1985; Cope, 2005; Elfring & Hulsink, 2007; Watson, 2007). Findings are mixed on the desirable amount of frequency with some evidence suggesting that when entrepreneurs engage frequently with their networks they increase levels of relational trust as well as positive expectations (Spence, Schmidpeter, & Habisch, 2003). Other studies regarding advice seeking relay information overload and report that high frequency of networking advice seeking has a negative influence on speed to market (Wadhwa &Kotha, 2006).

Granovetter's (1973) seminal work on the concept of strong ties and weak ties addresses frequency of networking. Weak ties characterized by less frequent exposure while strong ties consist of frequent interactions occurring at least twice a week (Granovetter, 1973; Greve & Salaff, 2003; McDonald & Westphal, 2003). It is important to note, however, that Granovetter's term "weak ties" does not suggest that these ties are less important, rather makes the case that networks require both strong and weak ties. Birley (1985) characterizes entrepreneurial networks as formal or informal. The informal network is comprised of family, friends, previous colleagues and prior employers. This informal network is willing to offer advice based not on what they know about the proposed opportunity, but rather what they know about the individual. Conversely, formal networks are accountants, bankers, realtors, lawyers, governmental sources and so forth that may require costs for advice or be laden with bureaucracy to navigate through.

A gap within the literature on networking appears to be whether entrepreneurial education or training can increase the frequency of nascent entrepreneurs' network interaction. To what extent is there a networking level difference in military veterans and civilians? Leading to: A structured community entrepreneurship training program will positively impact military veterans as compared to civilian participants' level of networking frequencies.

Methods

Participants

We conducted this study with self-identified nascent entrepreneurs who enrolled in a community entrepreneurship training course developed and sponsored by a Midwestern university in a city. Data were collected via paper/pen surveys on the first and last day of class from a total of four separate training course cohorts held throughout spring 2012 and fall 2013. Each course met once a week for three hours over a 10 week time period. The course materials included: exploring entrepreneurship basics, networking, defining target markets, conducting market research, testing/prototyping business concepts, entering and capturing the market, financials and intellectual property. Each week various community subject matter experts (attorneys, accountants, etc.) would speak to the class and offer networking opportunities. All class participants were assigned to a small group of four in the class cohort and assigned a community business startup mentor with whom they would meet with weekly separately from the training sessions. The civilians and veterans were purposefully divided among these small groups to integrate the participants. These small groups were developed to foster diversity and promote a higher level of cognitive learning (De Vita, 2001). Each cohort had approximately 17–38 total enrolled participants. There were a cumulative total of 121 participants comprised of 34 females and 87 males. The number of volunteer participants fully completing both pre and post surveys was 58 (41 civilians and 17 veterans).

Design & Procedures

Our study adopted a pre/post survey design (Shadish, Cook, & Campbell, 2002) to measure the participant's change of attitudes with respect to: entrepreneurial self-efficacy, entrepreneurial passion, as well as changes to the amount of consultations/frequency of discussion/advice regarding participant's startup business that occurred within their networks. The facilitator of the training course sessions identified each participant's survey responses as either a civilian or a military veteran with a unique numeric identification number. Participants were assured anonymity via this numeric system known only to the facilitator of the courses.

Measures

The pre and post survey instrument included 4 sections: basic demographic information, entrepreneurial self-efficacy question section, entrepreneurial passion section and frequency of networking section.

Entrepreneurial Self-efficacy

We utilized a five item scale to measure entrepreneurial self-efficacy in specific entrepreneurial task domains derived from Zhao, Hills, and Seibert (2005). The five domains: 1) identify new business opportunities, 2) create ways to improve existing products for a new business, 3) create products or services that fulfill customers' unmet needs, 4) develop a new business, and 5) think creatively in business. A seven-point Likert scale was used in this section with higher scores indicating higher levels of entrepreneurial self-efficacy. The internal consistency reliability coefficient of the scores from the five items in the current study was .94 on the pretest, and .87 on the post survey, and these coefficients were deemed acceptable for research purposes (Henson, 2001).

Entrepreneurial passion

We utilized a thirteen item validated scale developed by Cardon et al. (2013) that is used to measure positive feelings within the three domains of entrepreneurial passion (EP). Cardon and colleagues delineated entrepreneurial passion as a construct encompassing three domains: inventing, founding, and developing, and these three domains represent relatively stable intense positive feelings toward entrepreneurial activities. As recommended by Cardon et al. (2013), we used the 13 items on a 7-point Likert scale (instead of 5-point) ranging from strongly disagree to strongly agree. The internal consistency reliability coefficients for the scores from the pretest in each domain are as follows: .93 for inventing passion, .92 for founding passion, and .91 for developing passion.

Networking frequencies

Participants were asked to indicate how often they consulted with friends, family, other entrepreneurs, and business associates about their new business ideas. This approach was adopted and modified based on De Stobbeleir, Ashford, and Buyens (2011). Participants were asked to identify frequency of contact with each of these parties via a reverse ordered 4-point scale (1= all the time to 4= rarely).

Analyses

We conducted a series of exploratory factor analysis on the correlations from the measures of entrepreneurial self-efficacy and entrepreneurial passion separately because the entrepreneurial self-efficacy measure was newly adapted from Zhao et al. (2005), and the entrepreneurial passion measure was also a new measure. Both measures could benefit from an additional validation effort by examining factorial validity of the scores generated from those measures. In factor analyses, we used three criteria for deciding how many factors to retain: Kaiser's rule of eigenvalues greater than 1, the scree test, and parallel analysis. The relatively new criterion, parallel analysis, provides another statistical technique to add more confidence in determining the number of factors to retain. For a factor to be retained in parallel analysis, the magnitude of eigenvalue for the factor generated from actual data needs to be greater than the magnitude of eigenvalue generated from random data (DeVellis, 2011). Once the number of dimensions of each measure was determined for each instrument, we proceeded to obtain descriptive statistics, reliability analysis, and primary analysis results.

Results

Factor Analyses on the Entrepreneurial Self-Efficacy Measure

First, a principal axis factor analysis was performed on the correlations among the five items from the entrepreneurial self-efficacy measure. The Bartlett's test was statistically significant ($p < .000$), indicating that the correlation matrix in the population was not an identity matrix. As expected, all three criteria (eigenvalue greater than 1, scree plot, and parallel analysis) suggested a one-factor structure of the scores. The single factor accounted for 75.04% of the total variance, and the communalities ranged from .57 to .81. All five items had sufficiently high factor structure coefficients of .80 or higher with a mean communality of approximately .69. The single-factor structure retained was viewed reliable since all the factor loadings were greater than .80 with relatively large communalities. In general, factors are considered reliable when there are four or more factor loadings above .60 regardless of sample size (Stevens, 2009). Means and standard deviations for the five items along with factor structure coefficients are reported in

Table 1. As can be seen in Table 1, participants as a group had higher than average entrepreneurial self-efficacy with means ranging from 5.61 to 5.97 with a maximum of 7.

Factor Analyses on the Entrepreneurial Passion Measure

Next, correlations among the 13 items from the Entrepreneurial Passion Scale were subjected to a principal axis factor analysis. The Bartlett's test was statistically significant ($p < .000$), indicating that there was sufficient amount of correlation among the items in the population to justify factor analysis. The initial extraction indicated that only one factor had an eigenvalue over 1, which was reaffirmed in scree plot. A further parallel analysis also indicated only the first factor from the raw data had a larger eigenvalue (9.02) than the mean eigenvalue of the first factor from the randomly generated data, suggesting that only one factor be retained.

The single factor accounted for 66.85% of the total variance, and the communalities ranged from .624 to .756. All 13 items had sufficiently high factor structure coefficients of .75 or higher, indicating that the single-factor structure was quite reliable. Since this unidimensional structure, however, was contrary to what the authors of the scale delineated, various analyses were again performed. For example, three factors, as the authors of the scale indicated, were intentionally extracted either with an orthogonal or an oblique rotation, from which uninterpretable factor structures resulted. Thus, entrepreneurial passion measured by the Entrepreneurial Passion measure using the current sample was considered a unidimensional construct in this study. Cronbach's alpha coefficient for entrepreneurial passion on the pretest was .963, and .946 on the post survey scores. These coefficients indicated that participants were highly consistent in their responses to the 13 items. Means and standard deviations for the 13 items along with factor structure coefficients are reported in Table 2.

Primary Analyses

Effect of Entrepreneurship Training on Entrepreneurial Self-efficacy by Group and Test

A mixed 2 (civilian vs. vet) x 2 (pre survey vs. post survey) ANOVA was conducted to answer this question. Despite the discrepancy in the group sizes (17 veterans and 41 civilians), the not significant Levene's test results suggested that the variances across the two groups was homogenous. Additionally, Mauchly's test ($W = 1$) indicated that sphericity assumption associated with the within factor (pre and post survey) was upheld. The results from the mixed ANOVA indicated that the interaction between the group membership and time of test was not significant. Neither the group main effect nor the time of test main effect was statistically significant. Albeit the non-significance, it was noted that the civilian group had a larger mean difference between the pre and post survey entrepreneurial self-efficacy scores (diff = 0.385) than that of the veteran group (0.245), which may reflect a lack of power due to the small sample size in this study.

Effect of Entrepreneurship Training on Entrepreneurial Passion by Group and Test

Another mixed 2 (civilian vs. vet) x 2 (pre vs. post) ANOVA was conducted to answer this question. Again, both Levene's test ($p = .74$ on pretest passion scores and $p = .09$ on post survey passion scores) and Mauchly's test ($W = 1$) results indicated that the major assumptions of homogenous variance and covariance matrices in the population were upheld. The results from the mixed ANOVA indicated that the interaction between the group membership and time of test was not significant. Also the group membership main effect was not statistically significant. The time of test main effect was significant ($F = 7.665$, $p = .008$), indicating that both the civilian and veteran groups had significantly higher means on entrepreneurial passion scores. The partial eta square of .12 indicated that approximately 12% of the variance in entrepreneurial scores was explained by the time of test with post survey scores showing higher

means for both groups. It is important to notice that the veteran group exhibited a higher level of increase in the entrepreneurial passion scores (diff = .63, $t = 3.27$, $p = .005$) than did the civilian

group (diff = .28, $t = 1.36$, $p = .181$). As shown in Figure 1, both groups were initially at about the same level in their entrepreneurial passion, but the veteran group's level of passion sharply increased later in the program, which likely made a major contribution to the significant difference between the pre and post scores as a combined group.

Effect of Entrepreneurship Education on Level of Networking by Group and Test

Again a mixed 2 (civilian vs. vet) x 2 (pre vs. post survey) ANOVA was conducted to investigate this question. Both Levene's and Mauchly's tests suggested that the major assumptions of homogenous variance and covariance matrices in the population were upheld. For this question, two separate analyses were conducted: one for networking with family and friends, and the other for networking with other entrepreneurs and business associates. The results from the mixed ANOVA for networking with family and friends indicated that the interaction between the group membership and time of test was not significant. Also the time of test main effect was not statistically significant ($F = 6.854$, $p = .011$), indicating that the veteran group had a significantly higher level of networking with family and friends (mean of 2.84) than did the civilian group (mean of 2.31). Further post-hoc analyses indicated that the significant group difference was due to the difference between civilians and veterans in the post survey networking scores ($t = 3.26$, $p = .002$). The partial eta square of .11 indicated that approximately 11% of the variance in entrepreneurial scores was explained by the group membership. The second analysis for networking with other entrepreneurs and business associates indicated that none of the three effects (interaction and two main effects) was significant. Interestingly, 90% of the civilian program participants actually launched their within 6 months of the program compared to 97% of the military veterans.

Discussion and Future Research

This research identified attitudinal and behavioral changes and differences in military veterans and civilian participants based on pre and post surveys conducted during a community entrepreneurship training program. All participants began the program with higher than average entrepreneurial self-efficacy and both groups did increase their ESE thus supporting Karlsson and Moberg's (2013) who found entrepreneurial education had a positive influence on ESE.

Results of the entrepreneurial passion scores indicate no statistical significance between civilians and military veteran participants on the pre and post survey. In fact, the two groups began the program with nearly identical scores on entrepreneurial passion. However, when examining pre versus post survey results, civilians and military veterans' entrepreneurial passion scores increased significantly overall and veteran's entrepreneurial passion scores rose even higher than civilians. These results may be attributed to military veterans feeling more confident about their business startup as well as gaining affirmation and motivation from the class via the networking, community integration and mentoring provided. This finding does not align with Dalborg and Wincent's (2014) study whereby passion was mediated by self-efficacy and improving self-efficacy resulted in higher passion. Overall, entrepreneurial passion scores increased significantly for both civilians and veterans. Our research found that the EP construct loaded on one factor as opposed to three factors suggested by Cardon et al. (2009).

Regarding networking frequencies, the military veterans had statistically significant higher levels of networking frequency pre and post survey than the civilians. This may be attributed to the opportunities the entrepreneurship training program and the business mentors introduced the military veterans to, as well as the veterans becoming more comfortable with discussing their business startup with family, friends and others. Active encouragement from family and friends has been determined as an important factor behind entrepreneurial decisions (Davidsson & Honig, 2003; Parker, Barmby, & Belghitar, 2005). Throughout the program, participants were consistently being introduced to community entrepreneurship support professionals and business networking groups. Specific emphasis and efforts were made to integrate the military veterans into the community entrepreneurial eco-systems.

Overall, the findings from this study suggests that civilian and military veterans have high ESE prior to pursuing entrepreneurship training, indicating that this training does not significantly accelerate this construct. Entrepreneurship training, on the other hand, can positively impact the level of entrepreneurial passion veterans experience once they complete the entrepreneurship training. Furthermore, entrepreneurship training positively impacts military veterans' level/frequency of networking activity, which is known as a critical component to successful ventures as well as the military veterans reported launching their businesses at a higher rate than the civilians.

The results would suggest that entrepreneurial training may function differently for participants based on prior work experience. Future research investigating how different populations respond to entrepreneurial training is needed to influence the curriculum design and implementation of community entrepreneurship programs. Also, future research on military veterans startup initiatives as a strategy related to economic development would be valuable.

Limitations of this study are the small sample size and lack of a validated networking frequency/level scale. The small sample size reduces reliability and increases statistical Type 1 and Type 2 errors, as well as makes generalizability difficult. The lack of a strong validated scale to assess frequency of consultation and networking to categorize potential value as an outcome from each network encounter is a limitation; however, we add to this area by adopting and creating a measure. Finally, future research is needed to assess the passion scale to determine if the three factor structure is warranted, or whether the items may, as this study suggests, load on one factor.

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Table 1: *Factor Structure Coefficients, Communalities, and Means, and Standard Deviations for*

the Entrepreneurial Self-Efficacy Measure

Item	SMC	h^2	Mean	SD
I can successfully develop a new business.	.90	.76	5.61	1.54
I can identify new business opportunities.	.87	.81	5.71	1.40
I can think creatively in business.	.81	.66	5.92	1.46
I can create products or services that fulfill customers' unmet needs.	.81	.65	5.97	1.23
I can create ways to improve existing products for a new business.	.76	.57	5.90	1.24

Table 2: *Factor Structure Coefficients, Communalities, and Means, and Standard Deviations for the Entrepreneurial Passion Measure*

Item	SMC	h^2	Mean	SD
Establishing a new company excites me.	.87	.76	6.00	1.40
Searching for new ideas for products/services to offer is enjoyable to me.	.86	.73	5.92	1.44
Assembling the right people to work for my business is exciting.	.84	.70	5.68	1.32
I am motivated to figure out how to make existing products/services better.	.83	.74	6.22	1.20
Scanning the environment for opportunities really excites me.	.83	.69	5.81	1.49
Being the founder of a business is an important part of who I am.	.83	.68	5.37	1.68
Nurturing and growing companies is an important of who I am.	.82			

.67 5.32 1.66

Owning my own company energizes me. .82
.67 6.02 1.50

I really like finding the right people to market my products/service to. .81
.66 5.70 1.40

Pushing my employees and myself to make our company better motivates me. .80
.65 5.65 1.40

Nurturing a new business through its emerging success is enjoyable. .79
.62 5.69 1.44

It is exciting to figure out new ways to solve unmet market needs that can be commercialized. .79
.62 6.13 1.34

Inventing new solutions to problems is an important part of who I am. .75
.57 5.94 1.31

Figure 1. Mean Pre and Post survey Entrepreneurial Passion Scores for the Veteran and the Civilian Groups

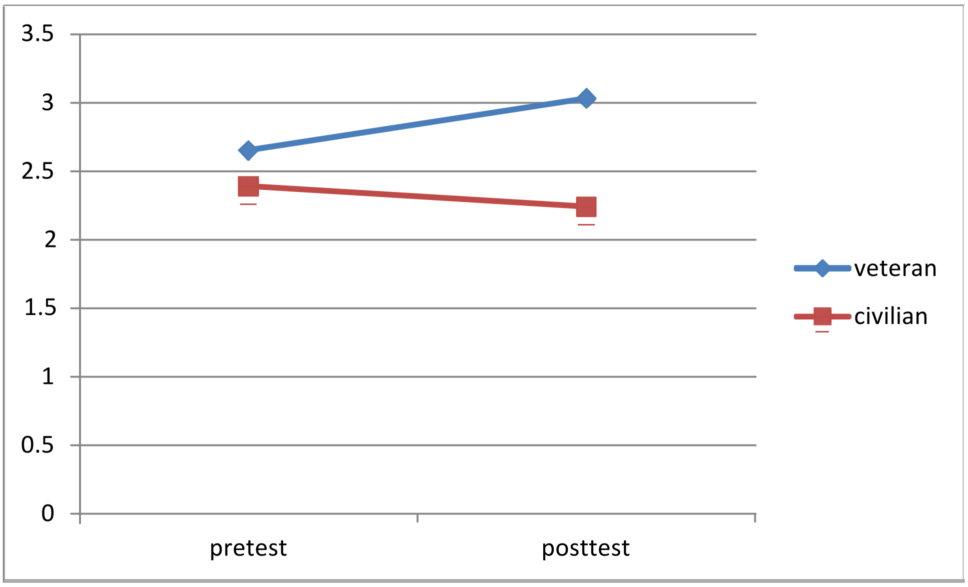

Figure 2. Mean Pre and Post Networking survey levels for the Veteran and the Civilian Groups

Training and Educational Development for "Vetrepreneurs"

Denise Cumberland, University of Louisville
Sharon Kerrick*, University of Louisville

Veterans are 45% more likely than those with no active-duty military experience to be self-employed (Taber, 2012). Empirical research (Moutray, 2007; Hope; 2012) has also found military service to be highly correlated with self-employment. The Kauffman Index of New Business Creation (2015), which provides demographic patterns of new business owners in their first month of business activity, reports that veterans accounted for 5.6% of start-up activity in 2014. As the draw down from the Iraq and Afghanistan wars continues, we can expect transitioning service members to be exploring new paths. Among these paths is the road to entrepreneurship.

Entrepreneurship provides an attractive option for veterans, as their desire to achieve, coupled with their ease with uncertain situations, as well as their leadership training makes them strong candidates for owning their own businesses (Hoppenfeld, et al., 2013). Veteran business owners, or "vetrepreneurs" as this group has been labeled, however, face the same challenges and obstacles of starting new businesses as civilians. New ventures are prone to failure (Headd, 2003; Wilund, Baker, & Shepherd, 2010), with failure rates for start-ups at over 50% within the first five years (SBA, 2012).

This study identifies the history and development of military veteran entrepreneurship training and development programs in the U.S. identifying their mission, characteristics, content and results.

Are there MORE or FEWER opportunities for SMEs in the Supply Chain?

Joe Felan*, University of Arkansas at Little Rock
Naeem Bajwa, University of Arkansas at Little Rock

Abstract

Many companies are using lean systems for their operations. Many companies have reduced their inventory and the number of supplier they are using for their operations. This seems to indicate there are **fewer** opportunities in the marketplace. Companies such as AlliedSignal, Ford and Motorola have been reducing the number of suppliers used over the past 20 years. However, technology (interconnectivity) seems to be giving companies more opportunities to compete. We are now in the Uber market. Is it possible for **more** companies to participate in the supply chain? One effect of a lean system is the requirement of smaller shipments more frequently. Does this provide more opportunities for SMEs? Also, does e-commerce give SMEs more opportunities to participate?

We will investigate current data pertaining to SMEs. Do the data show in increase or a decrease in the activity of SMEs in the supply chain? We will share our findings in this session related to SMEs and the supply chain.

Entrepreneurial Negotiations: Are we getting carried away about Win-Win?

Timothy Dunne, Middle Tennessee State University
Joshua Aaron*, Middle Tennessee State University

Introduction

Just about any reading or training on negotiation will espouse that parties engaged in a negotiation will benefit if they take a collaborative, rather than competitive, approach. This perspective was maybe most popularized by Fisher and Ury's (1981) "best seller" entitled *Getting to Yes: Negotiating Agreement Without Giving In*. Collaborative negotiation describes negotiation practices that strive to create value for both sides, and allows negotiators to find an agreement that is mutually beneficial. Approaching negotiations in this manner has been found to result in more optimal outcomes for both parties (Galinsky, Leonardelli, Okhuysen, & Mussweiler, 2005), and is recommended as a way to find resolutions to complex situations (Isen, 2001). Those recommendation notwithstanding, there are also potential risks to approaching negotiations collaboratively. Specifically, if one party is open and trusting, which is a necessity in collaborative negotiation and can lead to better joint outcomes (Pinkley, 1995), it leaves that party vulnerable to be taken advantage of if the opposing party does not reciprocate. Because entrepreneurs and small business owners engage in vast amounts and varieties of negotiations, we are compelled to determine how they tend to approach negotiation activities.

Common sense would suggest that entrepreneurs have a strong motivation to bargain relatively competitively. Many small businesses operate on a lesser scale and therefore must be more focused on achieving adequate profit margins. From this perspective, negotiating a good price on purchases along with premium sales values would help small businesses combat the problem of dealing in lesser quantities. Negotiations within the production process are not the only area where entrepreneurs should be extracting value. In fact entrepreneurs, probably more so than non-entrepreneurial managers, negotiate over a much broader area of activities. To name a few, entrepreneurs usually negotiate for venture capital and ownership, with personnel, over lease agreements, with co-founders, with utilities, etc. While these numerous activities provide evidence that entrepreneurs commonly negotiate, we know very little about how they approach these important endeavors. The purpose of this paper is to explore the perspectives entrepreneurs take when engaging in negotiations.

To accomplish this goal, we take a grounded approach to developing a knowledge base about entrepreneurs and small business owners regarding how they think about and conceptualize negotiations. We begin by providing a brief overview of some common entrepreneurial activities in which negotiation plays a role. Providing such a review is important for two central reasons. First, by pointing out how common negotiation is for small business owners, it will be clear why additional understanding is needed. And second, it will provide guidance needed for determining the questions to ask of entrepreneurs in the interview process. Next, we will describe the methods utilized for conducting the in-depth interviews necessary for uncovering initial information about how entrepreneurs approach negotiations. Results will then be discussed about what is uncovered while investigating our sample of entrepreneurs. Finally, we will discuss the interpretation of our findings and what it means for entrepreneurs and the future of this emerging field.

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An SME Approach to Sustainability Reporting: The B Corporation's Impact Assessment

Jeff Shields*, UNC Asheville
Joyce Shellman, University of Maryland University College

Abstract

With the rapidly increasing importance of sustainability reporting and management, SME managers must learn how to begin to integrate sustainability issues and reporting into their businesses. This paper presents an overview of one organized and accessible approach by which SME management can get started. The certified B Corporation and its "B Impact Assessment" offer a method that could suit the resource constraints characteristic of SMEs by presenting key sustainability issues in a format oriented toward smaller companies.

An Approach for SMEs to Get Started with Sustainability Reporting

Small-to-Medium Enterprises (SMEs) face increasing pressure for heightened awareness of sustainability and to engage in concomitant sustainability reporting. External sources of pressure for awareness and then action include customers, competitors, regulators and other stakeholders. Managers of some SMEs see this sustainability trend as a mandate and already have started on the path of integrating sustainability considerations into their decisions (Brammer, 2012) though overall SMEs have been seen as reluctant to wholeheartedly jump into the sustainability movement (Schaper, 2002).

The reporting aspect of sustainability is an important accounting consideration for SMEs. The clear trend is toward required integrated reporting and mandated reporting standards for various economic sectors under the direction of organizations such as the Sustainability Accounting Standards Board and the Securities and Exchange Commission (SEC) (Schooley & English, 2015; Romero, Lin, Jeffers, & DeGaetano, 2014). There are many benefits to environmental and social reporting such as reducing costs, branding, responding to the growing preference by consumers for environmentally friendly products, employee recruitment and retention (Ernst & Young, 2013; Leonidas, Christodoulides & Thwaites, 2014). For this reason,it is important that SMES that have not yet responded should be aware of this trend and begin to take action to start their own programs of measuring, tracking, goal setting and reporting.

Beginning sustainability reporting, however, involves gathering relevant information, assessing the company's current sustainability performance, and starting programs to take actions to improve performance. Given the scarcity of human and financial resources that tend to plague SMEs (Nicholas, Ledwin, & Perks, 2011; Gadenne, Kennedy, & McKeiver, 2009), this can seem like a monumental task at the outset. SME managers must not only learn about

sustainability issues germane to their business but then must develop or identify performance measures and subsequently learn how to track performance in a regular and systematic fashion.

Despite its importance, there is little startup guidance for SME managers on how to begin to undertake this critical endeavor. It is useful given the lack of resources of SMEs and especially micro-SMEs to have a structured approach as a starting point. This paper addresses this gap by discussing the application of one such approach that may be well suited to SMEs, the certified B Corporation and its "B Impact Assessment".

Next, we review key issues related to sustainability reporting in SMEs and then discuss the B Corporation concept.

Sustainability and Sustainability Reporting in SMEs

In a recent speech centered on climate change, financial policy maker and governor of the Bank of England Mark Carney issued a stark warning at the insurer Lloyd's of London: "…the catastrophic impacts of climate change will be felt beyond the traditional horizons of most actors…once climate change becomes a defining issue for financial stability, it may already be too late". He went on to note the associated uncertainty that goes beyond traditional business and political cycles, calling the challenge the "tragedy of the horizon" (Irwin, 2015). Carney's words, in a business rather than a scientific context, emphasize the challenge to and urgency for SMEs to begin to address sustainability concerns. SMEs comprise more than 90% of all firms and 50% of all employment worldwide (International Finance Corporation, 2012).

"[D]evelopment that meets the needs of the present without compromising the ability of future generations to meet their own needs" is the definition of sustainability that has been adopted by the World Commission on Environment and Development (1987). A restatement of

this for business is a business that "meets the needs of its stakeholders without compromising its ability to meet their needs in the future" (Hubbard, 2009). These definitions imply an orientation toward the management of future impacts of operations that typically has not been emphasized by traditional concepts of business management.

What's more, the so-called triple bottom line increases the complexity of learning about and implementing sustainability practices for SMEs. It explicitly adds social and environmental performance to the traditional one-sided notion of economic performance, expanding and building on longstanding premises inherent in traditional business policy and corporate social responsibility. Sustainability encompasses social, environmental, and economic factors.

For several decades, the reporting practices and frameworks for sustainability have been in the making. On a global scale, the participation of large companies has helped to stimulate the pace and scope of reporting along with public pressure. The importance of sustainability reporting has been expanding. Not only have entities such as the Securities and Exchange Commission (SEC) and the Sustainability Accounting Standards Board created requirements and standards for integrated and economic sector reporting (Schooley & English, 2015; Romero, Lin, Jeffers, & DeGaetano, 2014), now even some nations, such as Sweden, mandate company sustainability reports (Schooley & English, 2015.

According to the Big Four accounting firm KPMG (2013), sustainability reporting among the largest companies is now at nearly three quarters participation (71% of the N100 across 34 nations). In the Fortune Global 500, it stands at 93% participation (KPMG, 2013). These corporations cite reasons such as branding issues, ethics, reputation, risk management, and cost savings, among others, as rationales for their efforts at making voluntary reports on environmental and social performance measures (Ernst and Young, 2014; Bonini & Bove, 2014; KPMG, 2011; McKinsey and Company, 2010).

The Global Reporting Initiative (GRI) is the most well known and well formulated framework for sustainability reports (KPMG, 2013). Among the largest firms, its high rate of use hovers around 80% (KPMG, 2013). The GRI framework permits firms to report at either of two levels (GRI, 2013) with one consisting of a more comprehensive assessment of the three factors. There are specific indicators of aspects of sustainability. It is up to the firm to identify the issues that are germane to their situation and to report on at least one measure for each relevant aspect. For example, an aspect of environmental performance might be the amount of waste generated (GRI, 2013). Frequently reported measures include energy use, water use, and greenhouse gas emissions (GRI, 2014).

As sustainability reporting grows in prevalence and sophistication, SMEs can expect that larger firms with which they do business will also require their participation. For example, companies can expect entities in their supply chains, such as SMEs, to match their own performance reports. This generates increasing pressure for SME participation in reporting.

Along with evolving consumer pressure, sustainability reporting requirements generate an urgency for SMEs to integrate sustainability issues into their business. However, SMEs, especially smaller ones, tend to have fewer financial and human resources (Nicholas, Ledwin, & Perks, 2011; Gadenne, Kennedy, & McKeiver, 2009) to apply to taking on the challenge of integrating sustainability considerations and reports. What's more, like business in general (Kiron, Kruschwitz, Rubel, Reeves & Fuisz-Kehrbach, 2013), SMEs may lack a management structure for addressing such concerns.

Next we present an overview of the certified B Corporation and its B Impact Assessment as one approach by which SMEs may begin to integrate sustainability and concomitant reporting into normal business operations.

The Certified B Corporation Concept

Billed as "the highest standard for socially responsible businesses" by *Inc. magazine* (Inc., 2011), a certified B Corporation is an organization that has taken the B Impact assessment and scored sufficient points on its environmental and social impacts as scored by the B Lab organization to become a Certified B Corporation (Honeyman, 2014). Much like the growth in the participation in the leading framework for sustainability reporting among large corporations, the Global Reporting Initiative, the certified B Corporation framework is growing among SMEs. Members have increased from 370 firms in 2010 to over 1000 in 2014 (B Lab, 2015). While membership details are not public, the framework's marketing and content is primarily targeted to SMEs and social entrepreneur start-ups, thus explaining its appeal to SMEs. This focus renders it more applicable to these smaller businesses.

In the preceding portion of the paper, we have reviewed the literature on sustainability reporting and introduced the B Corporation concept. Now we examine the B Impact Assessment as a means for SMEs to begin the process of learning about key sustainability issues, developing or identifying performance measures, and setting the stage for tracking the company's sustainability performance.

The B Impact Assessment

The B Impact Assessment is a series of questions an organization answers with respect to its impacts on workers, community, environment, and governance (Honeyman, 2014). These assessment questions are geared towards SMEs and represent a simple structured starting point to take an SME on the path of a cycle of sustainability reporting and subsequent monitoring, reporting, goal setting, and developing programs to improve performance on the monitored and measured aspects of environmental and social criteria. This is a necessary investment to achieve the benefits of being responsive in the form of competitive position, innovation, reduced costs, branding, reduced risk, and improved access to capital (Ernst & Young, 2014).

There are several levels of questionnaires available for an SME. There is a handbook that lists a "Quick Assessment" (Honeyman, 2014). There is a free online assessment and there is a full blown online assessment that is scored for a rating of points. This scoring facilitates benchmarking with other organizations that have taken the more detailed assessment (see http://bimpactassessment.net/). The following tables provide an overview of the categories and some of the questions included in the Quick Assessment. An SME's impacts that affect its workers, community, and environment are evaluated. In addition, impact over the long term and of its "core" are assessed.

Impacts on workers include categories for compensation, ownership, and work environment. Items under these categories cover a variety of specifics such a paying a livable wage, retirement benefits, skills development, stock options, and worker satisfaction (see Table 1). Community impacts include categories for job creation, diversity, civic engagement, giving, local involvement, and suppliers (see Table 2). Items under these categories address job creation for underemployed populations, diversity management and suppliers, service days for employees, partnership to support a charity, local purchases of goods and services, suppliers' environmental and social performance is assessed and disclosed.

The environmental impact assessment has categories for land office and plant; energy, water, and materials; emissions and waste; and transportation, distribution, and suppliers (see Table 3). Items under these categories address an environmental audit, energy efficiency, life-cycle assessment of products greenhouse gas emissions, supply chain environmental reviews.

Long-term impacts address the categories of mission and engagement, transparency and structure (see Table 4). Items under these categories address the link between mission statement and environmental and social performance, links to compensation such as bonuses, open-book management, benefits, and corporate structure. The impacts of "core" address an organization's business model and its consequences for environmental and social performance (see Table 5). Items under this assessment include poverty effects of supply chain procurement, environmental benefits through reduction in hazardous materials or the use of renewable energy sources, and donations of a percentage of sales to charities.

Discussion and Implications for Practice

The B Corp's Impact Assessments represent a starting point for an SME to begin to answer a subset of questions that are pertinent to its business and values. These questions identify the issues germane to sustainability. Thus, they offer SME managers a rapid way to learn about the range of sustainability impacts. From this awareness, SME managers can discover or develop performance measures now that they know the issues. Additional starting points may be made salient by forces external to the business such as customers, competition, or regulation.

An SME that has not yet begun to address it environmental and social performance should start with simple steps that potentially have large benefits. For example, starting points can be actions such as recycling, energy efficiency, renewable energy purchases, and reduction in hazardous materials through procurement. Investments in energy efficiency in buildings (e.g., lighting) and of buildings (e.g., insulation) have been found to have an internal rate of return of 13% and 81% respectively while reducing carbon emissions (CDP, 2014). In many cases there are tax credits available. For small energy efficiency projects, the payback time is short and the rate of return is high (SBA, 2014).

It is these kinds of small beginnings that then must be followed up by tracking the impacts through performance measures of the program initiatives. The next step is to set goals and make further progress or to extend efforts and attention into other areas of environmental and social performance. This step-by-step approach can work well given the paucity of resources faced by many SMEs (Nicholas et al., 2011). Given the dynamic business environment represented by changing consumer and customer preferences, regulation, and supply chain assessment, it is imperative that SMEs that have not yet begin to address this aspect of their business environment be proactive before they face a situation of forced compliance that puts them in a reactive position.

The B Corp approach is one of many frameworks for environmental and social performance reporting; however, it is oriented towards smaller SMEs. Its assessment process and questions are relatively simple and straight forward. Additionally, the assessment is tailored by sector and number of employees, unlike some other frameworks. Other frameworks such as the Global Reporting Initiative and the Carbon Disclosure Project are more complex in terms of their reporting processes and measures. That said, the B Corporation certification also could vary in terms of its applicability and suitability for very small SMEs. Some micro-SMEs may not be incorporated and in fact may be one person operations; thus the relevance of questions that refer to corporate structure and governance or employees will not be applicable.

Conclusions

This paper presents an overview of an accessible method by which SMEs, especially small ones, can get started to learn about and incorporate sustainability reporting issues into their business. The B Corporation's Impact Assessment can enable a business to quickly assess its current level of sustainable activity, set goals, and know what to monitor for ongoing sustainability reporting. If the SME then chooses to go forward, it can seek the branding inherent in B Corporation status or, on its own, use its new awareness to institute regular sustainability reports that provide information demanded by consumers and business partners.

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Table 1
Assessment – Worker Impact

Compensation, Benefits, and Wages

- pay a living wage to employees and any independent contractors
- determine the multiple of the highest paid employee to the lowest paid employee
- offer employees the same benefits as executives and management
- offer a retirement plan, pension, or profit sharing to employee
- subsidize professional development and training

Worker Ownership

- offer stock options or have a plan to transfer ownership to employees

Work Environment

- distribute an employee handbook
- conduct worker satisfaction surveys
- collect data on employees (e.g., retention, turnover, diversity) and disclose the data
- have an employee monitor occupational health and safety

Table 2
Assessment – Community Impact

Job Creation

- create job opportunities for chronically underemployed groups (e.g., ex conflicts, homeless)

Diversity

- a diverse board of directors, management, and employees
- do business with suppliers that are majority owned

Civic Engagement and Giving

- offer incentives for employees to participate in volunteer activities
- goal for the percentage of employees who participate in voluntary activities
- have a written policy regarding community service
- partnerships with a local charity.

Local Involvement

- purchase goods and services from local and or minority-owned businesses.
- procurement decisions based on fair trade or environmental standards
- banking with local banks or credit unions

Suppliers, Distributors, and Product

- disclosure of suppliers' environmental and social performance

Table 3
Assessment – Environmental Impact

Land, Office, and Plant

- conduct an environmental audit addressing energy, water, and waste efficiency and disclose the results
- use energy-efficient lighting and office equipment (e.g., CFL, LED, Energy Star)
- water efficient systems (e.g., low-flow toilets, faucets, or showerheads)
- on site renewable energy systems (e.g., solar, wind)
- purchase renewable energy credits

Energy, Water, and Materials

- life cycle assessments of products

Emissions and Waste

- monitor and record greenhouse gas emissions.
- have programs to recycle or reuse products.

Transport, Distribution, and Suppliers

- Foster suppliers to start their own environmental reviews or audits

Table 4
Assessment – Long-Term Impact

Mission and Engagement

- integrate social and environmental responsibility into the mission statement
- train employees about the mission
- evaluate employees and management on the accomplishment of company environmental and social targets
- Link social and environmental performance to rewards
- Engage stakeholders
- Meet the board of directors to discuss environmental and social performance

Transparency

- Disclose basic financial information (e.g., income statement and balance sheet to employees
- Practice open book management and facilitate employees accessing financial information

Corporate Structure

- Legally link the mission statement to the corporate structure

Table 5
Assessment – Core Impact

- Provide health care, educational support, or support for non-for-profits organizations through fundraising
- Be beneficial to the environment by: renewable energy; improved energy or water efficiency; reducing toxic chemicals and hazardous substances; or pollution prevention
- Forty percent ownership or more by employees
- Addressing poverty through the supply chain by procurement that takes into account fair wage-certified suppliers; provide technical assistance and/or capacity building to small-scale suppliers

Internet presence as a Small Business Capability: The Case of Mobile Optimization

Troy Voelker*, University of Houston Clear La
Doug Steel, University of Houston Clear Lake
Elsa Shervin, University of Houston Clear Lake

This study reports on the mobile optimization efforts of 376 small and mid-sized enterprises (SME's) operating in a suburban sector of a major U.S. metropolitan area. We find that just under 50% of SME websites sampled were mobile optimized, defined as websites that render differently on a mobile browser than they do on a desktop browser. Firms with a greater Internet presence and firms whose websites include basic, essential design elements are far more likely to have a mobile optimized website than those who do not. Multi unit organizations, retailers, and healthcare oriented businesses are also each more likely to have a mobile optimized website.

Approximately 143 million mobile phones were sold in the U.S. in 2014. Many of those mobile phones were smartphones, such as those models made by Apple as well as those made by various manufacturers who use Google's Android operating system. The 2014 sales are a continuation of an ongoing trend in which sales of mobile devices are gradually overshadowing and replacing sales of desktop and laptop computers.

Many Americans are now tethered to their mobile technology, using it as their primary (and in some case only) access to the Internet (Stewart, Wettstein, & Bristow, 2004). The dot-com bubble of the late 1990's is, in effect, replaced by a mobile wave surging in this decade. Americans frequently use mobile devices for web browsing, shopping, and consumption of other web-based media traditionally accessed through a desktop personal computer (Iniesta-Bonillo, Sanchez-Fernandez, & Cervera-Taulet, 2012).

One confound which manifests in this transition to mobile devices is the challenge of mobile optimization. Websites and media designed for optimal viewing on the larger, desktop monitors are often difficult to view on a mobile device. Smartphones typically mimic the aspect ratio and resolution potential of larger devices. However, the proportionally smaller mobile phone screen can result in web content that has been "shrunk down" far beyond easy viewability.

For businesses of all size, the need to achieve mobile optimization is becoming one of increasing importance. Mobile optimized content is content which has been reconfigured in such a way as to be easily viewable and consumable on a mobile device. This has taken on even greater significance with Google announcing its intention to use mobile optimization as one of its indicators of website relevance for searches initiated from a mobile device (Google, 2015; Ohye, 2015). For large and small businesses alike, mobile optimization is now one of several critical requirements to assure optimal search results (Ohye, 2015).

In this study, we examine the mobile optimization patterns of business websites for small and mid-sized enterprises (SME's) in a major southwestern metropolitan marketplace. Our intent is both descriptive and explanatory. Studies of Internet presence and use of web based media for SME's are rare and thus our ability to describe the characteristics of this phenomenon contributes to the field. We offer evidence that SME mobile optimization is part of an emerging body of research on Internet presence (Chen, Shih, Chen, & Chen, 2011; Shih, Chen, & Chen, 2013), demonstrating that this firm-specific capability explains mobile optimization beyond that explained by industry patterns and firm complexity.

Literature Review

Search Engine Optimization

Search engine optimization consists of the practices intended to increase the number of visitors to a website by "obtaining high-ranking placement in the unpaid listings" of search engine result pages (Thurow, 2015), p. 44). This work focuses on organic, or unpaid, results rather than paid-placement campaigns requiring firms to bid on promotion in paid ads that show up adjacent to the organic results.

While many sites vie for top ranking for a search term such as "office supplies," there is only space in the top spot for one web page. The ensuing competition pits firms against each other for placement. Those that show up on the first page of search results stand to gain the most because research suggests that users rarely look past the first page of results (Killoran, 2013).

Benefits obtained by SEO require maintenance. Improving one's rankings comes at an expense to the competition's rank and the competitors can, in turn, respond to ranking changes by adapting their pages to move up in the rankings (Stella Tomasi & Xiaolin Li, 2015).

The process of optimizing search engine placement is complex because the underlying ranking factors vary between search engines and the ranking algorithms of each engine are proprietary (Ledford, 2009, p. 5). As a result, SEO practitioners rely on "best practices" and advice from third-party firms (Moreno & Martinez, 2013).

Mobile Optimization

Consumers reach for their mobile devices when looking for information. In fact, Google's internal data as well as another report suggest that more searches are initiated on mobile phones than desktop computers and that the number of mobile-initiated searches is increasing at a faster rate than desktop-based ones (Dischler, 2015; Merkle, 2015). To reach these consumers, businesses should make themselves available in this medium.

It is not enough to simply be found by mobile users. A site must work properly on a small screen and provide a smooth experience so consumers are not frustrated. Along these lines, Google, the largest search engine by market share, now shows to mobile users only sites it deems "mobile friendly" (Barr, 2015). Ultimately, if a business wishes to be searchable on the largest Internet search engine (Google) by users of the most prominent and fastest growing search segment (mobile users), the business needs to mobile optimize its web resources.

This is part of its "mobilegeddon" update. While this update "has no effect on searches from tablets or desktops. It affects searches from mobile devices" (Ohye, 2015). The update will help ensure mobile users have an excellent mobile browsing experience using Google's search product and in turn, won't use a bad experience as a reason to explore a competing mobile search engine. Users do have an expectation that they will be guided to pages that load properly and as consistent with their search terms and this update helps ensure that experience.

In summary, a mobile-friendly website should be a consideration for business owners wishing to serve those with mobile devices. This is often accomplished with a "responsive" design that adapts to the available screen space and serves mobile devices without unnecessarily shrinking font sizes to unreadable levels (Matthews, 2014).

Mobile Optimization and Industry Patterns

A firm must choose whether or not to have a website and whether or not to mobile optimize the website. When considering reasons why businesses choose one path over another, researchers often turn to isomorphic tendencies as discussed in institutional theory (DiMaggio & Powell, 1983). Institutional theorists suggest that three isomorphic mechanisms, mimetic, normative, and coercive, explain the homogenization of organizations.

The mimetic isomorphism path represents tendencies represent the human nature to learn socially through others and as a result make choices similar to those already present in an environment. Taken further these mimicking patterns, over time, become standards of practice or 'industry recipes.' Firms who match the pattern are considered more legitimate than those who fail to match the pattern (Batchelor & Burch, 2011). Effectively, when confronted with ambiguity ("how should our website look?") firms look at what close competitors and recognized leaders (best practices) suggest and imitate those practices. The commonality of practice resulting from this then becomes part of a subjective standard outsiders will use ("I can't believe they didn't…") when evaluating organizations. This results in a cycle of mimicry and judgment which reinforces similarity within a system (Voelker, 2011).

The normative isomorphism path represents tendencies for common experiences associated with professionalization and education, to shape a common point of view within an industry. An accounting education, for example, predisposes an individual to view problems "like an accountant would," which is reinforced through professional standards like the CPA exam. The central idea here is that common training and education predisposes groups to focus on common issues and to draw upon common tools when they approach those issues.

This commoditizing force is not inherently positive or negative, although the accounting example used might suggest that it is a largely pro-social phenomenon. Commoditizing, though, simply means homogenizing in that variation within a system is reduced. Within small business literature it is informative to think about this normative force as present within the common, and typically unfortunate, outcomes for minority business owners. There, similarities in lack of education, lack of access to capital, and lack of supportive networks leads to similar well-documented, unfortunate outcomes (Gibson, McDowell, Harris., & Voelker, 2012; Hendon & Bell, 2011).

The coercive isomorphic force represents tendencies for legitimizing bodies to establish and enforce common standards within an industry. At the broadest level these may be governmental forces setting regulatory norms for an industry. It can also be the common standards of an accrediting professional body, consider for instance how AACSB accreditation serves to make schools of business more similar. Coercive isomorphic standards can emerge from outside of the industry context.

As discussed in our section on search engine optimization, search engines such as Google have a significant influence on web technology deployment through their search engine ranking algorithms. For businesses to thrive they need to be web searchable, the algorithm for search thus becomes a coercive isomorphic force. Firms that fail to optimize their web pages for Google find themselves obscured to a late page search ranking.

But Google does not publish their algorithm and thus, firms are faced with great ambiguity in their approach to search engine optimization. This is most certainly also true with the more recent phenomenon of mobile optimization as a search engine optimization decision. As with any other ambiguous activity we would expect mimetic isomorphism to manifest as "doing what the competition does." To this end, the isomorphic forces are not competitive, but rather complementary and mutually reinforcing. This leads us to our first hypothesis.

H1: The mobile optimization behaviors of firms will follow an industry recipe model. Optimization will be highly present in some industries and mostly absent in others.

Mobile Optimization and Firm Complexity

Organizational theory researchers have long recognized that firms vary in their internal complexity (Thompson, 2005). At the most simple level, many small firms tend to be much generalized in their organization. Everybody working for the firm does everything; many hats are worn by each member of the organization.

As firms increase in size and scope, though, it is typical to see greater specificity arise within the structure of the firm. Tasks once done by all become jobs handled by a specialized few. Processes which were once done as-needed become codified into protocols, policies, and procedures. Communication patterns which were once informal become hierarchically embedded in reporting relationships and areas of responsibility.

This well recognized pattern of increasing complexity is almost certainly present in small businesses and their approach to Internet technology (Samuel Fosso Wamba & Lemuria Carter, 2014). For the smallest of firms and for many startup firms, web media decisions are ad hoc or one-off without necessarily any attention to internal replication or consistency. Lacking technical capabilities to design websites on their own, business owners may outsource the process to a consultant who themselves does not know the small business very well (Chuleeporn Changchit & Tim Klaus, 2015a). Further, lacking technological sophistication, the small business owner may not have the capacity to judge the consultant and may make decisions from a basis of cost or social familiarity ("my nephew knows a lot about websites…". The result is a haphazard and inconsistent approach to web based media.

This changes though as firms grow in complexity. As the small business scales up or becomes more complex, it will typically delegate tasks to specific persons hired on for their expertise. Rather than a website consultant, the firm may hire their own technology expert who manages the entire web presence of the small business. This person more likely knows the small business and also knows the technology. As a result we would expect a more complex and consistent approach to web presence.

One way this can manifest is through franchising. When a small business startup opens through franchising, they buy access to an established business model. This results in access to a standardized approach to marketing and messaging, which may for example include franchisor management of (or expected standards for) Internet presence. The central logic here is that mobile optimization is more likely to occur in businesses complex enough to have a designated role associated with the management of the firm's web presence. This brings us to our second hypothesis.

H2: The mobile optimization behaviors of firms will follow a firm complexity model. More complex firms will be more likely to have mobile optimized websites than will more simple firms.

Mobile Optimization and Internet Presence

While industry patterns and complexity stories offer a predictable way of thinking through our question, each suggesting that the environment affects firm behaviors while leaving vacant explanations of how firm's affect their environment. Business owners are not simply passive participants in their industries and in the market. They are active participant's making choices and charting paths. In this section we explore how a firm's idiosyncratic choices may result in outcomes not well explained by homogenizing stories.

A central assumption of both the resource based view of the firm and the dynamic capabilities perspective of the firm is that firms have an idiosyncratic allocation of resources and capabilities (Barney, 1991; Teece, Pisano, & Shuen, 1997). Within the same industry, competing for similar customers, firms draw upon unique combinations of resources and capabilities in ways that differentiate them from their competitors. Further, these capabilities in turn shape the learning potential or absorptive capacity of the firm leaving it easier to learn adjacent capabilities and harder to learn distant capabilities (Cohen & Levinthal, 1990; Tzokas, 2015; Voelker, Niu, & Miles, 2011).

Within the context of our research, a firm's ability to effectively deploy web based media is quite likely a skill. While industry context and firm complexity may explain part of the story, some firms are likely to simply be better than their peers in ways not well explained by size and complexity alone (Chuleeporn Changchit & Tim Klaus, 2015b).

Small businesses differ in their Internet presence in a way consistent with a resources and capabilities narrative (Voelker & Steel, 2015). Some small businesses are quite comprehensive in their deployment of web based media, others are haphazard, others are barely visible, and some firms have not yet transitioned to the Internet. Voelker and Steel (2015) refer to this as the Internet presence, or "the range and depth of adoption of an Internet website as well as various popular social media applications" (pg.)

We suggest that the decision to mobile optimize a company's website would also be consistent with a firm's capability of managing their Internet presence. Getting found by prospective clients on the web is also component of a firm's Internet presence. We would expect firms who are more comprehensive in managing their other Internet presence activities. They would therefore be more likely to have a mobile optimized website than would firms with a minimal Internet presence. This leads us to our final hypothesis.

H3: The mobile optimization behaviors of firms will follow a web presence capability model. Firms who manifest greater sophistication in their web presence will be more likely to have mobile optimized websites than will less web presence sophisticated firms.

Details of the Current Study

We evaluate the mobile optimization of firms using a sample of 376 small and mid-sized enterprises operating in a large suburban market adjacent to a major southwestern city. We began our data collection using a repository of SME's involved in the Chamber of Commerce in this market. From there we restricted ourselves to SME's who provided goods and services to residential customers and who further were most likely to expect the customer to visit the business at some stage in the economic exchange.

We are focused on SME's who operate more traditional, so-called click and mortar (Lahuerta Otero, Muñoz Gallego, & Pratt, 2014), businesses for whom the Internet is primarily a source of promotional activity. We are not examining businesses who are primarily engaged in web commerce, nor SME's who might typically conduct their business at a client's residence (e.g. pest control companies), nor are we looking at the activities of large corporations.

We collected data directly from the company's website and other openly accessible web based media. This included their use of social networking media (Facebook, Twitter, etc.), reviews from common third party websites such as Yelp, and their "map pack" data from Google and Microsoft's Bing search engines. While some of this information includes redundant data (e.g. whether or not a phone number is listed in each media type), we track 40-different pieces of observable Internet presence data for 413 organizations of which 376 are private, for-profit SME's. We also created a demographic profile for each firm. This includes industry classification and whether the firm is franchised (if determinable) or multi-unit. We also coded for the global popularity of the company website using the sites Alexa ranking.

Our data collection was non-invasive and represents an objective assessment of the outward facing behaviors of each of the firm's Internet presence. Data was collected by a paid research assistant. The research assistant was trained in, and worked from, a 70-line data-coding protocol developed by the primary researcher.

This data collection sampling took approximately three months of work and compensation was provided by a faculty research support grant from the employing University. Over the course of these three months, the primary researcher met with the data coder on a weekly basis. During these meetings any conflicting or confusing results were discussed and evaluated. Further, the primary researcher separately, and regularly, randomly sampled coding to determine consistency of results. In general, our coding consists of binary variables (has a profile, does not have a profile) there was little room for subjectivity in our assessment and thus little room for disagreement between the data coder and primary researcher.

Measures

The dependent variable in the present study is whether, or not, the firm's website is mobile optimized. Since there is little agreement upon the specifics of mobile optimization and given that Google does not specify how it defines "mobile friendly" in their search algorithm, we used a very basic definition for mobile optimization. For purposes of our sample, a website is considered mobile optimized if the website is visually different when viewed on a mobile device than it is on a browser viewed from a desktop computer.

A firm that has made no effort to differentiate their desktop browser and mobile browser viewability is coded with a '0' for non-optimized. Firms whose websites have a different appearance in a mobile browser than they do in a desktop browser are coded as a '1' for optimized.

We coded for the industry of the firm using the first two-digits of the North American Industry Classification System (NAICS) which is commonly used in business research. NAICS uses a drill-down model for its six-digit classification where each subsequent pair of digits adds greater granularity to the classification. For example, NAICS 72 represents all types of accommodation and food services with 7211 differentiating lodging from 7223 food services. For purposes of this study we focused on the two-digit classification and used unique binary controls for the industries most commonly appearing in our sample.

We coded for firm complexity using the a multi-unit designation. Our sample are SME's with a retail focus. When that firm has a single location it is typically a very small business. In general, when these firms grow they do so through additional units or branches. For example, a local pizza restaurant with three locations is treated as a more complex entity than a pizza restaurant with a single location.

Our data also tracks for franchising, but this proved more difficult to authenticate. While popular franchises were easy to discern, some businesses use both a franchise and a corporate model simultaneously and it is not always clear upon viewing their Internet presence which ownership model is present at a local site. However, all franchised firms in our sample were also multi-unit, typically with units across multiple state lines. We have chosen, for simplicity to treat complexity as simply multiunit for this study. A firm with more than one identifiable location is coded as a "1," while a firm for which we can not identify multiple locations is coded as a "0."

Research suggests that the presence of basic website design elements greatly improves the navigability and trustworthiness of the website (Resnick & Montania, 2003). Following Voelker and Steel (2015), we used the presence or absence of three website artifacts as an indicator of the comprehensiveness of their website design. Voelker and Steel found that only a quarter of the websites of SME's they examined contained a contact number or email address, operating hours, and a map or physical address. We similarly find about 1 in 4 of the firms in our sample to have all three artifacts. Our results differ from theirs on those having zero of the three (10% for us, 25% for them) as well as for those having two of the three (50% for us, 25% for them), we attribute these differences to choices in sampling. We specifically focus on retail-consumer focused SME's with a brick and mortar model while that was not their specific SME selection criteria. We coded our website variable as the count of the three design elements present allowing for a range of 0 (none present) to 3 (all present)

Voelker and Steel (2015) also demonstrate that the website comprehensiveness of the firm is a useful predictor of whether, and what type, of other Internet presence activities of the firm. In their study, firm's whose websites had all three design elements were also more likely to utilize multiple social networking media (Facebook, Twitter, etc.) while firms without the three design elements were unlikely to have any other Internet presence. We coded Internet presence as a count variable for the number of non-website Internet presence sources. This included Facebook, Twitter, Google+, Youtube, LinkedIn, Instagram, and Pinterest.

Analysis

We used a very low bar for mobile optimization, the website had to be visibly different on a mobile and desktop browser. Even so, just over half (55%) of the firm's websites we sampled were mobile optimized. 171 of the websites we reviewed were not different when viewed on a mobile device.

Our firms were nearly evenly split between single-site and multi unit locations. 180 of the firms operated from a single location while 196 had at least a second location.

Many of the businesses we examined were in NAICS 54, with 69 of the firms listed as professional, scientific, and technical. We also found 62 financial services (NAICS 52) firms, 53 health care firms (NAICS 62), 39 construction firms (NAICS 23), 34 other services (NAICS 81), 23 administrative services (NAICS 56) and 22 retailers (NAICS 22). For each of these industries we included a dummy variable for the two-digit NAICS where a firm was listed as "1" if they were from that industry and a "0" if they were not. Most other industries had a handful of coded firms and thus not enough to merit specific control.

Distribution of results for number of website elements and breadth of Internet presence appears in table one below. A bit more than 10% of the firms in our sample lack allthree website design elements (address, contact information, and operating hours) and a full quarter have no other Internet presence than a website. 139 of the organizations have all three website design elements and about a quarter of the firms in our sample have an Internet presence which includes at least four other, non-website, resources. As with Voeker and Steel (2015), we find substantial variation even with these relatively simplistic indicators.

Table One: Website design elements and Internet presence

	0	**1**	**2**	**3**	**4+**
Website elements	42	31	201	139	
	N/A				
Internet presence	101	87	63	64	97

Correlations for all variables appears in table two below. Supporting our broad expectations, we see numerous correlations with mobile optimization all of which manifest in our expected directions. Inclusion of website elements (r=.23) and Internet presence (r=.33) each positively and significantly correlate with mobile

optimization. Consistent with the findings of Voelker and Steel, we find that Internet presence is typically larger for firms who have more of the three website design elements in place (r=.12).

Multiunit firms are also more likely to have a mobile optimized website (r=.22). Consistent with a story of firm complexity resulting in more worker specialization, we see that multi unit locations correspond with a larger Internet presence (r=.30) and inclusion of more website design elements (r=.19).

Health care firms (r=.16) and retailers (r=.14) are each more likely to be mobile optimized while construction companies (r=-.18) were less likely to have a mobile optimized website. Supporting a story of industry recipes, construction firms were also likely to have fewer website design elements (r=-15) and a narrower Internet presence (r=-.12) but this pattern is not as clearly visible with other industries in our sample.

Examination of our hypothesis was conducted using logarithmic regression of our predictor variables onto the binary dependent variable, mobile optimization. Binary logarithmic regression is a statistical technique that estimates the probability, or odds, of an observation landing in either of two outcome conditions. Results of our logarithmic regression appear in table three below. Our regression model explains about 27% of the variation in mobile optimization and offers useful insight into patterns of optimization, and non-optimization, in the sample.

Our first hypothesis suggests that mobile optimization follows an industry recipe model. In this, firms within an industry copy actions of their competitors and comply with the expectations of common third-parties. Thus behaviors, or lack of behaviors, become common and typical of most of the firms within that industry. We find evidence supporting this in that retailers and healthcare firms are significantly more likely to be mobile optimized and that construction firms are significantly less likely to be mobile optimized. For the two more likely cases, the presence of larger competitors (major retailers) as well as coercive pressures of governance and regulation (the affordable care act) cause retailers and health care providers to devote more attention to their website and its accessibility.

Table Three: Logarithmic Regression of predictors on mobile optimization

	β	**Exp(β)**	**Sig.**
Multi unit	.56	1.76	*
Website	.37	1.45	*
Internet presence	.37	1.45	***
NA_23	-.53	.59	
NA_44	1.78	5.92	**
NA_52	.18	1.19	
NA_54	-.05	.96	
NA_56	.98	2.65	
NA_62	1.02	2.76	*
NA_81	.37	1.45	
Nagelkerke R^2 = .27			

Our second hypothesis suggests that firm complexity explains mobile optimization choices. We suggest that as firms grow in size and scale they are more likely to dedicate specific resources to recurring needs. These resources are likely to be more specialized which, in turn, suggests more professional outcomes. With the data available to us, we used multi unit as an indicator of firm complexity under the theory that managerial complexity for a single-unit SME is far less than that for a two or greater unit SME. Consistent with our expectations, multi unit locations are more likely to have a mobile optimized website.

Our third hypothesis suggests that firms have a capability in managing their Internet presence; some firms excel in managing their web presence and others are lacking. Firms who are more likely to include all three website elements and firms that have a broader Internet presence are more likely to be aware of the need for, and then seek out the means to, mobile optimize their website. Consistent with our expectations, having more website design elements and having a broader Internet presence each significantly correspond to increased likelihood of having a mobile optimized website.

Discussion

We used a very low threshold for mobile optimization, simply whether or not the website appeared different in a mobile browser than it did in a desktop browser. We believe that was a reasonable standard given that mobile optimization is a new concept, there is ambiguity in what "optimal" optimization means, and it remains deeply uncertain which mobile optimization standards improve search engine rankings (Ahmad Ghandour, 2015). Startlingly, even with the low standard we employed, almost half of the firms in our sample do not have websites that are mobile optimal.

Our results suggest, though, that it is not simply a coin-toss, 50-50, chance whether one will find a mobile optimized business website or not. We are able to document several situations where the odds are greatly increased and at least one where the odds are significantly decreased. Companies who have all three of our tracked design elements (contact information, operating hours, and physical address) are more likely to have a mobile optimized website. Companies with a broader Internet presence are more likely to be mobile optimized. Health care companies and retailers are more likely to have a mobile optimized website while construction firms are less likely.

Our work with Internet presence extends Voelker and Steel (2015). Like them, we find about one in four firms have all three website design elements and those firms are indeed more likely to have a broader Internet presence than firms with fewer or no website design elements. As with our measure of mobile optimization, we are using a very simplistic measure for estimating the sophistication of a firm's Internet presence.

Simply checking for three, frankly obvious, website design elements and counting the number of other sources of website presence is, at first glance, a seemingly basic method to evaluate sophistication of a capability. And yet, the degree of unsophistication seems so large in both our sample and theirs, that a simple measure proves surprisingly informative. Perhaps at some point, the typical small business will routinely include the measures we check for. Perhaps at some point, the typical small business will have a broad Internet presence. But that time is not yet here and a significant number of firms are still in a very nascent stage of developing their Internet presence.

If were to examine an older repository, the yellow pages for example, we would expect to find contact information and location information. One might think that this would naturally extend over to business websites, but our evidence as well as prior studies, suggests that this would be an overly optimistic expectation.

One might similarly expect frequent, routine mobile optimization, given the prominence of mobile devices and the frequency at which consumers use mobile devices to look up small businesses. But again, our data suggests one would be naively optimistic in such an assumption.

We believe that the most significant limitation of our study lies in the simplicity of our coding. We use binary variables for many of our measures - presence and absence is our primary focus. And yet, in spite of this limitation we are able to discern patterns that are predictable given our knowledge of industries, firms, and capabilities. The limitation is, we believe, less on our data and more on the state of the field. Businesses are not yet well enough versed on the topic to exceed the relatively low bars we set for presence (of website elements, of breadth of Internet presence, of mobile adoption).

Our findings and their limitations suggests an abundance of opportunity. For small businesses, small gains in these areas such as changing the layout of your website for mobile devices or simply spot checking your website for the design elements can place you in advance of a surprisingly large number of competitors. For those who teach and advise business practitioners, many improvements lie within short reach (Bakeman & Hanson, 2014). For researchers, this is an early glimpse into an emerging field of study. We are all still very early in the learning curve of Internet presence, there is tremendous room for gain to be had.

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Table 2: Correlations

		1	2	3	4	5	6	7	8	9	10
1	Optimized										
2	Multi_unit	.215**									
3	Website	.226**	.188**								
4	Web_Presence	.333**	.301**	.115*							
5	NA_23	-.180**	-0.093	-.152**	-.123*						
6	NA_44	.137**	-.124*	.108*	-0.007	-0.085					
7	NA_52	0.032	.211**	.218**	-0.009	-.151**	-.111*				
8	NA_54	-0.091	-0.027	-.229**	0.036	-.161**	-.118*	-.211**			
9	NA_56	0.077	0	-0.043	0.042	-0.087	-0.064	-.113*	-.121*		
10	NA_62	.155**	0.082	0.097	0.094	-.138**	-0.101	-.180**	-.192**	-.103*	
11	NA_81	-0.029	-.181**	0.002	-0.099	-.107*	-0.079	-.140**	-.149**	-0.08	-.128*
	** Correlation is significant at the 0.01 level (2-tailed).										
	* Correlation is significant at the 0.05 level (2-tailed).										

Small Business Employees: Recognize Their Hidden Potential

Kristie Abston, University of West Florida

Abstract

This conceptual paper explores the small business employee as an internal customer, a brand champion, and an external customer. Drawing from existing management, marketing, and organizational behavior research, among others, the various roles that are inherent to small business employees are examined and integrated. Antecedents particular to small businesses are presented, and important outcomes, including employee retention and customer loyalty are discussed.

Are Professors Entrepreneurs?

Raj Mahto*, The University of New Mexico
Saurabh Ahluwalia, The University of New Mexico

Abstract

Entrepreneurship is a popular field of study among university students. The growth of entrepreneurship courses and programs in Colleges and Universities across the United States of America and Europe over past few decades is unprecedented. Even though entrepreneurship as a field of study is maturing and finding support from administrators in higher education, many questions still divide the proponents and the opponents. Among antagonist's many arguments against offering entrepreneurship program in higher education institutions is the questionability professors' qualifications in such programs. An antagonist argument is most professors, though highly educated and possessing terminal degrees in their field (in North America and European Countries), lack entrepreneurial experience of launching and managing a venture. Culture of university system, such as prevalent tenure system makes university professor risk averse, which may not be conducive for them to advocate risk seeking behaviors among students. The later argument may suggest that professors in general are unlikely to become an entrepreneur or promote entrepreneurship. As a result, with the exception of few institutions of higher education in North America and Europe, there is a proliferations of organizations and efforts promoting entrepreneurship beyond the boundaries of universities.

In this essay, we argue that professors, irrespective of their disciplines, are entrepreneurs. The tasks associated with a professor's title requires the person to perform entrepreneurial functions on daily basis in a highly competitive environment that requires juggling research, teaching, and service of their responsibilities. The environment, which many describe as 'publish or perish', is the birthplace of many important inventions, innovations, and industries. We argue that professors behave more like social entrepreneurs than entrepreneurs (e.g. Richter Jr., 1986). In terms of personality dimensions, studies have failed to find any significant difference between personalities of entrepreneurs and professors (e.g. Puga and Garcia, 2009).

An Integrative Business Model to Mitigate Financial and Legal Risk for Nonprofit Organizations and Small Businesses

Patrick D. Walker, Lindenwood University

Abstract

Are nonprofit organizations and small businesses paying close attention to how they can best mitigate financial and legal risk for the organization? This paper will evaluate the top financial and legal risks associated with nonprofit organizations and small businesses. Implications surrounding managerial decisionmaking will be evaluated with respect to how nonprofit organizations and small businesses develop partnerships, programs, and activities. A business model will be recommended aimed at raising awareness and ultimately, suggesting actions organizations may consider to prevent irreparable harm and mitigate financial and legal risk in general.

New and Ongoing Retail Venture Strategy: Utilizing Regional Consumer Expenditure Data

Matthew C. Sonfield, Zarb School of Business Hofstra University Hempstead, NY

Abstract

This paper provides information on two different sources of data that have the potential to assist a businessperson in formulating retail venture strategies for new or on-going businesses. The U.S. Bureau of Labor Statistics' "Consumer Expenditure Survey" provides regional and city data on consumer *spending* for a wide variety of product categories. The "Google Trends" database provides data on consumer *interest* in many product categories by state, broad metropolitan regions, and by cities. Comparing data across and between geographic locations on these two databases provides information that can assist the businessperson in choosing locations for new or expanded retail outlets, or for expansion of product lines in existing outlets.

Introduction

The development of business strategies for both new and ongoing ventures is a central and critical task for all small business owner/managers and entrepreneurs (Sonfield & Lussier, 1997). Venture strategy involves a variety of factors, including types of products or services, distribution channels, target markets, etc., etc.

Well-established prior research and theory development in the fields of management and marketing tells us that the relationship between venture strategy and resulting positive firm performance is a *contingent* relationship (Lyon, Lumpkin & Dess, 1999; Webster, 1977). Thus, the best venture strategy depends upon the situation. A strategy that may be optimal in one situation may not work best in another.

This paper focuses on one aspect of new or ongoing venture strategy: the relationship between geographic location and product line strategies. Given a specific chosen geographical location for a retail consumer products business, what is the best product line strategy? Or conversely, given a chosen product line strategy, what is the best geographic location strategy?

Clearly this is a more critical strategic issue for bricks-and-mortar retail businesses focusing primarily on a specific and concentrated geographic market, but even internet-based retailers must think about the geographic location patterns of their potential customers.

Consumer expenditure patterns vary across the United States by regional and by more specific locations, such as cities (Berry, Bornum & Tennant, 1962). Some obvious factors include weather (air conditioners sell better in the South than in the North), age distributions (restaurants are more likely to offer "early-bird" special dinners in areas with a higher percentage of retirees), or ethnic population concentrations (kosher or halal foods sell better where Jewish or Islamic populations are greater). But some geographic consumer expenditure patterns are less obvious – people in certain regions and cities spend a significantly disproportionate amount on specific categories of consumer products than in other cities. These varying buying patterns are partially explained by differing values and attitudes regarding social standing and what symbolizes such standing.

A central basis for such variation in buying patterns involves the theory of "cultural capital" (Allen & Anderson, 1993; Black, 2007; Bourdieu, 1986; Holt, 1998). This concept refers to non-financial social factors that promote social values beyond economic means. Such factors include education, intellectual and cultural values, and styles of speech, dress and appearance. These factors may lead to populations with similar economic characteristics having very different consumption patterns.

For example, in New York City favored purchases include luxury watches and shoes. In Dallas, clothes denote social standing. High-end makeup is a major status symbol and purchase in Phoenix, and in Washington D.C. encyclopedias and references books are highly regarded by one's peers (Currid-Halkett, 2014). While these patterns may seem superficial, even modest variations in consumer buying behavior can be of significant importance and value to the business owner making strategic decisions regarding goods or services. And more substantial variations in consumption patterns can lead to better retail strategies with regard to sales locations and/or product line offerings.

This paper could expand further on the academic literature and theoretical bases for these regional consumption patterns, but the objective of this research study is to develop and convey *applications-oriented* information to the reader. How might a small business owner and entrepreneur (or a consultant to such businesspeople) obtain the data to inform his or her retail strategies regarding location and/or product line?

Specifically, this paper focuses on two available sources of consumer expenditure data which can assist the business owner/manager and entrepreneur in developing the best geographic strategy for their business: the U.S. Bureau of Labor Statistics' "Consumer Expenditure Survey" and Google's "Google Trends" data.

Bureau of Labor Statistics Consumer Expenditure Survey

The Bureau of Labor Statistics is an agency within the U.S. Department of Labor, and is the principal Federal office responsible for measuring labor market activity, working conditions, and price changes in the economy. Its mission is to collect, analyze, and disseminate essential economic information to support public and private decision-making. It is an independent statistical agency, not influenced by political factors, and therefore provides services that are objective, timely, accurate, and relevant (BLS.gov., 2015).

One component of the BLS's activities involves its "Consumer Expenditure Survey," (CE) which collects information on the amount and sources of family income, changes in assets and liabilities, and demographic and economic characteristics of family units and members. More specifically, the CE consists of two surveys, the Quarterly Interview Survey and the Diary

Survey, which provide information on the buying habits of American consumers, including data on their specific expenditures. Of particular relevance to the purpose of this paper, this data is broken down by the BLS into more narrow data for four regions of the United States – the Northeast, the Midwest, the South, and the West. And furthermore, within these four geographic regions, the data is further provided for eighteen selected cities (metropolitan statistical areas) – New York, Philadelphia, Boston, Chicago, Detroit, Minneapolis-St. Paul, Cleveland, Washington D.C., Baltimore, Atlanta, Miami, Dallas-Fort Worth, Houston, Los Angeles, San Francisco, San Diego, Seattle and Phoenix.

Thus the data indicates that consumers who reside in different regions of the United States, and more specifically in different cities, have significantly different expenditure patterns – the types of products they more frequently purchase vary from one location to another. Importantly, these differences can only be partially correlated with differing average income levels. "Cultural Capital," as discussed above, plays a significant role in affecting these differences. Obviously this can be valuable information for small business owners, managers, and entrepreneurs as they develop their retail strategies regarding location and product offerings.

To give some examples of *regional* average annual "consumer unit"* expenditures as reported in the most current CE data (for 2013):

Table 1

Average Annual Expenditures by Region

Product Category	Northeast	Midwest	South	West
Fish & Seafood	$ 151	$ 101	$ 112	$ 145
Sugar & Other Sweets	$ 141	$ 154	$ 132	$ 159
Furniture	$ 399	$ 390	$ 371	$ 401
Apparel - Men	$ 352	$ 335	$ 358	$ 465
Apparel - Women	$ 542	$ 536	$ 515	$ 627
Footwear	$ 391	$ 279	$ 308	$ 354
Cars & Trucks - New	$1734	$1447	$1656	$1555
Cars & Trucks - Used	$1318	$1863	$1663	$1482
Medical Services	$ 775	$ 926	$ 665	$ 997
Personal Care	$ 630	$ 574	$ 591	$ 698
Reading	$ 126	$ 110	$ 81	$ 128

Source: BLS CE 2012-2013 tables 3013, 3013, 3023, 3032

*A consumer unit is defined as either (1) all members of a particular household who are related by blood, marriage, adoption, or other legal arrangements; (2) a person living alone or sharing a household with others or living as a roomer in a private home or lodging house or in permanent living quarters in a hotel or motel, but who is financially independent; or (3) two or more persons living together who pool their income to make joint expenditure decisions. Financial independence is determined by the three major expense categories: housing, food, and other living expenses. (U.S. Bureau of Labor Statistics)

As noted, the CE data are available for certain selected cities. This more focused data can further inform retail venture strategy. Some examples of significant average annual expenditure differences are presented in Table 2. Here too the differences can be very significant, but can only be partially explained by differences in average income levels. To adjust for *regional* factors, these sample comparisons are solely within regions.

Table 2

Average Annual Expenditures by City

Region	Product Category	High City	$	Low City	$
Northeast	Cereal & Bakery Products	Boston	$ 824	New York	$ 590
Northeast	Pork	Boston	$ 205	New York	$ 157
Northeast	Fresh Fruit	Boston	$ 404	New York	$ 309
Northeast	Laundry & Cleaning Supplies	Philadelphia	$ 208	Boston	$ 105
Northeast	Postage & Stationery	Philadelphia	$ 223	New York	$ 123
Northeast	Furniture	New York	$ 475	Boston	$ 325
Northeast	Tobacco Products	Boston	$ 426	New York	$ 248
Midwest	Pork	Chicago	$ 206	Detroit	$ 151
Midwest	Fresh Fruits	Chicago	$ 348	Minn./St. Paul	$ 269
Midwest	Sugar & Other Sweets	Detroit	$ 189	Cleveland	$ 121
Midwest	Reading	Minn./St. Paul	$ 205	Cleveland	$ 84
Midwest	Transportation	Minn./St. Paul	$ 219	Detroit	$ 77
Midwest	Furniture	Minn./St. Paul	$1053	Detroit	$ 386
Midwest	Major Appliances	Minn./St. Paul	$ 308	Cleveland	$ 127
South	Beef	Wash. D.C.	$ 276	Baltimore	$ 153
South	Fats & Oils	Wash. D.C.	$ 126	Dallas/Ft. Worth	$ 92
South	Furniture	Wash. D.C.	$ 895	Miami	$ 194
South	Men's Apparel	Dallas	$ 438	Houston	$ 392
South	Women's Apparel	Dallas	$ 733	Houston	$ 471
South	Pets	Houston	$ 900	Miami	$ 306
South	Reading	Wash. D.C.	$ 211	Miami	$ 48
West	Poultry	San Francisco	$ 198	Phoenix	$ 126
West	Processed Vegetables	Seattle	$ 131	San Diego	$ 77
West	Alcoholic Beverages	San Francisco	$ 698	Los Angeles	$ 478
West	Major Appliances	San Diego	$ 356	Phoenix	$ 58
West	Reading	Seattle	$ 190	Los Angeles	$ 86
West	Tobacco	Seattle	$ 310	Los Angeles	$ 163

The CE data is available online at http://www.bls.gov/cex/. However, much of the more detailed information obtained through the BLS surveys is omitted from the published tables. For example, product categories are not full broken down into sub-categories. The on-line data may show only the broad categories of "Food" or "Apparel" without the further breakdown into narrower categories. Yet the more narrow the breakdown of the data, the more useful it can be for formulating retail venture strategies.

To break the CE data down further, one can sometimes obtain such additional data by requesting it from the BLS. Also, various statistical methods have been developed by researchers using the public-use microdata version of the CE Survey Interview data (Berube, Katz & Lang, 2007; Bureau of Economic Analysis, 2015; Cobas, 1978; Lebergott, 2014; Lee, 2015; Schenk, Loffler & Rauh, 2007). Small business owner/managers and entrepreneurs, and their advisors, may wish to pursue these more complex but valuable statistical methodologies.

Google Trends Data

A very different but equally valuable set of data can be obtained quite easily from "Google Trends," a service of Google that measures and compares regional interests in a wide variety of product categories, as measured by relative levels of individual searches on the Google website. For any chosen product category search, one can obtain search "scores" by state, metropolitan area, and by city. If searches for a specific product category in a chosen location are well below the average, no data are provided by Google Trends.

For example, a search conducted in June 2015 using the search term "women's shoes" provided the following scores for some example states (100 = highest score):

Table 3

Google Trends Scores by State

State	Score
Montana	100
Arkansas	89
Indiana	82
Pennsylvania	78
California	66
Virginia	53

Source: Google.com/trends

Thus, consumer interest in women's shoes, as measured by the relative number of searches on the Google website (in relation to *all* Google searches in that state), were almost twice as great in Montana as in Virginia at that point in time. Of course, Google searches are not the same as actual product sales. And Virginia's population is about eight times that of Montana.

Google Trends allows one to dig deeper into the data. For each state, one can obtain scores for selected "metro areas" and selected specific cities. Scores are not available for all metro areas or all cities in each state. Continuing with the example of data for women's shoes, we can obtain the available sub-data for most states. Using New York State as an example (again June 2015), see Table 4.

Table 4

Google Trends "Women's Shoes" Scores by

New York State Metro Areas

Plattsburgh	100
Buffalo	88
New York	84
Rochester	84
Syracuse	77

It is important to note that the Google Search "Metro" data provide significantly broader geographic data than the specific city designations. Thus "Plattsburgh" refers to a wide area of north-east New York State surrounding the city of Plattsburgh (thousands of square miles, most of which is rural), and "New York" includes the entire southeast section of the state, including urban, suburban, and rural areas.

Considerably more focused Google Trends data can be obtained using the "City" mode. Again, data are available for only some cities in the state. Using June 2015 data for New York State, see Table 5:

Table 5

Google Trends "Women's Shoes" Scores by

New York State Cities

New York City	100
Yonkers	86
Syracuse	83
Freeport	78
White Plains	68

The Google Trends data can be obtained for the current point in time, or for *trends* over time. Thus, any of the point-in-time data shown in Tables 3, 4 and 5 can be obtained for a period of the past ten years, and also forecasted for the next twelve months. And retailers thinking ahead to seasonal high-sales periods, such as graduation time or Christmas, might want to utilize this data search in advance of that busy selling season, so as to more likely have the most appropriate types of products in stock.

Conclusions and Implications

The two sets of consumer behavior data discussed in this paper are significantly different, but both have the potential to assist small business owners, managers and entrepreneurs in their formulation of retail product-line and/or location venture strategies. The Bureau of Labor Statistics' Consumer Expenditure data allows the businessperson to see major differences in consumer spending from one location to another. The Google Trends data does not show actual *spending*, but rather consumer *interest* in various types of products as such interest patterns differ from one location to another.

Thus a businessperson looking to choose a new location for a specific type of retail outlet, or for expanding an existing location, might use these two sources of data to inform that decision. Conversely, if one already has an outlet in a specific location but wishes to expand into new product lines, these data sources might improve that decision.

Of course, many other factors must also be considered in any decisions of this nature. What is the extent of the existing competition? What are the population, income, and other demographic data and likely future trends? What is the business climate, such as with regard to taxation, unemployment levels, unions, etc.? Where would the business owner prefer to live and work, for personal and non-business reasons? Obviously, just because consumer expenditures for furniture are very high in Washington D.C., or current interest in women's shoes is disproportionally high in Montana, it does not mean that opening a retail outlet for furniture in Washington D.C. or an outlet for women's shoes in Montana is the "best" retail venture strategy to choose.

New and on-going venture strategy formulation is a complex issue for all businesspersons and for all types of businesses. This paper provides information that might make such formulation a little less complex.

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Entrepreneurial Attitudes of Czech Students

Dennis Barber III*, Armstrong State University
Shanan Gibson, East Carolina University
Rolínek Ladislav, University of South Bohemia
Michael Harris, East Carolina University

Entrepreneurial attitudes and behaviors vary across countries. This study examines entrepreneurial attitudes of college students in the Czech Republic utilizing the Entrepreneurial Attitudes Orientation (EAO) scale and other questions assessing perceived probability and desirability of entrepreneurship. According to the 2013 Global Entrepreneurship Monitor

(GEM), a small percentage of Czechs see viable entrepreneurial opportunities when compared to data from other countries. Specifically, engagement of women in entrepreneurship and involvement of the unemployed in entrepreneurship has been low. Consistent with the findings of GEM, among our sample, (20% male; average age = 20) only 29% report wanting to start their own business and even fewer (19%) believe that it is likely they will actually do so. Concurrently, 77% believe that a steady paycheck and job security are essential. However, our results indicate that despite these attitudes, Czech students are *not* significantly different from entrepreneurial students on their EAO scores in Innovation or Personal Control, and actually exhibited higher scores on Achievement; only Self-Esteem was lower.

Unfortunately perceptions of entrepreneurs are polarized in the Czech Republic, largely due to publicized corruption connecting business and politics and media that euphemistically refers to criminals as entrepreneurs. The legal environment, internal market openness, and infrastructure are well-developed leading to a healthy environment for nascent Czech entrepreneurs. Given our findings that an entrepreneurial orientation is emerging among college students, and a society where infrastructure and access to international markets is strong, the Czech Republic has potential waiting to be unlocked.

Fostering Silver Entrepreneurship in South Korea

Jan Wassel*, University of NC Greensboro
Hanjo Cho, University of NC Greensboro
Joo Han, Future Mosaic Institute

South Korea has become the fastest aging OECD country. Korea's rate of aging is unprecedented from 7.2% Koreans ages 65 and older (2000) to 12.2% (2015). By 2026, older Koreans will account for 20.8% of the population. Life expectancy and survival has increased; thus at retirement (mandated age 60), seniors may expect to survive another 2 or 3 decades. The policy response has been rapid in addressing potential aging and economic concerns; however for current older Koreans many changes will be too late. For example, private sector retirement age was recently raised from 55 (taking effect in 2016), but for low wage retirees, the National Pension Fund provides little support in old age. Many elders are in poverty (45%) needing income. The Korean government has encouraged entrepreneurial activity through economic support and grants; however the funding is directed towards young entrepreneurs. Korea ranks 22nd among OECD countries for entrepreneurship. Many older Koreans lack entrepreneurial background to be successful. Our presentation provides an overview of three entrepreneurial models currently being tested in South Korea for seniors. The first model discusses displaced older workers from the media industry who are being retrained to capture 'life stories' of elders and who are creating new self-sustaining businesses. The next venture is Senior Hub. It is working to create opportunities for seniors from building stores to deliver systems. And finally, Songpa Silverttrak, a café training center that's become a benchmark in its public-private cooperation. Songpa's Job & Work Zone provides self-employment training skills for seniors.

Impact of Reshoring on Small and Medium Enterprises

Naeem Bajwa, Assistant Professor, University of Arkansas at Little Rock.

Joe Felan, Associate Professor, University of Arkansas at Little Rock.

Sung-Kwan Kim, Associate Professor, University of Arkansas at Little Rock.

Abstract

Outsourcing and Offshoring are popular management practices that have been adopted by most, if not all, large scale corporations. Over the last few decades, we have seen an increasing trend of both outsourcing and offshoring. While the trend is still on the rise, some large firms have started bringing offshored activities back to home thus shifting management's attention to a new phenomenon called reshoring. Recent research indicates most large corporations are reevaluating their operational strategies and are considering reshoring as a viable strategic option. There are compelling reasons – both strategic as well as operational – which when taken into consideration may dictate firms to bring their operations back to the home country. Reshoring is expected to see a significant rise in the next few years especially for high-tech and precision manufacturing. In this research, we discuss recent changes in business and macroeconomic environment that make reshoring not only viable but attractive for certain industries. We then discuss its implications for small and medium size firms and propose ideas that may enable small and medium businesses to capitalize on new opportunities arising because of reshoring.

Family Business Governance in Young Family Firms
A Review of the First Experiences of Polish Family Firms

Izabela Koładkiewicz, Kozminski University

Abstract

The objective of this article was the assessment of the level of development of the family governance system in Polish family firms as well as of the usefulness of its established structures on a family level (family governance subsystem) and the company level (corporate governance subsystem).

The assessment was made on the basis of the results received from research conducted on twenty Polish family firms in 2013. The conducted research was qualitative in character. The technique used for gathering data was the interview. Thirty–nine representatives of the older and younger generation from the examined owner families took part in the research.

Received data indicate that the level of progress of the process of establishing family business governance structures in the researched family businesses was not particularly high. Such an evaluation is supported by the use of only the simplest mechanism in the family governance subsystem—family meetings—characterized by a low level of development expressed in a lack of formalization. In its turn, the main element of the corporate governance subsystem—the supervisory board—was present in only six of the 20 examined family companies.

In assessing the usefulness of family business governance structures developed up to now, the current experience of the examined representatives of the older and younger generations have confirmed the positive input of family meetings, however the usefulness of supervisory boards was assessed as low.

Keywords

Family meetings, supervisory board, family business

Introduction

Family business governance (FBG) encompasses the defining of the roles of specific actors appearing in the family of owners and the family company, including the family of the owners, owner family members serving managerial functions, and managerial staff not tied to the family, as well as their tasks and responsibilities in the life of the family company (Aronoff, C.G., Ward, J.L., 2011, Cadbury A., 2000). The importance of FBG is primarily perceived by advisors collaborating with family businesses. However, the experience of the world's oldest family firms indicates that family governance has been playing an important role in their survival over the centuries (Goto T., 2006, for example). That is why the phenomenon of FBG continues to be a sphere that demands further research.

Analysis of topical literature indicates that it is primarily mature family businesses characterized by increased complexity in company management as well as family complexity that are at the center of attention of researchers looking into family governance (Corbetta G., Salvato C.A., 2004, Morck R.K. (editor), 2005, Kowalewski O. et al, 2010). This process is accompanied by efforts aimed at identifying various groups of stakeholders and their influence on the family firm—the owner's family, including representatives of the family involved in company management (insiders), and members of the family who are uninvolved in management (outsiders), as well as managerial staff with no ties to the family (Aronoff, C.G., Ward, J.L., 2011). Each of these groups brings with it its own needs and expectations. These can vary, which in effect translates into the character of relations among them. The basic institution of FBG that stirs the interest of researchers studying such family companies is, in the case of the company, the board of directors/supervisory board, while with respect to the family forum it is the family council, family assembly, and family constitution (e.g. (np. Neubauer F., Lank A. G., 1998, Montemerlo D., Ward J., 2005, Lansberg I., 1999, Gersick, K. E. et.al. 1997, Ward J., 2004).

Researchers devote relatively little attention to questions of the development of FBG systems in young family companies. Primary characteristics of such entities include almost complete control by the first generation of owners–founders coupled with the simultaneous growing involvement of the second generation in company management. Thus, in terms of company ownership, they are in the owner–controlling phase. From the perspective of the owner family development cycle, collaboration between the first and second generations is found on a company level (Gersick et al., 1997).

A basic attribute of the Polish family business sector is that it continues to be mainly made up of young companies that were established in the 1980s and 90s. The main driving force behind the establishing of family businesses in Poland was legislation facilitating the undertaking and conducting of economic activity that was implemented in 1988—the Wilczek Act. The 1990s saw successive modifications and amendments. The period of economic transformation that was then beginning had a significant impact on growth in the number of family firms operating under Polish conditions (Kowalewska A., Editor, 2009). Currently, the population of Polish family firms is estimated at 78 percent, with the number of active firms 1,5 mln (Blikle A, 2014). Also worth noting is that in addition to representatives of the SME sector, there are also major entities, such as ITI, Fakro, Enel Med, Irena Eris, Mocate, Solaris, of which some chose the stock market as their road to development (Enel Med, for example) (Blikle A, 2014).

Today, most Polish family firms have been in existence for over 20 years and are slowly approaching the 30–year mark (Kowalewska A., Editor, 2009). One of the major challenges that they will have to face over the upcoming years is their first generation change, which is linked to the transfer of authority and ownership from the hands of the founders (the first generation) to those of their children. Research conducted in 2013 on a group of Polish family companies disclosed that most of them are in a phase of planning and preliminary discussions regarding the succession process (Lewandowska A., 2013, p. 4–5). At this point, the specific context of succession in Polish family firms is worth stressing. It is strongly determined by a lack of prior experience. Obviously, this makes succession an even greater challenge for the first generation of Polish family companies than for their counterparts operating in developed countries. Those countries have an uninterrupted accumulation of patterns of conduct connected with intergenerational change, where today's family businesses can use the amassed resources without restriction. For their part, Polish family companies are barely acquiring their first experiences in this area.

Successfully concluded succession is undoubtedly an important element prerequisite to the long life of the family business. A key factor that is decisive in this case is good communication among all stakeholders. This encompasses both those directly involved in the process (such as members of the owner's family) and those who may feel its effects (such as the professional managerial staff, employees, customers, and suppliers) (Aronoff C. E., McClure S. L., Ward J. L., 2003, Lansberg I., 1999). Thus, it may be initially assumed that the fast approaching challenge of succession should foster the formation of an FBG system in young family companies, including Polish ones. Good information flow throughout the owner family and between the family and the company is undoubtedly among basic functions to be served by FBG mechanisms (Ward J., 2004, Carlock R.S., Ward J.L., 2010). Good information flow is a vital basis for undertaking mindful decisions regarding the family business.

Another factor that should foster the development of an FBG system in a young family business is the appearance within it and within the owner family of various interest groups (Hartley B. Griffith G., 2009, Gersick, K. E. et.al. 1997, Cadbury A., 2000). In the case of the company, these are representatives of the first and second generations working for it while as to the family forum, it undergoes a process of differentiation of its members into "insiders" employed by the company and "outsiders" who remain beyond it. Each of these groups has its interests. Their satisfaction is tied to the activities of the family company. Unfortunately, growing differentiation is an impediment. The difficult task of coming to a consensus among stakeholders found in the family and company primarily rests on FBG mechanisms (Cadbury A., 2000).

For this reason, Polish family firms create an opportunity to "gaze" at the process through which the structure of a family governance system is established in young family firms. The objective of this chapter is to assess the level of development of the family governance system in young Polish family firms as well as the usefulness of its established structures as potential mechanisms fostering longevity.

The first part of the chapter shall present a basic characterization of the FBG system and its main mechanisms, such as family meetings, a family council, a family assembly, a family constitution, and a board of directors/supervisory board. It shall also indicate the key tasks of these mechanisms.

The second part of the chapter shall present the experience of young Polish family firms in developing their family governance structure as well as assess its usefulness.

Family Business Governance Systems: Basic Characteristics

In analyzing governance present in the family company, it is important to remember that both the company and the family are subject to continuous evolution (e.g. Gersick et.al. 1997). Their passage through successive development phases signifies the appearance of new sources of difficulties, including new stakeholder groups bringing their needs and expectations into the company or family. At the beginning of the existence of the company, where for all practical purposes the interests of the company and the family are identical, the overlapping of these spheres does not result in too many problems (the management team is identical with the family, which usually means the controlling owner). With time, the dynamics of the development of the company system and the family system result in their clear diverging. This translates into an increase in the complexity of the process of managing relations between them. The first symptom of this on both the family and company level is the entry of children into the company. On the company level, this complexity is created by parents and children who represent the older and younger generations. They occupying positions that differ in terms of decision–making potential. In its turn, the family sees the appearance of a division among the children of the owners–founders into those who work in the family business and those who choose a difference road to achieving professional satisfaction. This marks the appearance in the family of a division into family insiders and family outsiders who are differentiated in terms of their knowledge regarding the company and also expectations with respect to it. That which ties or will tie together the mentioned groups of stakeholders is the ownership rights to the company.

A similar process of differentiation of interest groups takes place in the family business. This is visible in the appearance of professional managers in response to the growing needs of the developing company. As time passes, there are also changes in the ownership structure of the family company translating into differentiation in the group of owners. This process takes place not only in a dimension of differentiation in the size of package of shares held by family members, but also in the appearance in the group of owners of people not tied to the family.

The above–described processes are responsible for the emergence of various interest groups on both a family level and a company one. They bring about a need to develop the structures/mechanisms of a FBG system encompassing two subsystems:

- The family governance subsystem formed on the family forum,
- The corporate governance subsystem built on the family company level.

Among basic family governance structures/mechanisms, often described as family institutions, are (Neubauer F., Lank A.G., 1998, Montemerlo D., Ward J., 2005; Lansberg, I., 1999; Gersick, K. E. et al., 1997; Ward J., 2004, for example):

- The family meeting,
- Family assemblies,
- The family council, and
- The family constitution.

The basic mechanism of the corporate governance system is the board of directors/supervisory board (Fama E.F., 1980, Fama E.F., Jensen M.C. 1983, Eisenhardt

K.M., 1989).

In analyzing the operation of the FBG system it is necessary to remember that its subsystems—family governance and corporate governance—functioning on various levels (family and company), differ in their objectives and tasks. Thus, the main goal of the actions of the family governance subsystem is taking care that the family speaks with one voice with respect to the company (Gallo M.A., Kenyon-Rouvinez D., 2005, Neubauer F., Lank A.G., 1998). The structures and mechanisms being created should concentrate on collaboration among the various stakeholder groups that form in the family as well as their mutual communication. Collaboration should take a course under a banner of looking after the family heritage. Good communication is a foundation for building mutual trust (Carlock R.S., Ward J.L., 2010, Ward J.L., 2004). It is especially needed in situations of varied levels of knowledge among family members regarding the family business. Any gaps that are present may bring about a lack of understanding with respect to actions undertaken on the company level. Understanding them, but primarily accepting them, is important in the case of a need to solve challenges and problems appearing in the company. Key spheres linked with the operations of the family business and the family that are marked by a high level of risk of potential conflicts include (KPMG Enterprise, 2011):

- The balancing of family needs and those of the family business,
- The remuneration of family members employed in the business,
- The maintenance of family control over the family business,
- The preparing and training of a successor, and
- Selection of a successor.

The structures/mechanisms of the family governance subsystem are also aimed at building trust among family members. This matter is particularly important in the case of representatives of the family who are not directly involved in the business. This importance grows in line with the growth in complexity of the family, expressed as a growth in the number of its members as well as differentiation into generations. The presence of family governance structures/mechanisms should also work to unite the family, which in its turn should translate into increased chances of the survival of the family business. The need to achieve the above goal defines the character of tasks standing before the family governance subsystem. Among them, the following are of key importance (IFC Family Business Governance Handbook, 2008):

- Communicating family values, mission, and the long–term vision of the family company to all family members,
- The continuous informing of family members (especially outsiders who are not involved in the business) regarding the achievements of the family company, the challenges it is facing, and its assumed strategic directions,
- Communicating rules and decisions that may have an impact on the employment of family members as well as on dividends and other benefits derived from the family business,
- The development of formal communication channels that allow the family to share its ideas and concepts, aspiration, and so on, and
- The facilitating of meetings of the whole family and the undertaking of necessary decisions.

The need to develop corporate governance subsystem structures/mechanisms in the family company emerges with the appearance of successive interest groups on the decision– making and ownership structure level within it that may or may not be tied to the owner family (Cadbury A., 2000, Gerscik K.E. et al.,1997). The dynamics of their structure grows in parallel with the increase in complexity of both the business and the family. As in the case of their non–family counterparts, the family company's basic goal is making sure everything is operating smoothly within it, assumed objectives are being achieved, and its shareholders/stockholders are treated equally (this last goal becomes particularly important in the case of listed companies). In practice, this means the undertaking of actions whose aim is to find a consensus among the diverse interests present in the family company. However, it should be remembered that the functional context created by the family company is also responsible for specific challenges facing its corporate governance structures (Jaffe D., Davis S., 2010, Bammens Y., Voordeckers W., Van Gils A., 2008). Primarily, their presence is an answer to the growing risk of loss of unity between family interest and company interest. Moreover, they should facilitate the maintaining of a balance in tensions stemming from the economic and emotional ties among the family (Jaffe D., Davis S., 2010).

Methodology

The objective of the research was the assessment of the first experiences of family company owners in the area of building a FBG system as well as an evaluation of the usefulness of the mechanisms developed in this area for both family and company. This assessment was made mainly on the basis of the current experiences of representatives of the first and second generations—the owners of twenty young family companies.

The conducted research was qualitative in character. The technique used for gathering data was the interview. A research tool used in the study was the partially structured interview questionnaire.

The interviews were conducted from August to December of 2013. The average duration of an interview amounted to from forty–five minutes to about one hour. All in all, thirty–nine respondents from twenty family companies took part in the research. Of these, nineteen represented the older generation while twenty representatives were from the younger generation of family company owners. Among representatives of the older generation, representatives of the first generation—the founders of the family company—were dominant. Among the younger generation, most were from the second generation. As to other generations, three representatives of the third generation (younger generation) as well as one respondent from the fourth generation (older generation) took part in the research.

Due to the need to remain anonymous articulated by most of the respondents, the given surnames have been encoded using the following formula: [R'x] for representatives of the older generation and [R"x] for representatives of the younger generation, where x is a number. The assumed code symbol is used for each statement of a given respondent quoted in the chapter.

The family companies managed by the study participants were active in various sectors and were of various sizes. They included small, medium, and large companies (one of the examined companies was even listed on the Warsaw Stock Exchange). At the time of the study, ownership of the companies was primarily in the hands of representatives of the older generation. In several of the companies, members of the younger generation had already been endowed with a share in company ownership. In the bulk of the examined owner families, the transfer of management between the generations present in the companies had already begun. To a great extent, the examined representatives of the younger generation served managerial functions. However, decision–making in key matters relating to the company remained in the hands of the older generation. It should also be stressed that at the moment of the conducting of the research, only two family generations were present in the examined family companies.

Moreover, it should be emphasized that the qualitative character of the research and primarily the size of the examined sample (20 family companies represented by 39 family members) means that the generalizations made for the purposes of this chapter only make reference to the experiences and opinions of the examined respondents. The received results may serve as a basis for indicating further research directions aimed at understanding the process of the molding of the institutions of the FBG system in young family companies.

Family Business Governance in Young Family Firms

Analysis of results received from research evaluating the development of FBG systems in the examined young family companies allows the formulation of several basic observations. Prior to their presentation, it is worth reiterating that the youth of the examined companies found expression in almost complete authority being in the hands of the first generation of owners–founders coupled with the simultaneous increase in involvement in company management of representatives of the second generation.

The conducted research indicates that in spite of the identification of the above factors fostering the development of FBG structures in the examined companies, that is the appearance of various interest groups in both the company and family as well as nearing succession, the building of FBG systems remains a challenge. The following research observations serve as a basis for such a conclusion:

1. The basic institution that has been created to date within the framework of family governance subsystems developed within the examined family companies was the family meeting, which is the simplest element of the subsystem.

2. Most of the examined entities failed to see any need for forming a supervisory board, which is a basic mechanism of the corporate governance subsystem. A supervisory board was only present in six out of 20 family business.

Successive points shall sum up the current practice of the operation of these mechanisms as well as assess their usefulness.

Family Meetings: The Practice and Its Usefulness

Keeping in mind the fact that family meetings are the simplest structure from among family governance mechanisms, an interesting aspect of the conducted research was discovering how the respondents assessed the usefulness of such meetings for the company and for the family. Prior to presenting an assessment, it is first necessary to demonstrate the dominant practice in the operation of family meetings in the examined family companies. It is their informal character that must be stressed. The most common formula consisted of family meetings, including celebrations of family events, during which matters linked with the family company always made their appearance. The factor stimulating the taking up of company questions was often the need to solve a running problem that surfaced in the company at that time. It was only in one of the examined families of owners that it was possible to observe efforts aimed at a certain level of formalization of family meetings held in the home. This was expressed in the preparing of an agenda as well as documents that family members wanted to discuss during the organized home meeting.

The shifting of the venue of family meetings to the offices of the family company may also be seen as a certain symptom of the formalization of the family meeting. Such actions were most often characteristic of family firms in which the first and second generations made up the company's managerial team.

Analysis of the experiences of the examined representatives of family companies in the area of application of the family meeting brought to light a certain tendency linked to the size of the company. A desire to move discussions centering on company problems outside the family meeting increases as the company grows. Such efforts may be seen as a wish to maintain a work–life balance.

As to an assessment of the usefulness of solutions developed to date in the area of the functioning of family meetings, the examined representatives of two generations of owners of young family companies confirmed their usefulness to both the family and the company it held. Absolute agreement of views among the examined representatives of both generations was visible in their assessment of the usefulness of family meetings for the family. Significant and very significant usefulness of such meetings was visible in the process of building a strong family as well as in maintaining family traditions.

As to their assessment of the usefulness of family meetings with respect to the family company, including the development of a strong business model and the professionalization of management, the respondents were, to a certain degree, diversified in their outlooks. Although the evaluation of benefits stemming from touching upon these matters during family meetings was decidedly positive, a part of those examined evaluated their usefulness as medium or small. It should be added that this diversification of views was characteristic of the examined representatives of both generations.

What is interesting is that the relatively greatest diversification of views among those examined was observed in their assessment of the usefulness of family meetings in discussing questions at the tangent point of family and company, especially those related to future succession (the planning of future changes in the company's ownership structure, planned participation of the family in the company, and the planning and initiation of the succession process, for example). Their views formed a continuum ranging from very useful to almost not useful at all. The greatest level of differentiation of opinion on the usefulness of the family meeting as a forum for discussion was observed with respect to planning and initiating the succession process.

The relatively unappreciated usefulness of family meetings for discussions of matters related to succession by the examined representatives of family firms fits in with Polish experience to date, however. For example, the already cited results of the A. Lewandowska team indicate that the question of succession made its appearance on the family forum only occasionally or several times a year, but there were also situations in which it was not discussed at all (Lewandowska A., Editor, 2014, p. 10).

As to the functions assigned to family meetings by respondents, some of those interviewed primarily saw its communication role. It is thanks to company topics touched upon during the meetings that the awareness of the remaining family members regarding what is happening in the family business improved.

Among other functions of family meetings, some of the respondents indicated also their information and education functions.

Supervisory Boards: Evaluation of Usefulness

As signaled above, a supervisory board—a component of the corporate governance subsystem—was established in only six of the 20 examined family companies. Basic characteristics of the created boards are presented in Table No. 1. A quality common to all six family businesses is that their business activities were conducted in the form of a capital company. Pursuant to the regulations of the Polish commercial code, a board must be established in such entities. As to the size of these boards, boards made up of five members were dominant among the examined companies (four family businesses). One of the examined companies had a larger board (six, it was a large company), while the remaining company had a board consisting of only three members (a small company).

The family nature of the analyzed boards, expressed by the presence of members with blood ties to the main owner, varied. In two of the examined companies (No. 2 and No. 11), the boards consisted of only members of the family. In Company No. 10, representatives of the family of the main owner made up the majority of the board (three out of five members). In the two remaining companies, family members were decidedly in the minority. Only the son of the owner was on the board of Company No. 5 while it was the wife of the president– founder in the case of Company No. 14. In their turn, the remaining members of the boards of the companies were tied to the owner by bonds of friendship, but they also introduced resources and know-how in various fields.

Table No. 1. Supervisory boards in the examined companies: Basic characteristics

Company Legal form Respondents	**Number of members**			**Family representatives**	**Number of employees**
	Total	**Family**	**Outsiders**		
Company No. 2 S.A. [joint stock co.] [R'3] [R"4]	5 members	5	none	– President's wife – Four daughters	132
Company No. 4 Sp. z o.o. [ltd.] [R'8]	5 members	2	3	– Former president, representative of the older generation – Son of the former president	214
Company No. 5 S.A. [joint stock co.] [R'10]	6 members	1	5	– Son of the president, representative of the second generation	350
Company No. 10 S.A. [joint stock co.] [R'19] [R"20]	5 members	3	2	– Owner, founder of a family capital group – Daughter–in–law of the owner–founder / wife of the present president, son of the owner – Son–in–law of the owner–founder	45
Company No.11 Sp. z o.o. [Ltd.] [R'21] [R"22]	3 members	3	none	– Wife of present proxy, older generation –Wife of the present proxy, younger generation – Son/brother of a proxy, younger generation	20
Company No. 14 S.A. [joint stock co.] [R'27] [R"28]	5 members	1	4	– Wife of the present president, older generation	490

Source: Own research on the basis of information received during interviews as well as from money.pl [accessed July 8, 2014].

As to the assessment of the usefulness of supervisory boards, most of the examined representatives of family businesses approached them rather skeptically. To a great extent, this stemmed from the conviction that there is a sufficient level of expertise for the development of the company in the hands of the family members presently managing the company—representatives of the first and second generations.

A second important source of skepticism regarding the lack of competencies capable of supporting the management and performing classic supervisory–advisory functions was rather widespread among those examined. The president of Company No. 2 [R'3], whose supervisory board consisted of his wife and four daughters, commented on its operations rather humorously: "Today, the supervisory board (…), in reality, more or less … it can be said, criticizes what daddy does."

However, in spite of doubts as to the usefulness of their boards as declared by the managing owners, they were also experiences bearing witness to the fact that the boards do have some positive input.

Also worth adding is that in spite of the certain specific situation of supervisory boards active in the examined family companies expressed by their dependence on the owner appointing them, board members are capable of maintaining their independence of views and do express opposing opinions. For example, the president of Company No. 5 [R'10] said what follows: "(…) in spite of closeness and friendship, this board really does function, which means its head is capable of standing up against what the management is doing and says it is wrong. Of course, then there's a discussion and talks that you wouldn't believe, but since the president is also the owner and it is what he wants then it is his decision. But the board speaks clearly that it does not recommend that or thinks this should be changed …."

When it comes to the activity of the analyzed boards, the respondents were divided into those who declared their passivity and those who indicated their activeness.

Summary

Analysis of the experiences of participants in research on representatives of two generations of owners of young family businesses disclosed that with respect to the building of FBG structure/mechanism systems, the level of advancement of this process is not particularly high. Such an evaluation is supported by the use of only the simplest mechanism in the family governance subsystem—the family meeting—characterized by a low level of development expressed in a lack of formalization. In its turn, the main element of the corporate governance subsystem—the supervisory board—was present in only six of the 20 examined family companies.

In assessing the usefulness of FBG structures developed up to now, the current experience of the examined representatives of the older and younger generations have confirmed the positive input of family meetings. However, the assessment was dependent on the character of the dimension that was being evaluated—family or company. The biggest positive input of family meetings was primarily noted in the process of building a strong family. The score is a little poorer with respect to building a strong company. The greatest differentiation in evaluation of usefulness appeared in the case of succession, which was as

yet an unfinished process in the case of most of the examined family businesses. In practice, this means that the founder–owner continues to wield complete managerial authority and is also the only or dominant owner. Thus, the main weight of taking decision continues to rest with the owner.

An explanation for the received distribution of opinions with respect to succession may be the relatively low level of complexity of the owner families defined by the presence of only two generations. In the context of succession, it is also expressed in a certain naturalness of the coming into the company of the second generation fostering the emergence of a potential successor. Thus, succession is more something that "just happens" rather than a deliberate action.

Another explanation might be the matter of the need for handing over authority in the company not yet being seen by the first generation. Not touching upon topics relating to succession may also be the result of a desire to put off this process by the older generation, which may stem from a dread of retirement. For its part, the younger generation may be paralyzed by fear of need to face up against the authority of parents (Lewandowska A., Editor, 2014, p. 10).

An interesting trend that may be observed in the experiences of the examined families of owners is the notable "evading" of topics relating to the family business during family meetings. This was especially visible with respect to companies that at the time of the research had already achieved a large size. Such actions may, in their turn, indicate a lack of perception of the possibilities inherent in family meetings in the context of accumulating experience that may prove useful in the process of developing a more complex family institution within the framework of family governance structures. Family meetings are in fact the first opportunity for exchanging ideas and information on the needs of interest groups—parents and children as well as family members who work or do not work for the family business—appearing together with the development of the family. It also allows for the development of well–functioning communication channels as well as methods for achieving consensus, which usually signifies that the involved parties are willing to agreed to a certain degree of compromise. Experience in this area held by the owner family should translate into the quick creation and quality of functioning of more complex family governance mechanisms. It should be remembered that family businesses have many qualities that make supervision/management over them a major challenge. This is due to both the duality of goals standing before them (economic and non–economic) and the duality of roles of family members stemming from the filling of roles in the family and in the family business.

In assessing the usefulness of the supervisory board, the representatives of family businesses decidedly considered them to be of relatively little usefulness for them as management. Such an evaluation should not be considered surprising, however. This is especially true if one takes into account the fact that the establishing of a supervisory board was not the result of a conviction that it is to bring positive input into the company, but rather that its presence is required by law. In five out of six examined companies it was mainly the legal form of the company (a capital company) that was behind its establishing. It was in only one family business that the president–owner established a board because of a sense of need. Decisive factors in inviting its members were the professional competencies held by them. Nevertheless, they were strengthened by close relationships and friendships.

In the case of the other five companies, "their" supervisory boards were primarily filled by family members whose appointments to them were not determined by competencies, but primarily trust. Family members as members of the board were also behind lower costs generated by the board. Some of those examined saw the board as an unnecessary source of costs.

In spite of the bulk of views of those examined stating that "their" board "existed" rather than "functioned," their experiences show that there were situations in which board meetings provided a platform for discussion that, in effect, provided interesting ideas for operations and the continued development of the companies. Some of the examined representatives of family companies even assigned their boards the role of a factor that may foster an increase in interest in the company on the part of family members whose professional lives lie elsewhere. It is also seen as a venue where the younger generation can acquire knowledge about the family business.

In conclusion, it is still necessary to consider what factors might be responsible for the current level of development of family governance structures in the examined family businesses. It may be a surprise that factors that should foster the development of such structures (such as diversification in stakeholders in the company and in the family, succession, and the development of the family business) actually do not. Basic factors that may be considered responsible for the existing state of affairs might include an absence of separation of ownership and management, the uncomplicated ownership structure, and the scale of operations of the examined family companies. It is also possible to include the varied impact of groups of stakeholders formed to date on both a family level and in the family company. The group that continues to have the greatest say in both the company and the family is undoubtedly the older generation. This is determined not only by ownership of the family company concentrated in their hands, but also experience in managing that company. Being the first generation, they built the company from scratch and, to a great extent, are responsible for the company's present position on the market. In spite of the fact that representatives of the younger generation are currently becoming an increasingly clear group of stakeholders, their potential influence on a company level remains small.

Faced with a domination of one group of stakeholders and a clear polarization of the power to influence between the first and second generations (strong–weak), the need for developing FBG structures tends to be minor. It is further undermined by the convergence of interests on both the family and company level that ties the seniors and juniors together. The younger generation continues to be just a follower behind the older generation rather than the initiator of significant changes in the company.

In conclusion, worth adding is a proposal for explaining the absence of a professional supervisory board in the examined young companies as a mechanism of the corporate governance system. Its absence is primarily determined by the nonexistence of separation of ownership and management. With time, when the process of this separation takes on greater depth, the need to appoint such a board should become stronger. However, the resistance to appoint such a board as observed in the examined group of companies should be a cause for concern. To a great extent it is based on a lack of understanding of the role it should play in the company. This is indicated in the expectation that it should be active in the realm of operations, which obviously is not and should not be its task. It is the long–term strategy of company development that should be at the center of its attention. Questions of management should undoubtedly rest with the CEO. The absence of a board also means a lack of support in expanding the company's perspectives of perception. Moreover, the board may also be a venue for utilizing the experience and knowledge of the older generation. However, what should be remembered is the potential threat stemming from such a solution: The undertaking by seniors of an attempt to manage the company from the "backseat."

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Do Family Businesses See CSR as a ‘Win’ More than Nonfamily Business?
An Exploration of Self-Regulation in Promoting Small Business CSR

Whitney Peake*, Western Kentucky University
Leanne Coder, Western Kentucky University
Mariah Yates, Western Kentucky University

Family business research suggests that family businesses undertake socially responsible endeavors and may do so with more frequency than nonfamily firms. However, recent research has shown there are specific social responsibility activities that serve as a greater draw to family businesses. What motivates family businesses to engage in such activities, however, still generally lacks substantive investigation across the literature. As such, we examine how self-regulation theory may assist in explaining these relationships. Self-regulation theory suggests that individuals undertake activities, which align their regulatory focus with the respective goals. Promotion-focused individuals attempt to achieve ‘wins’ or ‘gains’ with their endeavors, while prevention-focused individuals attempt to avoid ‘loss’ or ‘failure.’ We examine the relationship between self-regulatory focus and engagement in four types of social responsibility – fair treatment of customers and employees, community service and giving, environmental aims, and employee support. Family and nonfamily businesses only differ directly with respect to one measure – environmental aims, with family businesses exhibiting a much higher propensity to engage in such activities. However, family business status moderates the relationship between promotion focus and social responsibility engagement, such that the relationship between promotion focus and engagement in social responsibility is stronger in the context of family businesses versus nonfamily businesses in three of the four models: community service and giving, environmental activities, and employee support. We suggest regulatory focus theory may be an important tool in gaining a better understanding of motivation to engage in small business social responsibility.

Family Business and Small Business: Are They The Same?

Raj Mahto*, The University of New Mexico
Saurabh Ahluwalia, The University of New Mexico

Abstract

People commonly associate family businesses with small businesses and vice- versa. But, not all family businesses are small businesses and neither all small businesses consider themselves as a family business. Studies on family businesses have focused on largely on large (e.g. Anderson & Reeb, 2003) and medium size companies (Schulze, et al., 2001) while ignoring small companies. As a result, generalizability of study findings from family business literature to small business context is suspect. Similarly, applying study findings from small business literature to family business context may be inappropriate in the absence of a well document difference between the two.

In this study, we explore how family businesses differ from small businesses. Using a small sample of the North American businesses, we explore whether family businesses differ from small businesses in terms of learning orientation, owner's commitment to businesses, market and product strategies, and business performance. We argue that a family business would have higher financial performance and learning orientation as compared to a small business' performance and orientation. Family business owners will exhibit higher commitment to their business as compared to a small business owner.

Small Business Learning and Performance

Timothy Pett*, Rollins College
James Wolff

This research study examines small businesses learning and entrepreneurial orientation on firm performance. The paper examines entrepreneurial and learning for small family business using separate performance measures. The paper concludes with some preliminary findings, conclusions and recommendations for the future. There has been much discussion on why learning is an important facet for organizational survival and performance (Baker & Sinkula, 1999), this especially true within the context of small businesses (Zarha, 2012). In addition, there have a number of studies on small businesses demonstrating the positive relationships between entrepreneurial orientation (including risk taking) and performance (Lumpkin & Dess, 2001). While other researchers on entreprenial orientation have found the opposite relationships to be true. This is especially in the context of family businesses, suggesting future research on entrepreneurial orientation (EO) could benefit from paying closer attention to organizational context (Dess, Pinkham, and Yang, 2011). Further, although a number of EO studies have used the summated single-dimensional construct rather than the robustness associated with the multidimensional nature of the measure as is in this study. There has also been growing interest in studying family business as it relates to how they discover and learn new practices to increase their entrepreneurial thinking within a business (Zahra, 2012). This study examines the learning orientation (LO) process as well entrepreneurial orientation as it relates to performance within family businesses.

The purpose of the research is to examine two overall research questions of entrepreneurial orientation, learning and performance of small businesses in the context of only family businesses. The first set of questions are designed to test the assumption that the multidimensional aspect of entrepreneurial orientation would differ for discrete levels and measures of performance. That is, as small family businesses seeking growth, the multidimensional dimensions of EO could vary differently compared to when profitability in family businesses is examined. The second assumption would be that the relationship between performance and EO of small family businesses would be impacted by the presence of learning orientation.

The paper presents arguments for the presence of a positive relationship among the constructs of interest and performance within the context of these businesses. Through this examination and the analysis of data derived from a sample the paper adds to the understanding of the entrepreneurial orientation and learning in the small business literature. The organization of the paper is as follows: The first section discusses the background of the constructs used in this study and develops the arguments for the hypothesized relationships that are ultimately examined. Next a discussion of the research methodology and analytical methods employed to test the hypotheses are reviewed. The third section presents the results of the data analysis and finally a discussion of the results, implications, and conclusions that can be drawn from this study.

Teaching Entrepreneurship Research Skills to Students: Best Practices from Three Entrepreneurship Librarians

Steven Cramer*, UNC Greensboro
Mary Scanlon, Wake Forest University
Diane Campbell, Rider University

Description

Most experiential entrepreneurship classes require students to conduct considerable secondary research. The students might need to analyze the industry, benchmark the financials of start-ups, identify and examine competitors, evaluate the size and nature of consumer markets and/or business-to-business markets, etc. Students who learn these research skills have a competitive advantage in the classroom and the business world over those whose research skills are limited to simple Google searches.

Research-savvy students will also be able to make decisions about business opportunities based on data and authoritative research, reducing the risk of failure.

How can entrepreneurship educators help their students learn these entrepreneurship research skills? Three librarians who conduct research workshops in core entrepreneurship classes and teach for-credit classes on entrepreneurship research will discuss best practices, including:

- Designing the most-effective research assignments
- Requiring students to use the best and most authoritative research sources
- Understanding the limits of secondary research and when primary research is necessary
- Inviting your business librarian to provide active-learning research workshops at the point of need, plus research consultations with students as follow-up

Presenters

Diane K. Campbell (Rider University) is a frequent presenter at the Small Business Institute Annual Conference. She has co-written a textbook (*The Experiential Student Team Consulting Process: A Problem-Based Model for Consulting and Service-Learning*), four peer-reviewed journal articles, and one national grant. Diane provides multiple topic-specific research instruction sessions in ENT-348: Small Business Management and ENT-410: New Venture Planning, the initial and capstone courses for Entrepreneurial Studies. She also supports additional classes through guest teaching and research consultations. Mary G. Scanlon (Wake Forest University) teaches LIB235/ESE305: Research for Entrepreneurs (cross-listed as an elective toward ESE minor) and LIB230 Research Strategies (for School of Business Entrepreneurship students). She also actively supports ESE101 and other classes through guest teaching and research consultations. Mary was co-editor of the recent book *The Entrepreneurial Librarian: Essays on the Infusion of Private-Business Dynamism into Professional Service*.

Steve Cramer (UNC Greensboro) is a Coleman Fellow of Entrepreneurship Education and teaches ENT/GEO/LIS/MKT 530: Researching Opportunities in Entrepreneurship & Economic Development. He co-teaches ENT 300: From Ideas to Opportunities: Feasibility Analysis, as well as MKT 426: International Marketing. Like Diane and Mary, Steve supports additional classes through guest teaching and research consultations. He is co-owner of intellectual property called “Export Odyssey” that has been optioned to a software development company through UNCG’s Office of Innovation Commercialization.

Improv pitch: Using Shark Tank for business pitches and comparison discussion

Josh Bendickson*, East Carolina University
Philip Davis, East Carolina University
Chelsea Midgett, East Carolina University

Abstract

The business pitch is an important aspect of sharing ideas and is often utilized to garner interest and funding. This experiential exercise requires students to quickly develop a pitch based on brief descriptions of start-up companies. After presenting the pitch, students must answer questions in an effort to convince the audience of their value proposition. This exercise helps students with their communication skills and improves their ability to think on their feet. After answering questions, students unknowingly view actual entrepreneurs pitching the same business by airing clips from Shark Tank with comparison, discussion, and reflection to follow.

Keywords: Business pitch; critical thinking Manuscript Subject Area: pitching; critical thinking Manuscript Subject Topic: Critical thinking in real time Student Level: Undergraduate

Time Required: 50-75 minutes for Part 1; 50-75 minutes for Part 2

Recommended Number of Students: 8-40 [1]

Concept

Research suggests that a great deal of start-up funding is secured through the business idea pitch (Pollack, Rutherford, & Nagy, 2012). Furthermore, the interaction and discussion between the pitchees and pitchers after the pitch influences the likelihood of funding, which requires entrepreneurs to think and communicate quickly in response to questions about and potential opposition to their ideas, as this ability attests to the legitimacy of the venture (Bird & Schjoedt, 2009). While some entrepreneurs naturally engage in such banter during the question and answer session, for others this can be a challenge. In some instances, the entrepreneur should make multiple pitches to different audiences to prepare and receive feedback (Boni, 2012). Through multiple pitches and feedback, the entrepreneur learns and improves their abilities and behaviors of delivering the pitch. Although individuals have a baseline performance level for such a skill, improving communication abilities can influence investor decisions (Clark, 2008). The general idea of this activity is to encourage all students to think quickly in order to devise a business pitch in a limited duration. The exercise also influences students that tend to meticulously plan the details of their pitches, to engage in a more spontaneous activity that requires them to adapt and think quickly about preparing a compelling case for a product or service that they are not overly familiar with. Unbeknown to most students, they will receive information about an actual business that was presented on Shark Tank[2]. This will allow the students to compare and contrast their ideas, pitch, and presentation with those actually pitched by entrepreneurs on Shark Tank.

How to Run the Exercise

Preparation:

- Plan the activity in or shortly thereafter your curriculum pertaining to business or elevator pitches.

- Prior to providing any information regarding the pitch, review 2-3 Shark Tank episodes that show how the Q&A process works. The purpose of this exercise is to prepare students for how a pitch is delivered and how it may be received by potential investors. It also provides the students with insight into what is important to potential investors and how those items should be carefully incorporated into the initial pitch process.

- Prepare information for students from the selected business pitches from the show Shark Tank essentially giving them the information that you learned from the pitch. One-half page of information for each of the pitches within an episode(s) provides students with an adequate amount of information. This is a lesson-plan activity and should be done in advance of your class.

- Instructor needs to have access to 2-3 episodes of Shark Tank. One way to do so is to purchase episodes currently available through Amazon.com for $1.99 per episode.

Part 1: The Activity

- Inform students they will form groups and receive some information about a relatively new business. After they receive this information they will have 10 minutes to work together to prepare an elevator pitch that at least one person in their group will present to the class.

- Give them this time to prepare.

- Proceed in one of two ways: (1) let all groups pitch first and then watch the episode clips and discuss one by one or (2) watch the episodes and discuss after each pitch. We recommend the former because if you run out of time it's better to have all students pitch on the day of the activity rather than giving some groups additional time between classes to prepare. It is most likely that instructors will finish the student pitches in class period one and begin watching the actual Shark Tank pitches. Then in class period two, finish watching the clips and partake in most of the discussion.

Part 2: The Discussion

- Why some entrepreneurs secured funding and others did not.

- Reflect on differences between students' presentations and the presentations seen on Shark Tank. Do so one by one and highlight positives and negatives as well as discussing the overall challenges.

- Discuss the behaviors exhibited by the entrepreneur and the Shark to understand the perception of legitimacy from both perspectives.

- Discuss the potential Shark Tank Lift and/or compare to the Icahn Lift.

- Other topics discussed contingent on the selected pitches.

Other/Nuances:

- Usually a few students will have seen the episode but not a significant number

- It is highly recommended that all pitches are presented on the main day of this activity; if you are running out of time complete the pitches and finish the videos, along with the discussion, during the following class period.

- Do not allow them to use technology during the activity

- Either between class periods or as a follow up assignment you can require students to conduct research in order to turn in or present the current state of the business.

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Appendix A

Company information example 1

Information for students:

Description: Product helps newborns sleep through the night, mimics the womb for babies, keeps them swaddled in the blankets, keeps them from scratching their face and waking themselves up, makes babies feel safe and protected.

Sales/financials: sold for $35, over $1M in Revenue, 100% of business is through their own site, no marketing thus far, invested only $700 in business.

Additional information for instructors:

Season / Episode: 6 / 1

Company Name: Sleeping Baby, Zipadee Zip

Pitchees requested: 200,000 for 10%

Offers: 200,000 for 25%, 200,000 for 20%, 200,000 for 20% (but must go retail, which they may not want to do), counter offered 200,000 for 15% (shark declined counter offer, said only 20%)

Did sharks invest: Yes, Daymond

Final agreement: 200,000 for 20%

Extra notes: Have a huge follower base online, had previous customers vote on new patterns for the Zipadee Zip

Website: https://zipadeezip.com/

Appendix B

Company information example 2

Information for students:

Description: Wire building toy system for ages 6 and up, has a working circuit, can build any creation they desire, can build any structure they desire, open ended play, kids decide what they want to build.

Purpose: designed to inspire young girls to expand their horizons, empower female engineers, inspire innovation though play.

Sales/financials: $1.7 Million generated in 1.5 years, expect $5 Million this year, have sold through amazon and online only to date, $8.75 to make, sell to stores from $16.50 to $24, will be in Toys R Us, Radio Shack, Barnes & Noble, and Nordstrom soon, invested 850k.

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Additional information for instructors:

Season / Episode: 6 / 2

Company Name: Roominate

Pitchees requested: 500k for 5% at 10mil valuation

Offers: 500k for 5% (if his daughters can spend time with the female engineers (entrepreneurs))

Did sharks invest: Yes, Mark and Lori

Final agreement: 500k for 5% from two sharks jointly

Extra notes: market to boys too, but primarily to girls, sharks said being asked to invest in success before success actually happens, sharks suggested marketing should directly communicate that it is for girls

Website: http://www.roominatetoy.com/

Workshop Proposal

Academic Case Study Publications at Your Finger Tips

Joseph R. Bell, University of Arkansas at Little Rock

Each and every semester, SBI® members consult nationally with 100's of startup and operating businesses, examining their inner workings, and resolving their problems. That practical and extensive knowledge base in most instances lies unproductive. This workshop proposes to leverage that accumulated knowledge, increase publication opportunities, and identify high-quality outlets for publication. Those outlets include our own Small Business Institute Journal, along with other top tier publications such as Entrepreneurship Theory, and Practice and the Case Research Journal (CRJ), which channels directly into the Harvard case study library.

What Harvard Says About Case Studies

Case method teaching immerses students into realistic business situations. Cases provide the reality of managerial decision-making — which includes incomplete information, time constraints, and conflicting goals — as students learn how to analyze business situations. The case method packs more experience into each hour of learning than any other instructional approach. It stimulates students' thinking and encourages discussion. Not only is it the most relevant and practical way to learn managerial skills, it's exciting and fun. (https://cb.hbsp.harvard.edu/cbmp /pages/content/casemethodteaching)

The Presenter

Joseph Bell is the Professor of Entrepreneurship at the University of Little Rock. Joe has been a member of a number of startup ventures that collectively have raised in excess of $10 million. He also consulted with nearly 1000 businesses within the SBDC system, and was later the Associate Director for Business Development at BioVentures, the technology transfer and commercialization arm for the University of Arkansas for Medical Sciences. There he helped to commercialize a variety of healthcare service ventures, in addition to far more complex medical research technologies. He is an active angel investor and participates in two Arkansas-based investment groups. He is a Master Mentor for the Venture Center – The Accelerator in Arkansas.

Joe has authored numerous publications including two case studies that appeared in ET&P and another in the CRJ. His co-authored Artemis Images case was at one time the case example for ET&P. The case has also been adopted in each of the four editions of Technology Ventures. The Technology Ventures textbook has been adopted at over 50 top institutions including MIT, Babson, and Stanford. The Artemis case also won an

International Case Award and was featured in seven different strategy textbooks including Thompson and Strickland. Joe has been an ad hoc case reviewer for ET&P.

The Premise

Each semester we drill into the story of each of the businesses we advise. We learn their make-up, business model and strategies, the people, and so much more. Over the years I have successfully taken those "stories" and crafted them into compelling exercises for the students.

All my cases are co-authored with Joan Winn, Professor Emeritus and absolute case writing guru! My case writing experiences are as follows:

- I consulted daily for 18 months with Artemis. It lead to the case study "Artemis Images: Providing Content in the Digital Age" (2003) which featured a sophisticated technology, multiple market entry strategies, and team challenges. The case followed the team's journey to acquire funding in the post-dotcom crash era.

- The No Magic: Software That Just Works (2006) case was Dr. Winn's client.

The case was positioned to discuss the managerial and organizational skills needed to bring a company through the stages of start-up, stabilization, growth, international operations, and an investment strategy.

- EZRA Innovations, LLC (2015) is a venture I helped to cofound. Its early struggles to raise capital, valuation issues and composition of the team

allowed for multiple case study decision points.

The Workshop

The objectives for the workshop are as follows:

- Share my background and learn the backgrounds of the attendees (10 minutes)

- Provide an overview of case writing utilizing the three cases above and supplementing with additional examples (30 minutes)

- Share strategies for developing case studies (10 minutes)

- Discuss collaborative student publication options (10 minutes)

- Offer a hands-on exercise with each attendee calling on past experiences and drafting one or more case decision points (30 minutes)

The Impact

Impact appears at five touch points:

- Challenge student learning with practical case method learning
- Increase faculty publication opportunities
- Increase faculty/student/community collaboration
- Increase the visibility of SBI® consulting activities
- Drive additional publication opportunities to SBI affiliated Journals

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Strategic Planning and Field Based Consulting

D. Lynn Hoffman*, Metropolitan State University
Johannes Snyman, Metropolitan State University of Denver David Bechtold, Metropolitan State University of Denver Ann Murphy, Metropolitan State University of Denver

Abstract

Critics of strategic management education argue that it has become too theoretical and does not adequately prepare students for the uncertain environments they will face in the future (Godfrey , 2005).

The article reviews the history of strategic planning, the history of the Small Business Institute (SBI)'s field based experiential classes, its advantages, and addresses the current concern of assurance of learning- that some SBI outcomes cannot be measured. It concludes with an explanation of one school's three different pedagogical approaches to teaching strategy via the field based approach and argues that all three, although different, meet O'Dwyer's et al (2009)'s primary components of knowledge and experiential learning.

The History of Strategic Planning

The history of management thought begins with Frederic Taylor's (1916) concept of scientific management and Fayol's four management functions: planning, organizing, controlling, and communicating. Taylor's assumptions about worker motivation were challenged by Elton Mayo's Hawthorne Studies which spawned studies into human relations. During this time period Harvard began its case study method (Candy and Gordon, 2011).

Chandler (1962) is credited with beginning the study of business history, the argument for decentralization of large companies and the argument that structure should follow strategy (Candy and Gordon, 2011). The advent of systems thinking in the 1980's challenged the assumption that businesses are closed systems with the understanding that they are actually open systems because they interact with and are affected by their environments.

One of the most influential early strategy theories that put substance into the relationship between strategy and external environments was Ansoff's (1960) theory that focused on environmental factors (1976): variety of change, frequency of change, urgency, predictability, and budget as compared to five levels of environmental change: stable, reactive, anticipatory, exploring, and creative. Peter Drucker, Tom Peters, and Ted Levitt contributed understanding about human factors including worker empowerment, decentralization, customer focus, leadership and hierarchies (Candy and Gordon (2011). Michael Porter (1990) added environmental competitive forces and Hamal and Prahalad (1994) the concept of core competencies.

Strategic Planning Today

Today the field is concerned with the discussion between the institutional based view of strategy, the resource-based view, and the ecology model. Institution theorists believe that organizations use systematic and rational approaches to their environment. This leads to the concern that too little or too much structure works against efficiency and adaptability in dynamic environments (Davis, Esienhardt, and Bingham, 2009). Davis concluded that there is an inverted U shape between structure and performance. Schmid (2004) argues that the institution view provides better clarity of the organization, its struggle for survival, and its environment especially where conformity to the environment is critical.

The resource-based view sees organizations as a bundle of resources that are possessed, available, or within an organization's sphere of influence. Therefore, differences in performance are driven by differences in organizational resources and capabilities. Such tangible resources could include the tangible resources such as: financial, and physical, It also includes intangible resources such as: culture, values, human abilities, innovation, and reputation. Also included may be information exchange ability, transaction speeds, employee competency, and management competency (Candy and Gordon, 2011). Organizations achieve competitive advantages when their resources have: value, rarity, nonimitatable features, and are sustainable.

The ecology model views organizations as exiting in constantly changing environments therefore requiring open systems approaches. To be effective organizations must address the needs and demands of their local environments while maintaining communication systems and missions that make the organization, different, distinct, and superior to its competitors.

Grand (2012) argues that current strategists should continue to be concerned with values, industry analysis, and competitive analysis, analysis of resources, organizational design competitive advantage, integration, technology, and diversification. However, they should also be concerned with environmental turbulence, the pace of technology, the pace of creative destruction, social pressures over income disparity, the economic relations between the US and the rest of the world, the breakdown of corporate boundaries, complexity theory, and self-organization.

Criticism of Business Education including Strategic Planning Education

Godfrey, Illes, and Berry's (2005) criticisms of current business education include lack of academic rigor, too atheoretical, too focused on corporate interests, so narrow it is dysfunctional, and not cross disciplinary. This narrow focus does not provide students with understanding of how the functions work together in real business situations.

Another criticism is that traditional education provides "tool kits not deep theory" where students can apply a set tool kit to issues suited for the tool kit application but lack theoretical understanding outside the tool kits' boundaries.

A more damaging criticism is that much education is based on transactional views of human interactions such as between customers and suppliers (Godrey et al 2005). These authors argue that this narcissistic view ignores deeper human issues such as justice, fairness, compassion or service.

Service Learning and Experiential Learning as a Means to Resolve Some of These Criticisms

Godfrey et al (2005) argue that service learning meets most of these criticisms because it provides issues that include reality, real world settings, cross functional problems, moral, ethical, and justice issues. In addition, student reflection on their experiences leads to knowledge about their and others' future behaviors and builds responsibility and civic virtues.

Godfrey et al (205) argue that the field based experiential approach of the Small Business Institute (SBI) program also meets many of Godfrey et al's (2005) criticisms. The following brief history provides this justification.

The SBI program was started in 1972 when a group of professors left the Decision Sciences Institute to form the SBI program because of their desire to explain and develop field based consulting. In its peak in the 1990,'s the program had approximately 400 schools nationwide involved in field based consulting. The organization sponsors two journals, the *Journal of Small Business Strategy* and *The Small Business Institute Journal* and national conferences dedicated to the enhancement of field based consulting.

Most programs use teams of students in real world applications to solve their client's issues. Each team must determine the client's issues, develop appropriate and reasonable alternatives, and recommend solutions that fit that client's actual situation. The teams usually present both oral and written reports. Research found that the program has the following benefits: problem based learning (Cook et al 2013), cooperative team environments (Cook et al 2013), interdisciplinary approaches (Cook et al 2013), a dynamic group activity (Ames, 2006), interactive experiences with the client (Ames, 2006), learning for both the students and clients (Ames, 2006), critical thinking skills (Cook et al 2013), broad interdisciplinary approach (Cook et al 2013), improving negation and networking skills (Lacho and Bradley, 2010), and useful for community development (Lacho and Bradley, 2010 & Cook et al , 2013). It also bridges the gap between passive learning and actual job expectations (Cook et al 2013). Brennan found that students liked their experiences, their instructors, but viewed their team less favorable. Boyles and Lang (2009) found that the program involves students in critical thinking and encourages initiative. Cook, et al 2013 explain the usefulness in community development.

The real world application exposes students to owners who are constantly juggling multiple functions simultaneously such as marketing, management, finance, operational, and strategic issues. They also observe clients dealing with humanistic, moral, ethical and legal issues.

Sometimes they are exposed to less than ethical clients and must use self-reflection and analysis to resolve their and the clients' issues (Hoffman et al, 2010).

Knowledge Retention and Acquisition

O'Dwyer et al (2009) believe education should provide both explicit and tacit knowledge. The first is gained by communication via traditional educational methods such as lectures, textbooks, and readings. Tacit knowledge is practical knowledge gained by experience with direct experience or observation of what works in what situations and the skills to deal with them. They argue that the SBI program combines both traditional lectures to provide explicit knowledge and tacit knowledge via involvement and observation of real world clients (O'Dwyer, et al, 2009).

These authors present five delivery modes for experiential learning including: scanning, experimentation for cause and effect, self-appraisal, active participation in learning and problem solving, and unsystematic or unintentional learning. (O'Dwyer, 2009).

Kolb and Kolb (2005)'s theory of experiential learning posits that experiential learning is enhanced by: viewing it as a process, drawing out students' beliefs so they can be examined and integrated with new information, presenting students with conflicting ideas, engaging students holistically –via their thinking, feeling, perceiving and behaving., providing interactions between students and their environments, providing students with experiences that transform their paradigms.

The authors of this paper believe that field based consulting meets O'Dwyer's delivery methods and maximizes the experiential learning emphasized by Kolb and Kolb (2005).

A review of one school's three approaches to field based consulting explains how each of these three different approaches, although different, fulfill these experiential learning requirements.

Three Approaches to teaching Strategic Planning with Field Based Experiential Learning

One Strategy professor uses teams of students who are tasked to determine a business's strategic and operational issues, develop reasonable and viable alternatives and recommend solutions to the client. Because this professor stresses the consulting as well as strategy, the class lectures also include consulting issues such as how to develop rapport with the client, entry and exit, and negotiations over the scope of engagement. This professor accepts all types of businesses. Last semester the clients included a county club and its golf course, a pizza restaurant, a local chamber of commerce, an African economic development, a fitness club, a database company and nonprofit establishing accounting solutions to its minority markets. Each team must work together to develop the solutions and present them orally and in writing to the client. Each team has only one client for which they are responsible. The clients are provided by the professor's business contacts and can include non-profits and for profits. Sometimes startups are accepted.

The professor provides explicit knowledge via traditional lectures, textbooks, and power points. Their self-reflection is captured in extensive feedback about themselves, their clients, and the class which is used in assurance of learning. The flexibility allows the professor to invite other faculty, professional consultants or others to serve as external reviewers and validators.

The second Strategy professor collaborates with the local Small Business Development Center (SBDC) which provides and vets the possible clients. As before each team must determine the internal and external analysis, the strategic and implementation issues and provide the client with oral and written reports. Each team must meet at least twice with their client. A client may have two teams one for different sections of the class working with the same client. Because this local SBDC has restrictive rules the class as a whole cannot participate in each other teams' issues. The professor requires that a company be in business for at least two years in order to complete a thorough financial analysis. External reviewers include SBDC representatives.

Explicit knowledge is provided by traditional lectures and textbooks. Tacit knowledge is provided by the experiential experience. External review is provided by a very active and involved SBDC office.

The third Strategy professor uses contacts and SBDC clients for the field based consulting. The difference in this approach is that the whole class works on one client. Each team must determine the strategic and operational issues, determine solutions, and provide oral and written solutions. All the teams compete in a competition at the end of the semester with the client, the professor, and other external reviewers including outsiders and other faculty as judges. The best cases are given recognition and other awards.

This approach overcomes these challenges. First the approach does not require a large number of willing clients to meet the needs of many undergraduate students. Second the faculty member has to reinforce professional conduct and attitudes that they all have a "real client." The third challenge requires the faculty member to balance their curriculum time with explicit and tacit knowledge requirements. The benefits are that each student receives an experiential experience, judges others' performances, reflects on their performance relative to others, engages the client as an external reviewer, and encourages clients for continual interaction with the school.

Explicit knowledge is provided as above by the professor via lectures and textbooks. Tacit knowledge is acquired by learning from the practical experience, competing in the competition, and self-reflection on their individual and team performance relative to the winning teams.

Current Issues Facing these Approaches

Current issues include the need to verify how SBI students acquire and develop knowledge and the related assessment tools. The former is answered by O'Dwyer et al (2009) and the latter is being addressed but not sufficiently solved.

O'Dwyer et al (2009) explain that there are five delivery modes for experiential learning: scanning, experimentation for cause and effect, self-appraisal, the experimenting participant, and unintentional or unsystematic learning (O'Dwyer et al, 2009).

This paper's authors agree with O'Dwyer et al (2009) that the SBI program meets the knowledge acquisition and knowledge retention. Each of the methods above provides explicit knowledge via the traditional methods of textbooks and lectures. Tacit knowledge is provided by the extensive service/field based learning by working with actual clients.

The first approach provides an opportunity for expanded tacit knowledge acquisition by participating, helping, recommending alternatives and solutions to other teams' issues. For example during the spring semester of 2015 two clients were close to bankruptcy. This gave the opportunity for the instructor to add unexpected (in O'Dwyer' et al 2009 terms, unintended or unsystematic learning) learning on turnaround strategies. It also added tacit knowledge acquisition because the other students had to do self-reflection with respect to what they would do if they were in the clients' or the client's teams situation.

Similarly the second approach provides both explicit and tacit knowledge acquisition. It provides more external review by having two teams compete to provide the best recommendations to a single client.

The third approach again provides both types of knowledge acquisition and is very heavy on external validation. It also provides more self-reflection as students compare their performance to the winning teams.

However, these descriptions add to the last dilemma that of providing assurance of learning for field based consulting especially for strategy classes. Ames (2006) agrees that the uniqueness of the field based consulting approach provides enhanced actual business experiences (and thus service learning experiences) . However, he argues that the increased effort to improve and increase assurance of learning presents the possibility that the SBI and related field led based experiences may be a "bust" unless certain additional steps are taken. To meet assurance of learning he recommends ten steps including: student journals, grading of these journals, and 360 assessment of the performance by peers, faculty and external validators, rubrics for all the above including the projects, and independent reviews of the presentations and projects.

All three of the above approaches emphasize each of these ten recommendations to varying degrees. For example the last two provide more formalized competition and thus external review.

However, Ames' final concern raises the dilemma between allowing students to experience real world phenomena and assurance of learning. He states that the field based experience becomes more difficult to measure. This would be especially true with unexpected or unintended client issues such as a pending bankruptcy. His point is well taken, while it may enhance tacit knowledge acquisition, the uniqueness of each different clients situation makes it more difficult to predetermine standard measurement tools that can be applied consistently over time.

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Developing and embedding student skills for the management of a small tax firm: evidence from a university-level experiential learning program

Christine Kuglin, MSU Denver
Andrew Holt*, MSU Denver
Michael Montoya, MSU Denver

Abstract

As a number of accounting graduates are interested in starting their own small tax preparation business, it is essential that the skills necessary for this career path are built into the tax curriculum. Any student starting their own small tax firm must possess knowledge of relevant accounting and tax laws, and understand the regulatory interpretation dilemmas associated with preparing tax returns. The acquisition of this knowledge is typically provided in lecture-based classes. However, the development of other strategic and 'soft' skills, such as the ability to prepare actual tax returns, being able to interview clients, and fostering relationships between staff and community stakeholders, are hard to address in the classroom. These "higher-order" skills are essential to the success of any tax practitioner, but can only be developed through experience. If this is the case, university-level tax programs must be redesigned to allow the development of these skills. In this paper, evidence from an integrated tax program offered by a U.S. university is used to demonstrate how the skills necessary for the success of small firm tax preparers can be developed through holistic academic course offerings. The program incorporates two practicum-based learning courses: an undergraduate Volunteer Income Tax Assistance (VITA) class, and a graduate Tax Site Leadership class. Together with three "classroom based" courses, the program utilizes the AICPA tax curriculum model, providing students with the skills necessary for running a small tax practice. Furthermore, students participating in the program develop a sense of civic duty and engage with a wide range of stakeholders, experiences which may shape their management style, increase ethical awareness, or encourage them to start their own small business.

Key Words: Tax Preparation, Small Business, Volunteer Income Tax Assistance (VITA), Integrated Undergraduate and Graduate Program, Holistic Approach, AICPA Model on Tax

Curriculum

Introduction

An increasing number of business students are expressing an interest in starting their own business, with a recent survey reporting that 22% of accounting students want to be their own boss (Association of Accounting Technicians, 2014). Every student starting their own small tax firm must possess knowledge of relevant accounting and tax laws, and understand the regulatory interpretation dilemmas associated with preparing income tax returns. The acquisition of this regulatory knowledge is typically provided through lecture-based classes. However, other important strategic and 'soft' skills such as the technical ability to prepare actual tax returns, communications skills to conduct client interviews, and practical experience of fostering relationships between staff and community stakeholders, are difficult to address in a classroom environment. These "higher-order" skills are essential to the success of any tax practitioner and his/her small tax preparation business, but can only be developed through experience. If this is the case, university-level accounting and tax programs must be redesigned to allow the development of these necessary skills. Furthermore, the lecture-based learning environment must be expanded to accommodate the development of additional soft-skills. In this paper, evidence from an integrated undergraduate/graduate tax program offered by a U.S. university is used to demonstrate how the skills necessary for the success of small tax preparers can be developed through holistic academic course offerings. The program has a non-traditional student body, and incorporates two practicum-based learning courses: a Volunteer Income Tax Assistance (VITA) class, and a Tax Site Leadership and Management class. The courses are implemented in an urban setting. Together with three traditional "classroom based" courses, the program utilizes the tax curriculum model favored by the AICPA, providing students with the skills necessary for running a small tax practice. Furthermore, students participating in the program are encouraged to develop a sense of civic duty and engage with a wide range of stakeholders, experiences, which may shape their management style, increase ethical awareness, or even encourage them to start their own small business.

This research contributes to accounting education best practices by documenting the process of transforming a stand-alone class to a holistic approach to tax education. This includes a complete skill set of legal, technical and soft skills required to operate a successful small tax firm.

Skills Required in the Tax Profession

According to the American Institute of Certified Public Accountants (AICPA) the "Model Tax Curriculum" should ensure that Certified Public Accountants (CPA) deliver value by "Communicating the total picture with clarity and objectivity, translating complex information into critical knowledge, anticipating and creating opportunities, and designing pathways that transform vision into reality" (AICPA, 2014, p.1).

These attributes are true for any small business owner, especially for those students who aspire to start their own tax practice. As one student in the Volunteer Income Tax Assistance (VITA) program observed during the weeks of the course, "I noticed that the more we learn and work with clients, the better we become as accountants not only in the tax field but also in other accounting fields". When actually applying their academic coursework to a real situation, the students quickly recognized these professional necessities.

Mapping this desired taxonomy of learning objectives to a tax program takes a progressive approach in course development. According to the AICPA's Tax Curriculum Model, students should be able to achieve the following learning outcomes:

- Demonstrate knowledge of the components of the basic income tax formula for individuals and business entities, understand when income and deductions are recognized, and describe when they are excluded (or disallowed) or deferred.
- Explain the interrelationships and differences between financial accounting and tax accounting.
- Apply analytical reasoning tools to assess how taxes affect economic decisions for individuals and business entities.
- Demonstrate the ability to conduct tax research.
- Understand tax-related statutory, regulatory, and professional ethics obligations and

identify tax-based community service opportunities.

- Explain basic tax policy considerations underlying common tax regimes.

The experiential learning program described in this paper adds innovation by expanding upon the AICPA's taxonomy of learning objectives by actively developing the leadership and supervisory skills of the students. By progressing through a ten step process, students move through an integrated undergraduate / graduate program to obtain the knowledge and skills desired in the Tax Curriculum Model. The hierarchy of the skills development model is as follows:

1. General level accounting financial accounting course
2. Knowledge of tax law (individual and small business entities)
3. Application of law in specialized situations
4. Practical knowledge of software
5. Client interview and due diligence requirements
6. Partner interactions and site preparedness
7. Supervision and mentoring of employee/undergraduates including understanding of Title lX, FERPA and IRB[1]
8. Multitasking in the active management of multiple employees.
9. IRS tax submission and oversight of rejection codes
10. Conflict resolution clients/partners/employees /IRS

Initial knowledge and skills developed in individual Income Tax, Corporate Income Tax and initial VITA courses

Advanced skill development through the Tax Research and Tax Site Leadership and Management course

While the integrated experiential learning program focuses on the development of skills and knowledge, it also seeks to foster student responsibility to society and their local communities, in line with the work of Boyer (1994). Social responsibility is often a key element in the success of a small business entrepreneur, as a small business can only thrive through goodwill, competency, and interactions within the community (Berhofer & Swchwartz, 2015). An appreciation of the importance of social responsibility and community interaction is obtained through practical experience, since it cannot be acquired through in-class instruction.

This experiential learning program has been developed in the heart of a metropolitan community. Along with the energy found on an urban campus, it also encounters classic issues found in diversity. From the perspective of the institution, its "diverse community engages the community at large in scholarly inquiry, creative activity and the application of knowledge". A comment by an undergraduate student during VITA exemplifies the sentiment of the institution and the integrated mission of the course:

> I am very thankful that I am able to participate in this semester's VITA course. This course has actually paved a way for me to see the bigger, brighter and beautiful aspect of accounting. I feel that, this side of accounting is hidden and should be opened to every accounting student.

The integration of service learning programs into the university curriculum is truly a civic ideal. This is supported by Boneck, Barns and Stillman (2014, p. 72) who state: "Institutional citizenship and social responsibility are concepts that encourage linking the higher educational institution to the community through the use of the institution's precious resources for some strategic reciprocal benefit."

Without its strong alliance with community partners, the institution's comprehensive tax program would not be as successful. The institution partners with two external organizations. Each of these organizations, coupled with the Internal Revenue Service (IRS), provide income tax assistance for low-income and elderly families. The external organizations also serve as liaison between the university and the IRS. It was after lengthy discussions with the community partners about the high demand for tax assistance in the urban area, we began to think about how the program could be expanded to serve the community's needs and further develop our students' abilities to create or master their own jobs after graduating from the institution.

Creating an Integrated Graduate/Undergraduate Program

Prior to 2014, the tax courses at the university were viewed as stand-alone courses, and the VITA course was offered exclusively to undergraduate students. The student management of day-to-day activities was absent at the sites as it is at many VITA programs across the country.

Currently only 20% of AACSB schools and 6% of non-AACSB schools with VITA programs rely on students for day-to-day management of sites (Blanthorne & Westin, 2015). In 2014, we created a graduate-level practicum course, Tax Site Leadership and Management to increase productivity and effectiveness of the program. It integrates graduate-level accounting students into the undergraduate VITA effort to serve as site coordinators, thus turning over operations to students who possess the appropriate skills and professional maturity to manage a tax site. This, consequently, increase the status of the undergraduate involvement by demonstrating a higher-level commitment to the program. The integrated effort exemplifies the "best practice" for a VITA program described by Blanthorne (2015, p. 27)She states: "..maximizing the use of students rather than faculty, to manage VITA has been recognized as a "best practice" of successful programs." Blanthorne (2015, p. 28) describes the "best practice" as:

> Basically, there is a student manger (usually a senior) to handle day-to-day activities – train volunteers on software, make appointments, schedule volunteers, and handle e-filing responsibilities. The student manager has an assistant (usually a junior) who then becomes the student manager the following year. Thus there is an *experienced* student manager in place at all times. The student handle the management duties by themselves and the faculty member serves as a consultant. In this manner, the students get management training experience and the programs run efficiently.

The integrated program develops and tests the hierarchy of skills required to successfully start, own or manage a small, productive tax firm. By the conclusion of the program, both undergraduate and graduate students have improved technical and interpersonal skills as well as a better understanding of ethical and social responsibility.

Skill Development for a Successful Small Business Firm by Degree Level

Hierarchy of Skill Development - Undergraduate

The hierarchy of skill development begins at the undergraduate level with Principles of Financial and Managerial Accounting. This provides the students the basis of financial accounting knowledge necessary to recognize the prerequisite recordkeeping. After successful completion of this coursework, they are prepared for Individual Income Tax. Additionally, students can expand their tax knowledge by enrolling in an upper division course, Corporate Income Tax. After this single individual income tax course students are, theoretically, prepared for the VITA class. However, many weaknesses existed in this simplistic approach. The students had the prerequisite legal knowledge, yet were coming to the first day of the VITA course confused in how to translate this knowledge to actual tax preparation skills. The IRS sponsored VITA program requires students to:

- Prepare only returns that are within their certification level(s) and within the scope of the VITA/TCE Programs.

- Certify in Volunteer Standards of Conduct.
- Complete Publication 5101, Intake/Interview and Quality Review Training.
- Provide high-quality tax return preparation to all taxpayers.
- Interview the taxpayer using Form 13614-C, Intake/Interview and Quality
- Review, to determine if all income, deductions and allowable credits are claimed. Include the taxpayer when preparing the tax return.
- Refer customers with returns out of the scope of the VITA/TCE Programs to a professional return preparer.
- Ensure due diligence by advising the taxpayer that he/she is ultimately responsible for the information on the return. (IRS, 2014)

The complexity and transition from studying tax law to implementing it with clients is more than can be accomplished in a single class or within a traditional classroom. While taxation appears to be a constant and transparent set of rules to the entry level tax student, the students soon realize taxes are in reality fluid, variable, and complicated. When confronted by their first tax clients, students were taken off guard. Additionally, students are initially frustrated with the intricacies of tax software. One example of a student's first night at VITA was, "I felt like I was being fed to the wolves!" Without some sort of "bridge" program between Individual Income Tax and VITA, students were left frustrated, confused and lack confidence in their ability to work with clients.

YouTube as a Bridge to Skill Development

We discovered the best bridge would be to create a series of required videos that would help to explain and develop tax preparation software skills (Taxwise), site client flow explanations, interview techniques, and teamwork requirements. This concept builds on the SAMR (Substitution Augmentation Modification Redefinition) Model (Puentedura, 2014) of utilizing technology to enhance the effectiveness and efficiency of instruction. SAMR is a technical taxonomy that allows implementation of Bloom's Digital Taxonomy in classroom instruction. These skills were not addressed in the Individual Income Tax course but were especially important to success in the VITA course.

Since VITA only operates in the spring semester, the students are emailed in early December with links to several course videos. The students are required to watch the videos and pass two IRS exams before their first day of class in January. The exams serve to measure whether students have watched all of the videos to prepare for the course. Without watching the tutorials, students would not know about the exams, how to register for the IRS exams or the required proof of passing.

Embedded in the videos are a far ranging set of topics that will bring the student to a basic level of soft "people" skills and software skills needed to begin their first nights of tax preparation. One student stated their thankfulness from watching the tutorial videos, "Fortunately for us, we had videos and information about this course sent to us about two months before the first day of class". This is considerably different than the statement one year earlier about being a food source for wolves!

Implementation of Skill Set– Undergraduate

Tax Return Preparation

Once the students begin class in January, the next level of interpersonal, technical and legal skill implementation begins. Students apply their tax law knowledge, people skills and software proficiency to unique tax situations with diverse clientele and colleagues. Students participate in tax preparation for 10 weeks. During this time they work directly with clients. Students perform interviews, tax preparation, and the quality review processes under the watchful eyes of their clients, which creates a stressful work environment not normally found in the classroom.

Formative Assessment

The first couple weeks can be difficult for students integrating the soft skills with their classroom-based acquired knowledge. However, they refine these skills over the course of the program. They share their observations, successes and frustrations through weekly journals. Their thoughts are then shared in an online message board. From these postings, the students learn of new tax laws, how to deal with difficult clients, and concerns over issues like identity theft and tax manipulation. One student noticed, "Not only does VITA teach me to handle different types of clients but it also makes me better at teamwork. I got much more patient with my colleagues."

Experiential courses have been shown to improve student's level of learning and related competencies (Boneck, Barnes, & Tillman, 2014). Students are expected to prepare accurate returns and make ethical decisions under pressure of client expectations and time restrictions. These are the exact skills needed to open and operate a small business yet not easily taught in a classroom setting. Having students understand that their actions can have an impact on the world, as well as demonstrating the applicability of their education, increases the likelihood that knowledge will be retained and incorporated (Kickul, Griffiths, & Bacq, 2010)

Refining Tax Knowledge

Furthermore, tax issues faced by the students in the program are becoming increasingly complex with multiple education credits, the due diligence requirements for the Earned Income Tax Credit, social security number/Individual Tax Identification Number discrepancies, the Affordable Care Act, residency status, and others. The students learned to deal with issues as simple as time management.

One area I struggled with tonight, was determining how much time to spend with each client in the intake process. I know many of our clients are anxious to get out as soon as possible, but I encountered some who appear to be a bit more nervous and not sure what to do.

While the undergraduate students begin to develop their skills in communicating tax issues to their clients, which is the highest order in the tax curriculum taxonomy, they do not begin to see full development until the end of the tax season. The first weeks are spent on obtaining the initial confidence and communication skills needed to advise the clients and correctly prepare their tax returns. Students, by the end of the semester, realize that the ability to communicate tax issues to clients and their colleagues increases their own comprehension. This is supported by an excerpt from a student's journal:

I was given the special opportunity to work with others. This gave me an even better understanding of what I had to do as a preparer. I completely agree with the saying: you learn better when you teach it.

Assessment of Results

As a final outcome of the course, the students must apply for a position in a hypothetical tax firm using their experiences in Individual Income Tax and VITA. This allows them to reflect on the skills they have attained over the tax season (Appendix One) as well as prepares students for the employment process. The students do understand the seriousness of their professional and ethical responsibility as tax preparers by the end of the tax season. This is supported by the following student comment:

It is never appropriate to makes guesses on another person's tax bill. I would rather look like someone who is still trying to learn than a person who doesn't care about making it correct.

Transition to Graduate Program

It is with this increasing level of skills and tax knowledge that the graduate program begins to come into play. The understanding of tax complexities transitions the insecurities and under-developed skills found for the undergraduate student to a new proficiency in the graduate student.

Hierarchy of Skill Development - Graduate

The development of the graduate tax program was somewhat organic. After consultation with both tax professionals and professors, there was a desire to develop curriculum that fully addressed the required skills needed for a graduate student to lead and develop a business. We determined this could occur from a Tax Site Leadership course. The graduate students apply for a position as well and go through an interview process before being selected for the course.

Prerequisites for the course are either the undergraduate VITA course or previous tax preparation experience in order to demonstrate tax knowledge proficiency. Detailed knowledge of tax preparation, client interview skills and tax law are essential for further growth in skill development.

The interview process for the graduate course begins during the prior year tax season. There are limited positions available for the upper division course (6-8) so the process is competitive. The students in the graduate course must have sufficient skills to mentor the undergraduates and as well as interact with our diverse tax clients. They also encouraged to enroll in graduate-level Tax Research course to supplement their knowledge and the ability to research tax issues quickly during the actual tax season.

Once the graduate students are selected, they become fully integrated as responsible members of the tax team. The graduate students' responsibilities include supervision of the tax site and mentoring of the undergraduate students. They are also required to start their spring course in the fall to learn all processes to prepare a tax site for a tax season. Together the students and the course instructor complete scheduling, review tax site preparedness, attend tax site coordinator training seminars, pass all required IRS exams to hold a coordinator position[2], and create instructional materials needed for the undergraduate program. The students interact with the community partner to whom they have been assigned. This forms a foundational relationship for the upcoming tax season. This would require, in essence, two semesters of work for one three-semester-credit-hour course.

Implementation of Skill Set-Undergraduate

Trust and Communication

The graduate students are assigned an undergraduate tax team of 10-12 students, who they will mentor throughout the tax season. They begin initial communications in December and follow-up over the winter break to ensure that their students are watching the videos and passing the required IRS exams. This relationship builds trust and confidence for both the undergraduate and graduate students as they develop their tax preparation and client communication skills at the different experience levels. Since they are assigned 10-12 students, this can pose one of the greatest challenges and but also an opportunity to improve both management and interpersonal skills.

The graduate students will gather and assess the students' weekly journals and report these results to the course instructor. These comments will be posted to a course management site. The graduate students may add their own comments and responses to the undergraduates' questions and concerns. The graduate students are required to give careful consideration and research in their responses to provide a source of growth (technically and emotionally) for the undergraduates. This weekly written mentoring, coupled with onsite leadership, develops interpersonal skills needed to grow a business.

Demonstration of Expert Tax Knowledge

An additional growth area for the graduate students is the requirement to "float" between their assigned students and tax clients while managing the tax site. This requires the ability to multi-task, communicate effectively and make quick judgments as well as the ability to refer to authoritative literature to accurately assess a difficult tax question. The Tax Research course is a tremendous asset in facilitating this process.

Interaction with the IRS

In order to improve technical knowledge and client interaction, the graduate students also handle all IRS tax return submissions and review the rejection codes. They are responsible for resolving the rejection issues by either reviewing the returns to determine the errors or by contacting the clients for further information. They encounter diverse issues from business taxation to simple tax planning. Overseeing multiple returns and answering undergraduate student questions, tax knowledge increases exponentially over the initial experience in the undergraduate VITA course. Management and communication competence is vital for graduate students who are communicating between clients, undergraduate students and the course instructor.

Assessment of Results

As a final outcome of the Tax Site Leadership and Management course, the graduate students must submit all undergraduate grades to the course instructor and prepare a comprehensive report of the tax season. This includes the undergraduate student journals; suggested improvements for next year including new materials to facilitate smother processes, and a self-reflection of challenges and accomplishments.

Conclusion

The skills attained from the VITA course prepare students with both technical and professional skills that are inaccessible in a traditional classroom. Blanthrone supports the benefits from VITA by stating (2015, p. 29):

The consensus, both form the literature and from our respondents is that the VITA program affords students an exceptional experiential learning opportunity to enhance their academic experience with real-life considerations. The Pathways Report (2012) and the Model Tax Curriculum (AICPA 2014) clearly promote educational experiences like VITA.

In our first season of tax preparation, the program had 38 undergraduate and two graduate students. Together, the students prepared over 900 tax returns and returned over $1.7 million in refunds to the urban Denver community. In 2015, the two sections course had 48 undergraduates enrolled and three graduate students in the program. The tax season results for 2015 are described in the Appendix to this paper. In 2016, the university will offer three sections of the undergraduate course with up to 60 students, with six graduate students serving as site coordinators. Five of these graduate students previously served as undergraduates on the VITA program during 2015, with the sixth student obtaining the necessary experience from working for a tax firm.

The five graduate students from previous tax years presently hold the following job positions:

1. 2014 – the two students are now working for tax firms. One of these students now

conducts the job interviews for recruiting internship students for this firm.

2. 2015 – Of the three students, one has started his own tax business, one student works for a CPA firm, and the third is presently employed as an Assistant Site Coordinator for VITA.

In summary, the program is clearly establishing a foundation for leadership and upward mobility in the tax profession. The students' increased abilities contributed substantially to the economic vitality of the urban Denver community. To illustrate the impact the graduate program had on a student who was the first to serve as an undergraduate and a graduate co-coordinator is text from their final journal entries:

I have acquired a variety of perspectives and skills as the first undergraduate and graduate student to complete the VITA Program. As an undergraduate I felt unprepared and nervous about dealing with clients. However, those uncomfortable feelings were eased by the assistance of my fellow students, the graduate coordinator and the course instructor. The constant encouragement and support, gave me with the confidence to ask always ask questions and believe in my abilities.

As a graduate student, I was better prepared from my previous experience. I was more comfortable with performing tax returns as well as interacting between my colleagues and clients. Additionally, I was able to learn more about the “other- side” of academics. Instead of emailing the professor, I was receiving the emails from students; instead of asking for help, I was the one lending help to undergraduate students.

My instructor was always there to support me with any questions I had regarding how to handle specific issues with students or tax related questions both inside and outside the classroom. She would follow my questions with a question to motivate me to think critically and come to my own conclusion. This process empowered me to believe in my decisions and learn from making both the right and wrong decisions. It also taught me to do the same with the undergraduate students I was working with.

My experience with the VITA Program led me to receive an offer from the … organization as an Assistant Site Coordinator at as well as exploring the academic side of accounting through additional experiential courses such as: Applied Internal Audit, Nonprofit Consulting and Compliance and Teaching of Accounting to improve my professional skills and expand my professional network.

The experiential learning program at our institution provides a model curriculum that meets the goals of the AICPA Tax Curriculum Model and also incorporates community involvement to benefit students, the citizens of our urban community, and the accounting profession. The VITA program provides students the fundamental skills to start their own business or manage a tax firm as is demonstrated by the current employment of graduates from the program. Our institution commits, financially, to its mission to "engage the community at large in scholarly inquiry, creative activity and the application of knowledge" by offering multiple sections and multiple degree levels of a community-based Volunteer Income Tax Program.

APPENDIX

Statistics from the 2015 Tax Season

<u>VITA Client Statistics per Site</u>

	Site 1	**Site 2**
Total Returns Prepared at Site	**1188**	**3079**
Clients' Refund Received	**1085**	**2228**
Clients' Amount Owed	**103**	**423**
Clients' With No Net Difference	**N/A**	**428**
Total AGI	**$23,485,424.00**	**$64,000,549.00**
AGI Average	**$19,371.96**	**$20,786.00**
Average Refund	**$1,966.62**	**$1,854.00**
Refund Range	**$0-$10,337**	**$1 -$9900**
Average Owed	**$689.98**	**$969.00**
Owed Range	**$6-$5315**	**$1-$8500**

Undergraduate Student Resume Requirements

Your final VITA journal will be in the form of a cover letter and resume. Below is a job description for an entry-level Tax Accountant. For your assignment, you are required to create a one-page cover letter and a one-page resume addressing the points below. Please only use your Individual Income Tax and VITA courses to describe why you would be the person for the position. You may refer to your previous journals to help you remember your work during the semester.

Tax Accountant

(http://www.accountingjobstoday.com/cm/Job-Descriptions/tax-accountant2.html)

- Maintain required level of technical knowledge.
- Prepare various federal and state income tax returns.
- Keep abreast of current developments in the tax area.
- Provide an information source in the tax area within the company. Competencies
- Analytical – Synthesizes complex and diverse information; collects and researches data.
- Problem Solving – Identifies and resolves problems in a timely manner; works well in group problem solving situations; uses reasons even when dealing with emotional topics.
- Technical skills – Assesses own strengths and weaknesses; pursues training and development opportunities; strives to continuously build knowledge and skills; shares expertise with others.
- Judgment – Displays willingness to make decisions; exhibits sound and accurate judgment; supports and explains reasoning for decision; includes appropriate people in decision-making process; makes timely decisions.
- Professionalism – Approaches others in a tactful manner; reacts well under pressure; treats others with respect and consideration regardless of their status or position; accepts responsibility for own actions; follows through on commitments.
- Dependability – Follows instructions, responds to management direction; takes responsibility for own actions; keeps commitments; commits to long hours of work when necessary to reach goals; completes tasks on time or notifies appropriate person with an alternate plan.
- Quality – Demonstrates accuracy and thoroughness; looks for ways to improve and promote quality; applies feedback to improve performance; monitors own work to ensure quality.

- Initiative – Volunteers readily; undertakes self-development activities; seeks increased responsibilities; takes independent actions and calculated risks; looks for and takes advantage of opportunities; asks for and offers help when needed.

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You Can Teach Entrepreneurship, But Can You Teach Risk Tolerance?

John Lipinski, Indiana University of Pennsylvania
Donald L. Lester, Middle Tennessee State University

Abstract

One of the key factors in producing learners who are going to become future entrepreneurs is teaching risk tolerance. This paper proposes a model to achieve this goal. Using mastery learning delivered via experiential learning, universities will increase the self-efficacy of their learners. Developing self-efficacy gives learners the confidence to tackle novel situations and set challenging goals as it shifts the learner's locus of control and gives them the confidence to attempt new challenges and accept risk.

Key words: Mastery Learning, Self-efficacy, Experiential Learning, Risk Tolerance

Introduction

It has been a long standing debate in the literature as to whether or not one can teach entrepreneurship. The evidence supports the case that yes indeed entrepreneurship can be taught (Marram, Lange, Brown, Marquis and Bygrave, 2014) and education plays an important role in developing entrepreneurial activities (Van der Kuip & Verheul, 2004; Gibb & Hannon, 2006). However, the case has not been firmly established as to which aspects of entrepreneurship education are most effective in producing successful entrepreneurship graduates. Lawrence, Clark, Labuzetta, Lawrence, Sahakian and Vyakarnum (2008) did a study which included brain scans on entrepreneurs and determined that what separated entrepreneurs from other people was their tolerance for risk and suggested that the number one thing that universities could do if they want to increase the number of practicing entrepreneurs graduating from their programs is to devise a system to teach risk tolerance. This paper suggests a model linking key educational stakeholders to the constructs of mastery learning (delivered via experiential learning) and self-efficacy to accomplish this.

Literature Review

Mastery Learning

Mastery learning is an instructional approach that requires students to achieve a defined proficiency before proceeding to the next objective. (Cook, Bydges, Zendejas, Hamstra & Hatala, 2013). Although it was developed in the 1920s and 1930s, mastery learning did not become prominent in the educational system until the 1960s (Kulik,

1983). There are two forms of mastery learning, Bloom's Learning for Mastery (LFM) and

Keller's Personalized System of Instruction (PSI) (Bloom, 1968; Keller 1968). The techniques differ in that LFM involves instruction led largely by a teacher whereas PSI is largely presented through written materials. As our model requires the guidance of the key stakeholders in the education process, this paper will focus on LFM.

The goal of the LFM model is for all students to achieve mastery. In a mastery class, the goal is for all students to achieve the 90th percentile or above for test criterion (a level previously only reached by the top 10% of students) (Kulik, Kulik & Bangert- Drowns, 1990). According to Bloom (1976) weak students only need extra attention at the initial stages of a course. For learning strategies to be effective, students must accurately perceive the nature of a task and its demands. Then they are required to choose and enact appropriate strategies to meet those demands. Learning strategies may often be quite conscious and require focused effort, particularly when tasks require knowledge that is unfamiliar to a student. (Farrington, Roderick, Allensworth, Nagaoka, Keyes & Johnson, 2012). Eventually all students of mastery courses will have command of the fundamentals and will be able to progress at a quick pace. The instructional needs of less able students will become indistinguishable from the needs of more able students. Studies of this technique (see Kulik, Kulik & Cohen, 1979; Guskey & Gates, 1985) confirm this ascertainment.

Modern implementation of mastery learning following LFM stresses that students have some curricular choice over their learning. This sense of agency and autonomy for the learner is important (Mcclarty, Orr, Frey, Dolan, Vassileva & McVay, 2012), providing the learner with feelings of belongingness and socio-emotional support (Jalongo, 2007). David Kelley, the CEO of the company IDEO, teaches a course on creativity at Stanford University. He has adapted mastery learning to teach people how to be creative and take risks. They refer to their method as Guided Mastery (Kelley & Kelley 2012) and explain how they take learners who claim that they have a complete lack of creativity, lead them through a set of guided exercises, and encourage them to come up with creative solutions to their problems. This process leads to confidence and a willingness to take risks, leading to self-efficacy.

Self-efficacy

Self-efficacy has its roots in the work of Albert Bandura. It is defined as an individual's belief in his or her capacity to execute behaviors necessary to produce specific performance attainments (Bandura, 1977). He refers to people's judgements of their capabilities to organize and execute courses of action required to attain designated types of performances such that their level of motivation, affective states, and action-based more on what they believe to be true versus what is objectively true (Bandura, 1986, p. 391; 1997, p2). Gist and Mitchell (1992) find that based on past experience and the anticipation of future obstacles, self-efficacy affects an individual's perception of whether specific goals are achievable. Once a goal has been determined, an individual's judgement of their level of self-efficacy in relation to it helps to determine the degree of effort, perseverance, and resilience that they will exert towards accomplishing the goal in the face of the obstacles present (Herron & Sapienza, 1992).

The development of individuals' sense of self efficacy is a critical element in developing a confidence and motivation. A highly efficacious learner will have greater confidence in their own abilities (McLellan, Barakat & Winfield (2009). Lucas and Cooper (2005) observe that self-efficacy is concerned with the commitment to accomplishing goals more than any other psychological construct. As such, it is extremely important to cultivate high levels of self-efficacy to influence a willingness to accept risks and attempt challenging goals.

Self-efficacy is also important when one considers the concept of locus of control. Locus of control is the general expectancy about whether outcomes are controlled by a person's behavior or external forces that are beyond their control (Rotter 1954). People with a high locus of control see the future as being in their own hands rather than chance or luck (Rotter 1990). Self-efficacy influences an individual's perception as to whether or not they can perform a certain task and believe that their performance of the task will lead to certain consequences versus the influence of outside forces (Boyd & Vozikis, 1994). As such, an efficacious learner will trust their abilities over the randomness of outside forces to influence success and be more willing to take risks.

Boyd and Vozikis (1994) find that a person's intention to start a company is formed in part by their perception of the expected outcome. This was confirmed by Chen, Greene, and Crick (1998) who found that entrepreneurial self-efficacy correlated with the intention to start a new venture. The effect will go beyond the school years for a learner. Mau (2003) demonstrates that the effects of self-efficacy endure for years. Self-efficacy is partnered with behaviors like persistence in the face of uncertainty, the setting of higher goals, and reduced levels of learned helplessness (Bandura, 1986). Anna, Chandler, Jansen, and Mero (2000) found that self-efficacy was a strong predictor of success in both traditional and new business ventures. Baum and Locke (2004) collected data from over 200 entrepreneurs and found that goals and self- efficacy have direct consequences for venture growth. As such, it is reasonable to expect that university programs that focus on entrepreneurship should be designed to enhance self-efficacy (McLellan, Barakat & Winfield (2009).

Experiential Learning

Efforts to improve higher education have focused on improving the learning process in education through the application of research from the new science of learning. Kolb and Kolb (2005) have found that experiential learning is of particular interest. The Association for Experiential Education (1994, p. 1) defines experiential education as a process through which a learner constructs knowledge, value, and skill from direct experience. The concept draws on the work of numerous 20th century scholars who gave experience a central role in their theories of human learning and development. Such notables as John Dewey, Kurt Lewin, Jean Piaget, William James, Carl Jung, Paulo Freire, Carl Rogers and others developed a holistic model of the experiential learning process and a multilinear model of adult development (Kolb, 1984).

Experiential Learning is a holistic philosophy where carefully chosen experiences, supported by critical analysis and synthesis, are structured to require the learner to take initiative, make decisions, and be accountable for the results. This is done by actively posing questions, investigating, experimenting, being curious, solving problems, assuming responsibility, being creative, constructing meaning, and integrating previously developed knowledge (Itin, 1999). The teacher is responsible for presenting opportunities for experiences, helping students utilize these experiences, establishing the learning environment, placing boundaries on the learning objectives, sharing necessary information, and facilitating learning. The learner is challenged to move beyond what is known (Chapman, McPhee & Proudman, 1995; Itin 1997; Kolb,

1984).

Learning is a cognitive and social process of knowledge acquisition (Gemmell, Borland and Kolb 2012). As such experiential learning is well suited to conveying knowledge and helping learners establish mastery. Politis (2005) explains how entrepreneurs learn experientially through two different transformational modes, first by exploiting existing knowledge through testing actions similar to earlier experiences and second by exploring entirely new actions. Holcomb, Holmes and Connelley (2009) further demonstrate that learners gain tacit knowledge through both experience and observing the actions and results of others. By exposing students to real world experiential learning projects and discussing their experiences with groups of other similarly engaged students, they will be exposed to both modes of education (Lipinski, Lester & Nicholls, 2013). Experiential learning is an excellent technique to conduct mastery learning.

A New Model

To facilitate this process, the emphasis must be put on having learners interact with instructors who can expose them to the multiple challenges that will be faced by entrepreneurs. This exposure will ensure that learners have well rounded backgrounds and will have a high comfort level with a variety of challenges. The more experiences that they are exposed to and led through via guided mastery, the higher their comfort level will be with future obstacles. Successfully navigating these obstacles will lead to greater self-efficacy and will generate learners who will grow to become more risk tolerant entrepreneurs.

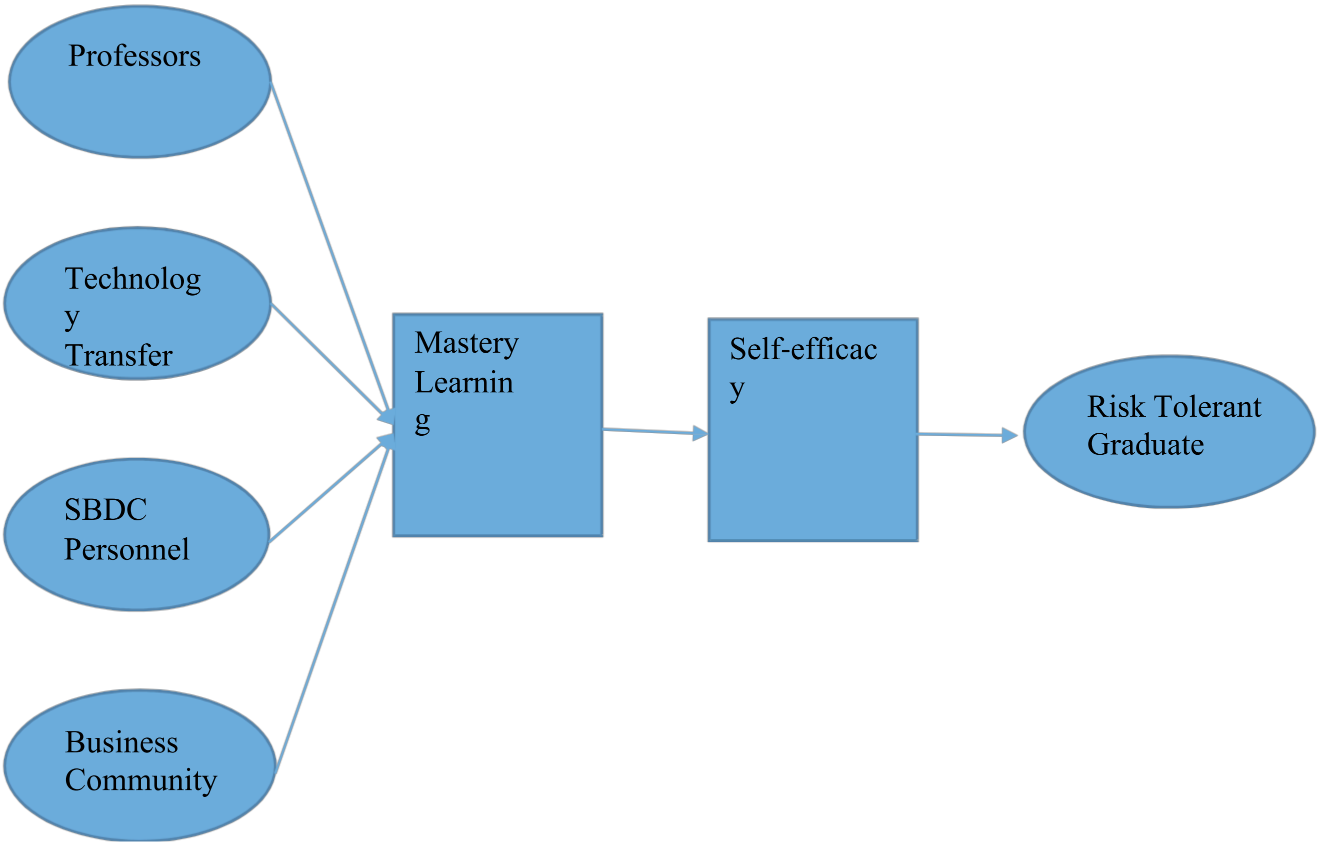

Figure 1, the new model

Our model suggest that universities must go beyond the professor-learner model and step outside the classroom to achieve risk tolerant graduates. By involving other related personnel, for example personnel from the university's technology transfer office, Small Business Development Center personnel, and members of the business community, learners will be exposed to a variety of challenges and will be guided through solving those challenges by "masters" with a variety of backgrounds and experiences. The end result will be graduates of entrepreneurship programs who are more risk tolerant.

Implications

One of the challenges of entrepreneurship programs is producing graduates who actually start businesses. A large barrier for graduates to take this next step is risk avoidance. Much classroom instruction focuses on avoiding risk. To change this, adopting an experiential learning model where students are given instruction following the tenants of guided learning will gain self-efficacy and be more tolerant of risk. This risk tolerance will increase the likelihood that graduates will take the next step and launch new ventures.

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The Effects of Ethical Behavior on Family Firm Performance
Ethics and Family Commitment: A Study of Their Relationship to Family Firm Performance

Jerry Kudlats, MTSU
Michael Harris, East Carolina University

Abstract

Unlike large public companies, whose prime objective is to maximize shareholders wealth, not all family businesses share this belief. Some literature suggests that family firms have nonfinancial objectives, like providing employment to family members as a main objective. Others suggest that wealth management isn't always the number one objective. Often the goal is just to sustain the business in order to pass it from generation to generation. The purpose of this paper is to study the effect that ethical behavior and family commitment have on firm performance. Based on a MassMutual survey of U.S. family businesses, it is shown that having more ethical behavior and family commitment do come at a cost to family businesses.

Introduction

Do family commitment and ethical behavior come at a cost to the family firm's performance? Or do those constructs enhance the family firm's performance? Some literature suggests that family firms have nonfinancial objectives, like providing employment to family members as a main objective (Westhead & Howorth, 2006). Others suggest that wealth management isn't always the number one objective (Chrisman, Chua, & Zahra, 2003). Often the goal is just to sustain the business in order to pass it from generation to generation.

Both of these notions underscore the importance of family. Family firms are generally characterized by strong family values, exceptional commitment, long-term orientation and a desire to have the firm succeed pass through multiple generations (Arregle, Hitt, Sirmon, & Very, 2007). Family firms have also been characterized as more socially responsible to the community than their non-family counterparts (Dyer & Whetten, 2006; Niehm, Swinney, & Miller, 2008), and therefore more ethical. Adams, *et al*. (1996) found that family firms were more likely to employ more informal methods promoting ethical behavior than their non-family counterparts. Additionally, in promoting ethical behavior, they found that role modeling was more prevalent in family firms than non-family firms. Thus, role modeling is used to set the appropriate example for ethical behavior.

Similar to the previously mentioned studies, the numerous studies that have been conducted on the performance of family firms do so by comparing family firms to non-family firms (Gomez-Mejia, Nunez-Nickel, & Gutierrez, 2001; Schulze, Lubatkin, & Dino, 2003; Schulze, Lubatkin, Dino, & Buchholtz, 2001). Upon review of these studies, there is an obvious split of opinion as to who outperforms whom. The family aspect brings a uniqueness that results in both advantages and disadvantages to the family firm (Chrisman, Chua, & Sharma, 2003). The purpose of this study to fill in a gap in the research by empirically examining two constructs -- family commitment and ethical behavior -- as they relate to the performance of only family firms, without comparing them to non-family businesses.

Why is it important to fill in this gap? Family businesses are important contributors to the US economy, employing over 62% of the nation's workers and representing upwards of 64% of the GDP (Shanker & Astrachan, 1996). Internationally, family businesses represent the majority of all businesses (IFERA, 2003) and are also key to the social cohesion and stability of many communities (Niehm *et al.*, 2008). It is important to examine the relationship of family commitment and ethical behavior to family firm performance to gain a better understanding of the family firm environment, as well as to enhance the family firm research base and theory development.

The purpose of this paper is to study the effect that ethical behavior and family commitment have on firm performance. More specifically, we believe that those firms with a higher degree of family commitment and ethical behavior will achieve higher performance levels, based upon the social capital theory as it relates to family business. The social capital approach suggests that family businesses are rooted in social relations that influence their activities.

Literature Review

There is a special form of social capital within family firms known as family social capital (Hoffman, Hoelscher, & Sorenson, 2006; Salvato & Melin, 2008). It is developed through the vibrant, interactive and trusting relationships of individual family members. Researchers

have indicated that this type of capital can be a potential source of competitive advantage, thus resulting in better performance (Carney, 2005; Eddleston, Kellermanns, & Sarathy, 2008; Hoffman *et al.*, 2006; Salvato & Melin, 2008).

Family commitment can be viewed as just an extension of this family capital. Niehm, *et al*. suggest that those families committed to their respective communities do receive reciprocal benefits, thus gaining operational efficiencies leading to potential profits (Niehm *et al.*, 2008). Similarly, Vallejo found that where there were high levels of family commitment, those family businesses were marked by continuing success (Vallejo, 2009). In an earlier study comparing family firms with non-family firms, Vallejo also determined that because of the higher levels of loyalty in family firms, it translated into higher commitment (Vallejo, 2008).

Alternatively, a study by Gomez-Mejia *et al*. suggests that family firms often use a non- economic reference point to make business decisions (Gomez-Mejia, Makri, & Kintana, 2010).

Chrisman, Kellermanns, Chan and Liano (2010) indicate that there is, "growing evidence that family firms have noneconomic goals and that those goals have idiosyncratic effects on their behavior" (p. 21) . The authors go on to say that noneconomic goals are critical to company performance, whether they are constructive or destructive to firm performance. In a study by Stavrou *et al*., the authors found that family firms are less willing to downsize due to their value systems concerning employees, at the possible expense of firm performance (Stavrou, Kassinis, & Filotheou, 2007).

Ethical behavior within the family business environment has been an area of minimum research. In one of those limited studies, Adams, *et al*. compared family businesses to non-family businesses and found arguments and empirical data with conflicting results (Adams *et al.*, 1996). The authors found some family businesses that were more ethical, some less ethical, and some with no difference at all. What was significant in their study was that family businesses generally had not established a formal code of ethics, as is not the case in many non-family owned businesses. The implicit assumption is that family members have a vested interest in the business and their values tend to be consistent among one another.

The personal value system of the business founder permeates his or her organization (Hoy & Verser, 1994). If he/she lacks honesty and high morals, it will not take long for that to make its way to both the employees and customers. Similarly, if he/she maintains a high moral standard and rich integrity, that too will be noticed by all concerned. Most family members internalize values and ethics throughout their lives from parents. Within the family business context, these values are manifested as organizational values. Barney (1994) argues that a unique culture can be a source of sustained competitive advantage. The unique culture is this case is the family business. Sorenson et al. argue that the family point of view emerges from collaborative dialogue which helps to develop ethical norms (Sorenson, Goodpaster, Hedberg, & Yu, 2009). Those norms in turn help cultivate family capital, which, they state, is positively related to firm performance.

Alternatively, looking after one's family via nepotistic and altruistic behavior can certainly be considered very ethical. However, there is some literature suggests that those family firms that engage in those practices are sacrificing firm performance (Dyer, Jr, 2006; Kets de Vries, 1993). In an exploratory study, Gallo (1998) observes that power is absolutely necessary to manage a business and when a company successfully fulfills all of its social responsibilities, it has made good use of its power. Conversely, when a company does not fulfill its social responsibilities, it can be said that there was a misuse of power. In many family businesses, there is a high misuse of power to the fact that the owners are also the operators and can do what they want, when they want. According to Gallo (1998), ethics violations can occur when family business leaders do not operate the business properly and uphold responsibilities to all stakeholders, including employees, customers, and suppliers.

Based on the literature review, the following hypothesis is offered:

Hypothesis 1: Family firms with a higher degree of family commitment and ethical behavior will achieve higher performance levels.

Methodology

The data was obtained from a 2007 survey of American family businesses sponsored by the MassMutual Financial Group, Kennesaw State University and the Family Firm Institute (MassMutual, 2007). Data was collected from private family businesses in the U.S. by an independent market research firm, TNS, during the summer of 2007. Five criteria were met in selecting survey respondents. The firm had to be in business for over ten years, had to have at

least one family member on the board of directors and over $1 million in annual revenue, be owned by a family and could not have taken part in another TNS survey within the past three months. A total of 2,515 firms met this screening criteria and were asked to participate in an online survey. A total of 1,035 firms responded (41% response rate).

An initial profile of the respondent characteristics revealed that annual sales ranged from a low of $34.00 to a high of almost $5 billion. The responses were edited and respondents with missing data above 10% (Hair, Jr., Black, Babib, Anderson, & Tatham, 2010), inconsistent responses, and outliers were removed from the sample. In addition, firms with reported sales below one million dollars were removed from the sample as the assumption was made that these firms were generally very small and were one or two person operations.

Respondents were generally higher- ranking decision makers within the firm. Specifically, 70% of the respondents were the highest-ranking individuals in the company (CEO, President, COO, CFO, other). Seventy-three percent of the respondents were male, the average age of the respondents was 50, and 62% of the respondents were related to the controlling family by blood or adoption, 30% by marriage and only eight percent were not related. Respondents were assured that their answers would be anonymous.

The average firm in the reduced sample had annual sales of $28 million (2006), 101 employees, and had been in business for about 27 years. A variety of industries were represented and as a percent of the sample they were: business/professional services (17.7%), retail trade or distribution (14.1%), wholesale trade or distribution (7.7%), manufacturing (6%), real estate

(5.7%), travel or transportation (5.3%), healthcare (4.8%), insurance (4.1%), technology (3.6%), finance or securities (2.6%), communications (1.2%), education (1.2%), and others (25%).[1]

The dependent variable in this study was firm performance. Performance was measured based on the reported increase (or decrease) in sales revenues over the previous three years. The following scale responses were included: “decreased by more than 5%”, “decreased 1% - 5%”, “no change”, “increased 1% - 5%”, “increased “6% - 10%”, “increased 11% - 15%” and “increased 16% or more.” To facilitate comparison of the respondents, a cluster analysis was executed. The results identified a five-group solution, ranging from lowest performance to highest performance. The primary focus of this study was to compare the highest performing family firms with the lowest performing firms. To do so, the polar extremes approach (Hair, Jr. *et al*., 2010, p. 252) was utilized in which the middle groups were removed from the analysis and the focus is on the extremes resulting in two distinct performance groups – highest performers and lowest performers. The lowest performing group included those firms whose sales decreased by 1% to 5% over the previous three years. The highest performers reported sales increases of 16% or more.

To assess the validity of the dependent variable, nomological validity was examined (Hair, Jr. *et al*., 2010, p.688). The assumption was that larger firms and those firms that had pursued global sales would be among the higher performers. To measure firm size the number of full time employees was used. To measure global sales the percentage of sales generated outside the US was used. The high performing and low performing groups were compared on these two variables using ANOVA. For both variables the results were significantly different. That is,

larger family firms and firms with a higher percentage of sales generated outside the US exhibited significantly higher performance. Thus, nomological validity of the performance variable was illustrated (see Table 1).

--- Insert Table 1 about here

The study included four independent variables – two ethical behavior variables (labeled ethical behavior and ethical discussions) and two family commitment variables (labeled family commitment and family or business first). All of these variables were constructs each measured with several variables. To facilitate understanding of the constructs and to ensure the data met

the assumptions of the data analysis techniques, a factor analysis was performed on the questions pertaining to all independent variables. This analysis eliminated potential problems such as multicollinearity and demonstrated the reliability (internal consistency) and validity of the multiple variables representing each of the constructs.

Several questions were used to measure ethical behavior. The questions included the following: whether the “firm has a written code of ethical behavior”, how often ethical standards were discussed at each of the following: board meetings, executive meetings, meetings with lower and mid-level managers, meetings with customers and meetings with suppliers. A scale of one through five was used for this measure with one representing “never,” two representing “rarely,” three representing “sometimes,” four representing “often,” and five representing “always.”

Several questions also were used to measure family commitment. These included: “How much does the business contribute to the family’s identity in the community and elsewhere?”, to what extent does” “your family influence your business”, “as family, your personal values are compatible with the values of the business”, “do family members share similar values”, “does your family shares values with your employees”, “does your family shares values with your customers.” Answers were on a scale from one (to little extent) to seven (to a great extent). As there was only one non-metric dependent variable and several metric independent variables, discriminant analysis was the method used to analyze the data (Hair, Jr. *et al*., 2010, p.239).

Results

Tables 2 and 3 show the results of the analysis. The high performance group has a 92.3% predictability, while the low performance group cannot be predicted with any degree of significance (only 21.4%). The reason is that this group has too much variability among its respondents.

--------------------------------------- Insert table 2 and table 3 about here

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Table 3 shows that the means for three of the four independent variables (ethical discussions, family or business first, and family commitment) are all higher in the low performance group, than in the high performance group. This suggests that the lower of each of those variables, the higher the performance. This is in direct contrast to the stated hypotheses. According to these results, ethical behavior and family commitment do come at a cost to the family business.

Discussion and Furture Research

Prior research has shown that there is a difference of opinion as to whether family firms outperform their non-family counterparts (Anderson & Reeb, 2003; Schulze *et al*., 2003; Sraer &

Thesmar, 2007). Those that argue that the family firms outperform the non-family firms generally attribute the family's social capital to be a competitive advantage (Sorenson, 2011; Sorenson *et al*., 2009) and a significant contributor to a family firm's performance. This study examines family firm performance through the lens of two constructs: family commitment and ethical behavior, to determine if these variables influence the performance of family firms.

As mentioned earlier, some family firms have noneconomic goals (Chrisman *et al.*, 2010), which could impact performance. The results of this study support that position. Past findings have produced mixed results, but we found that firm performance is compromised in order to meet the needs of the family as well as to uphold the ethical standards of the owning family. As indicated by Chrisman *et al*. (2010), noneconomic goals can be very important to family businesses, and this can include family commitment and ethical behavior. In addition, when a business is committed to its community and certain standards of behavior it will often receive reciprocal benefits (Niehm, *et al*., 2008). The question is whether or not these benefits impact the performance of such firms, particularly family businesses. Our findings seems to indicate that it may come at a financial cost.

Limitations and Future Research

This study is not free from limitations. First, it must be noted that the data used were collected in a very broad and general manner as it related to ethical behavior and family commitment. Second, the data were limited to the United States exclusively, thereby introducing an ownership bias, which has a direct impact on ethics and family. Future research could look at these relationships and their results on a country by country basis. As the cultures from one country to another can vary greatly, so could their ethical behavior and family commitment.

Lastly, due to the nature of the dataset, firm performance was measured very subjectively. Even though performance data is generally harder to obtain from privately owned family firms (Handler, 1989), every effort should be made to get as much objective performance data as possible. We hope this study will stimulate future research in the area of ethics and family business.

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Table 1 Nomological Validity ANOVA

		Sum of Squares	df	Mean Square	F	Sig. *
Q62_1. About how many full-time equivalent employees does the company have today?	Between Groups	871366.874	1	871366.874	2.850	.046
	Within Groups	1.272E8	516	305740.824		
	Total	1.281E8	517			
Q67. Approximately what percentage of sales is generated outside of the United States?	Between Groups	3.753	1	3.753	2.975	.042
	Within Groups	524.700	516	1.261		
	Total	528.452	517			

* 1-tailed test

Table 2 Discriminant Analysis Results

Wilks' Lambda

Test of Function(s)	Wilks' Lambda	Chi-square	df	Sig.
1	.939	9.751	4	.045

Structure Matrix

	Function
	1
Ethical Discussions	.784
Family Commitment	.455
Ethical Behavior	-.253
Family or Business First	.141

Variables ordered by absolute size of correlation within function.

Classification Results[a]

			Predicted Group Membership		
		Ward Method	High Perform	Low Perform	Total
Original	Count	High Perform	96	8	104
		Low Perform	44	12	56
	%	High Perform	92.3	7.7	100.0
		Low Perform	78.6	21.4	100.0

a. 67.5% of original grouped cases correctly classified.

Table 3 - Discriminant Analysis – Means for High and Low Performance Groups

Performance Groups		Mean
High Perform	Ethical Discussions	2.8596
	Ethical Behavior	1.4231
	Family or Business First	3.4207
	Family Commitment	2.3269
Low Perform	Ethical Discussions	3.4571
	Ethical Behavior	1.3661
	Family or Business First	3.5491
	Family Commitment	2.6607
Total	Ethical Discussions	3.0687
	Ethical Behavior	1.4031
	Family or Business First	3.4656
	Family Commitment	2.4438

An Analysis of the Duties of Auditors to Detect Fraud through Interviewing

Doug Laufer, Metropolitan State University
Travis Boyd, Arrow Electronics and student at Metropolitan State University of Denver

Under Generally Accepted Auditing Standard (GAAS) financial statement auditors are required to plan and perform an audit to provide reasonable assurance that the financial statements are not materially misstated due to fraud. Standard AU 316 .20-.27 (American Institute of CPA,

Auditing Standards Board, 2015) directs the auditor to make inquiries to management and other personnel as to their knowledge regarding fraud and the risks of fraud. Fraud is the act of deceiving another person usually for personal gain (Serious Fraud Office, 2015).

While the standards require the CPA auditor conduct interviews with the personnel of the organization under audit, the auditor generally has no interview training and lacks the skills and knowledge on how to conduct an efficient fact finding interview. This training and knowledge gap places them and their firms at risk of performing audits that do not comply with professional standards.

There are styles of interviewing that are primary intended for usage in law enforcement, military intelligence, public health, counseling, employment and corporate investigations. Each of these styles has distinct and unique characteristics. The interviewer should be knowledgeable about a variety of interview techniques and when and how to employ a specific technique. This skill set requires formal training, practice, and experience to effectively conduct an interview.

The purpose of this paper and conference presentation is to discuss the need for providing training on interview techniques both within the accounting curriculum and for accounting practitioners and to discuss some basis techniques that will contribute to effective interviews.

The Accounting and Financial Management Capabilities of SMEs and Non-profit Organizations: The role of third party professional accounting expertise

Andrew Holt*, MSU Denver
Shannon Williams, MSU Denver
Elizabeth Self, MSU Denver

Abstract

The capability to prepare high-quality financial management and accounting information is fundamental to the success of many small businesses and non-profit entities. This study investigates the demands that stakeholders place upon small businesses and non-profit entities face to prepare such information, and considers the extent to which small entities rely on third-party professional accounting experts to actually produce this data. The study adds to the literature by examining the information needs of both small business and non-profit entities as a basis for making comparisons with prior studies. Data and results are typically derived from a more general sampling of 'traditional' small businesses and non-profits. In-depth, semi-structured interviews are used to collect data from owner-managers and corporate officers at a total of 40 small-business and non-profit organizations in the USA. The findings provide insights into similarities and differences between small business and non-profit organizations. The data suggests the capability to produce the necessary financial information 'in-house' within these two sectors is driven by the relative importance of the following factors: financial literacy, the availability of internet resources, and access to economically efficient third-party accounting services. The presence of these factors indicates that there are three main influences on the financial management and accounting capabilities of small business and non-profit entities in the USA, which mirror the above mentioned factors: the financial literacy of management within the entity, the availability of internet resources which provide financial and accounting information to management, and access to affordable, third-party financial management services.

Key words: accounting expertise, financial capabilities, financial management, non-profit organizations, small entities, third party professional accounting

Can the Level of Financial Literacy Within U.S Small Businesses and Non-profit Organizations be Improved Through Student-led Advisory Programs?

Andrew Holt*, MSU Denver
Shannon Williams, MSU Denver
Elizabeth Self, MSU Denver

Round Table Discussion Proposal

Researchers Dr. Andrew Holt, Annie Self and Shannon Williams (all from Metropolitan State University) would like to propose the following roundtable discussion:

“Can the level of financial literacy within U.S small businesses and non-profit organizations be improved through student-led advisory programs?"

Through previous research, Dr. Holt and Ms. Williams identified a need for increasing financial literacy among small businesses. Current research endeavors, involving all three aforementioned researchers, strive to identify a similar need among non-profit organizations. Through their work, these researchers hope to develop a framework for a program, to be housed at the Accounting Department at Metropolitan State University of Denver, targeted at providing pro-bono accounting services to local small businesses and non-profit organizations. The target audience for this discussion includes individuals which have an interest in small business or non-profit accounting. Potential benefits of this discussion may include, but are not limited to: an increased awareness of common accounting practices of small businesses and non-profit organizations in the United States, ways to increase financial literacy within these organizations, and how to create a program aimed at providing affordable accounting services to these entities.

Key words: accounting expertise, financial capabilities, financial management, financial reporting, non- profit organizations, small entities, third party professional accounting

Best Price Digital Lenses, Incorporated:
A Small-Scale Supplier to a Large-Scale Industry

Gerry Goldstein, University of West Florida
Laura Jansen, University of West Florida
Michael Newsom, University of West Florida
Stelios Peterson, University of West Florida

Abstract

Founded in 2013 by Dr. Gene Terrezza as a way to provide affordable eyeglasses for his patients from his four optical offices in Pensacola, Fl, Best Price Digital Lens, Inc. became an alternative to big business eyeglass manufacturing companies. Dr. Terrezza began his manufacturing in an 1,100 square foot room in one of his offices in Pensacola with the help of a colleague, Rolando Domingo, who would become the lab manager.

Dr. Terrezza and Rolando saw great returns when he began manufacturing lenses for his patients and continued to see more returns when he gained more accounts from his colleagues in the area of Pensacola. However, he wanted his business to continue to grow and he was finding it extremely difficult to attain this growth.

The Relationship of TMT Background Characteristics with Entrepreneurial Orientation

J. Ruben Boling, University of North Georgia

Abstract

Who or what drives a firm's strategic posture? This study attempts to partially address this important question by evaluating how a top management team (TMT) might influence a firm's entrepreneurial orientation (EO), an important strategic posture found to improve firm performance. This study of 210 firms finds that industry, functional, and educational TMT background characteristics are positively related to EO. The results show that the composition of the team is related to the entrepreneurial posture of the firm and thus provides some guidance as to how a firm may build a team that encourages and enhances a firm's entrepreneurial orientation. The upper echelon theory proposes that background characteristics of top executives are a consideration in relation to strategic decisions. This study finds that the backgrounds of top executives do matter when it comes to strategic orientations such as EO.

Best Practices in Incubator Formation

John Batchelor*, University of West Florida; Christian Garabedian, UWF

Abstract

Establishing a business incubator in a low income, rural area can be a difficult task. First, creating a business incubator from scratch is a daunting task under any circumstance. Second, low income and rural areas tend to lack financial resources thus exacerbating this process. Further, not two communities are the same, rural low income or not, so customization in necessary regardless of circumstances, thus adding another layer of difficulty to the incubator formation process. In one example, a city, though not rural, created a complex with food courts and music venues in addition to office space for business incubation. This brought members of the community together. In a low-income rural area, the incubator needs to finds its own way, similar to the food courts and music venue example, to entice the community to come together to expand and grow local businesses. This "Best Practice" will review established best practices in incubation formation followed by an illustrated example of how to execute this process in a low income, rural area.

Developing and embedding student skills for the management of a small tax firm: evidence from a university-level experiential learning program

How to Create High Impact Community Outreach through a Veteran Entrepreneurship Training Program

Ron Cook*, Rider University
Lee Zane, Rider University
Diane Campbell, Rider University

Background

In the fall of 2013, our University was approached by a community bank to consider providing an entrepreneurial training program to area veterans. The program would be a partnership between the University's Entrepreneurship Center (EC) and the bank, with the program being run at the University with faculty involvement and supported financially by the bank. This partnership came about from a personal relationship. The bank president was an alumnus of the University and had a personal connection with the EC's director. We believed that this relationship was key as it would have been unlikely that the University would have had this opportunity without some kind of relationship already in place. The first steps in creating this program were to determine if there was a need for entrepreneurial training among area veterans, what the parameters of the program would look like, and who should be recruited. To determine the need for this program, we involved the University's military liaison. This individual reached out to their network and the response came back as overwhelming "yes".

The next step was to determine how the program should be structured. There are all different possibilities ranging from mode of delivery of the program (on-line, hybrid, or in-person) to what stage of the entrepreneurial process should be veteran have to be in to participate. Research has shown that participants in these types of programs can have a variety of motives ranging from determining if they should be an entrepreneur, to coming up with a possible venture concept, to deciding if a chosen concept has any potential (Cook, Belliveau, & vonSeggern, 1991). Once we had narrowed down the target audience by objective, we then needed to determine what constitutes an eligible veteran. Some programs focus on disabled veterans only (i.e., http://ebv.vets.syr.edu/) or on post 911 veterans, etc. We decided on being more inclusive and as long as the participant was a veteran or coming off of active duty, they were eligible. As this was an on campus program, we recognized that it would have a limited geographical reach so our restrictions were minimized. These upfront decisions are important because they influence the design of the curriculum.

Structure

Our session will highlight the decisions made and provide attendees with a blueprint to create an entrepreneurial training program for area veterans on their campuses. Takeaways include benefits for the university from this outreach activity, why this program can have a high community impact, how to identify key issues, and how to avoid pitfalls in the process. The best practice session would be divided into 5 basic parts:

1) Introduction- Brief overview of the best practice and an explanation of what will occur in the session.

2) Creation/design of the veteran program- How the program came into existence and the key decisions that were made.

3) Curriculum delivery- What happened during teaching and how was this different than teaching regular college students.

4) Post-Instructional follow-up - What is necessary to help the veterans pursue their entrepreneurial ambitions. Attendees will learn what follow-up activities were the most effective, based off of evaluations of the veteran participants.

5) How this program became successful as it will now be entering its 3rd year with outside funding.

This best practice session will be conducted by 3 professors who all played key roles in the curriculum. Presenter 1 created the program, which came about from his relationship with the sponsor and contacts in his area, and he taught half of the sessions. Presenter 2 was a key instructor who evaluated the design and taught the other half of the sessions. Presenter 3 is a business librarian and taught the veterans how to use the library databases, and research industry data, demographics, and competition.

Rationale

There is a need to help veterans with entrepreneurial ambitions because, according to the Washington Post, since 9/11, roughly 2.4 million active and reserve members of the U.S. military have returned to civilian life, with another million to transition in the next few years (Flournoy, 2014). Universities are in a prime position to assist in this activity and this best practice will provide an outline to make this easier. Each attendee will learn about the challenges in developing a program from scratch and what is needed to increase the chances of success. Thank you for your consideration.

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Student Research & SBI

Shawn Carraher*, University of Texas at Dallas

I began teaching using SBI projects in 1998 and since that time have directed over 600 projects for over 500 organizations . In 2005 the Provost for my university issued a challenge to business faculty to show that our students could do high quality research like their science & technology counterparts. We accepted the challenge.

In 2005 two student cases were presented at the Association for Small Business & Entrepreneurship conference - and one of them won the best student case award at the conference while the other was the first runner-up. We also won the state-wide business plan competition – all with SBI projects. 3 student papers were accepted for presentation at the Academy of Entrepreneurship.

In 2006 five student cases presented at the ASBE conference and 7 student papers were accepted at the Academy of Entrepreneurship conference and two at the ASBE conference.

In 2007 1 student paper was presented at USASBE - and it was the best Graduate student and Best overall paper from the Corporate Entrepreneurship Division, one was presented at SWAM, 13 were presented for the Academy of Entrepreneurship & 3 cases were presented for the International Academy for Case Studies. A paper on nanotechnology was also presented at the 2007 AOM.

3 papers were presented for the 2008 SBI conference. 7 papers and 7 cases were presented at the Association for Entrepreneurship, Family Business, & Franchising conference. 3 papers were presented at the Academy of International Business SouthWest Division meeting. One was the opening paper of the opening session of the 20th anniversary of the Oxford University Roundtables. 3 cases were presented at the International Academy for Case Studies meeting and 1 paper was presented at the Spring Academy of Entrepreneurship conference. Another paper was presented at the Oxford Business & Economics conference. 12 papers were presented at the Academy of Health Care Management conference.

For 2009 2 student papers were presented with the Academy of International Business, SW. One paper was presented at the Oxford Business & Economics conference. 16 papers were presented at the regional meeting of the Small Business Institute®. 1 paper was presented at the Rocky Mountain Neurosurgical Society meeting . In the summer 4 were accepted for the Academy of Strategic Management, 3 for the Academy of Health Care Management, 2 for the Academy of Accounting & Financial Studies, & 1 each for the Academy for Studies in International Business, Academy of Marketing Studies, Insights into the Sustainable Growth of Business conference, and Academy of Entrepreneurship. Two papers were presented at Cambridge University in Oct. In the summer one paper was presented at Cambridge University while in the Fall ten papers were presented [4 for Academy of Entrepreneurship, 3 for the Academy for Studies in International Business, 2 for the Academy of Health Care Management, 1 for the Academy of Strategic

Management]. Two papers were presented in Malaysia at the Academy for Global Business Advancement with 6 student coauthors.

In the Spring of 2011 4 papers and 1 case were accepted for presentation at the Cambridge Business & Economics Conference . One paper was presented at Harris Manchester College, Oxford University in March. 29 Small Business Institute® projects were completed. Multiple papers presented in the Spring [6 for Academy for Studies in International Business, 5 for International Academy for Case Studies, 4 for the Academy of Strategic Management, 3 for the Academy of Entrepreneurship, 3 for the Academy of Organizational Culture, Communications, & Conflict; and 1 for the Business Studies Academy]. In the Fall 5 papers for the Academy of Entrepreneurship, the Academy for Studies in International Business, the Academy of Healthcare Management, the Academy of Marketing Studies, and the Academy of Strategic Management.

In 2012 12 papers were presented at Harvard University , 17 at Cambridge, and 32 papers and cases at the Allied Academies. For 2013 23 presentations were accepted for Cambridge, 15 were under review for the Academy of Management and 17 were under journal review.

Over all over 30 journal articles have also been accepted with students from the Freshman to doctoral level.

13 student papers accepted for Fall 2013 Allied Academies meeting.

In 2014 5 papers were presented at the King Mongkut University of Technology, 20 papers presented at Harvard University , 3 at the Business School at Oxford University, and 14 Cambridge.

In 2014 alone students had 14 journal articles and 11 peer reviewed book chapters with all but 1 being at the undergraduate level and I coauthored only 3 of the book chapters – which was a mistake by the publisher.

In 2015 26 papers and 2 cases accepted for Cambridge Business & Economics Conference, three presentations at mid-year AOM TIM meeting, over 100 papers submitted to AOM, and 3 papers accepted for SBI – with 2 students who attended SBI using 8 room nights for the conference.

SBI is at a cross roads. Where do we want to go?

With the change in AACSB standards SBI cases can help keep/get faculty to be current: We can attract new members by encouraging the writing up of SBI projects in to cases as well as having students involved in presenting research.

SBI and student research can help to differentiate our SBI programs and bring in money – Cameron University $7.7 million in less than 1 year.

Minot State University - $10.1 million in one year

Indiana Wesleyan University - $5 million naming gift

All related to SBI & student research.

How?

Start out with basic review of stats using a unified data set that students can understand. I typically use the Pay Satisfaction Questionnaire.

Have them collect data and then take them through it from univariate to multivariate stats.

Be Careful of IRB

Write up SBI Cases as teaching cases

SUBMIT TO SBI

With this program we have students using Entrepreneurship Across the Disciplines and applying SBI projects across campus and around the world.

Humboldt and Research are at the core of academic thought and help with federal grants, AACSB, student recruitment & retention, and in terms of bringing in needed resources. It builds the self efficacy of the students, faculty, and administration.

STELLAR: Student Entrepreneur Learning Lab & Research

A Proposal Submitted to the Best Practices (Pedagogical) Track of the SBI 2016
Dawn Bolton*, Western Kentucky University

Conference

The Center for Entrepreneurship & Innovation in the Management Department of the Gordon Ford College of Business at Western Kentucky University (WKU) offers an exciting opportunity for its students and constituents. **STELLAR**: **ST**udent **E**ntrepreneur **L**earning **L**ab & **R**esearch is an innovative idea created in response to the question: why can't business students work in a lab? WKU Entrepreneurship majors or minors who have completed the business planning course, the entrepreneurial marketing course, and the entrepreneurial finance course are eligible to earn three hours practicum credit in a lab setting. Under the direction of the faculty in the WKU Entrepreneurship & Innovation Center, these students will work to develop business plans for other students, faculty, or anyone who has that need. STELLAR will be located adjacent to the Student Business Accelerator at the WKU Center for Research and Development (CRD). Also housed at the CRD is the Small Business Development Center, the Business Accelerator, and the Kentucky Innovation Network. The close proximity of these entities will not only provide opportunities for clients for the lab, but will also serve as resources for the students in the lab. Plans are to involve other senior-level students in areas such as HR, Marketing, Finance, and possibly Engineering, so that services in those areas can also be provided to clients through the lab. Additionally, with added faculty guidance, given the student consulting setting, the potential exists to increase the number and the quality of submissions to the Small Business Institute's Project of the Year Competition.

A Critical Tool for Small Business – SPIKES: Six Steps for Breaking Bad News

John Lipinski, Indiana University of Pennsylvania
Joette Wisnieski, Indiana University of Pennsylvania
Stephen Osborne, Indiana University of Pennsylvania

Abstract

One of the greatest challenges facing any business manager or owner is breaking bad news (BBN). This is especially true for managers and owners of small business as they are likely to have contact with a greater variety of personnel, more contact with customers, and less ability to delegate such tasks. Research in the management literature has been limited on this topic. As such, we went to an alternative field of research, BBN in the medical field, and recommend a strategy that small business practitioners can adopt to tackle this challenging task.

Introduction

Breaking bad news (BBN) has always been a challenge. Bad news is defined as "any information which adversely and seriously affects an individual's view of his or her future" (Buckman, 1992). In any line of work, bad things happen and the ramifications must be communicated to what may be several affected stakeholders. This is a stressful situation for the messenger and recipient(s) alike. The old axiom to kill the messenger as a means to avoid bad news is, of course, illogical. Nevertheless, the bearer of bad news is not typically warmly received. As such, despite the inevitability of the situation, both parties often avoid this situation as long as possible, often leading to even more detrimental outcomes.

And, businesses have not always been handled it well. When IBM earnings were down, then CEO Virginia Rometty released a video to all 434,000 which was forwarded to the Wall Street Journal, leaking the news to the public before IBM was ready to handle it (Sudath, 2013).

Brief Literature Review

In the realm of small business the need for BBN is an all too common occurrence, almost a daily phenomenon (Ilgen & Davis 2000) for managers and owners. The potential exists when dealing with a broad array of stakeholders including but not limited to: clients, customers, suppliers, employees, family members and officials. Given that managers and small business owners' roles typically have a larger span of control than large corporate managers, they encounter a wider variety of situations for BBN than most large corporate managers. Leaders list BBN at the top of the list of their most difficult tasks (Bies, 2010).

What are some examples of this? In addition to the poor profit situation already given, common occurrences for small businesses are cutting hours, cutting benefits and laying off employees. Bies (2013) defines bad news as information that creates a perceived loss in the receiver and creates some sort of emotional upset in the receiver.

Along with small businesses, small business consultants also find themselves in the position of delivering bad news. This includes, but is not limited to, accountants, lawyers, SBDC Directors and, of course, SBI Directors & Student Counselors. They are frequently required to inform clients of such "bad news" as their business concept is not feasible, their cash flow is a problem, their products are being threatened by new technology or competitors, they can't make payroll next week, they have accrued a large tax liability, or they are named in a lawsuit to name a few examples.

Even given the common occurrence and importance of BBN, it is a subject that has received rather limited attention in the management literature. For an excellent review of the literature related to BBN, Bies (2013) tackles this subject and looks to related fields, primarily drawing from the psychology, sociology and medical literature.

Much of the business literature has either been descriptive after the event or prescriptive with an emphasis on handling public reaction and public relations.

Even in medicine, an area where BBN can be an undertaking that occurs multiple times per day, the task was also long ignored in the medical literature. Consequently, Baile, Buckman, Lenzi, Glober, Beale & Kudelka (2000) proposed the SPIKES Model, a six-step protocol for delivering bad news. The model was originally proposed for oncologists who deal with BBN to cancer patients. Since the introduction of the SPIKES model, it has been deployed throughout the medical field and is now taught to medical students (Van Weel-Baumgarten, Brouwers, Grosfeld, Hermus, Dalen & Bonke 2012) and even adopted into dentistry (Curtin & McConnell 2010). The merits of this approach to delivering BBN is such that we are proposing that an adapted form of the SPIKES model may be adopted for use by managers and small business owners.

SPIKES Model

Drawing from Baile et al (2000), BBN is a complex communication task. Not only is there a verbal component that in itself can be daunting, there are other skills that are required. For example, one must be able to read the recipient's emotional reactions, deal with their stress, and work to give hope when a situation looks bleak. Such a complex and stressful situation can create serious miscommunications (Ptacek & Eberhardt, 1996).

The SPIKES Model (Baile et al, 2000) consists of six steps. The following description of the model includes some appropriate modifications integrated by the authors to accommodate the specific needs of small business managers and owners rather than medical practitioners.

The SPIKES Model

Step 1:	**S** – **S**etting up the **S**ession
Step 2:	**P** – Assessing the **P**erson(s)
Step 3:	**I** – Obtaining the Person's **I**nvitation for **I**nformation
Step 4:	**K** – Giving **K**nowledge and Information
Step 5:	**E** – Addressing the Person's **E**motions with **E**mpathetic Responses
Step 6:	**S** – **S**trategy and **S**ummary

Each of these steps can be critical in effectively communicating BBN, the relative importance of each dependent upon the particular situation. This model is more appropriate for small business owners and managers (with multiple stakeholders) and their professionals (e.g., lawyers, accountants, bankers) as occasional bearers of BBN. However, it is also relevant to SBDC and SBI Directors/Counselors. Although SBI Projects are not typically an instrument for conveying BBN per se, due to the nature of these projects, many will inevitably include an element of something the client does not necessarily want to hear. Consequently, elements of the model are variably relevant to the SBDC/SBI. The following is a step-by-step description of the process with some SBI/SBDC references scattered throughout.

Step 1: **S** – **S**etting up the **S**ession

A small business manager or owner should mentally rehearse for this stressful task. They should make a plan as to how the information will be communicated, anticipate difficult questions, and expect to deal with feelings of frustration. The physical setting matters. Privacy and a setting appropriate for undistracted discussion are important.

Guidelines:

- ***Arrange for privacy***. A private office or conference room are appropriate. Arrange to eliminate distractions and turn off the telephone if possible. Both our SBI and SBDC have dedicated conference rooms available.
- ***Involve significant stakeholders***. If multiple stakeholders are involved, consider involving all the key individuals involved. Limit the size of the meeting to a size conducive to a discussion, but be sure, even if multiple meetings are required, to make sure that the affected stakeholders do not receive the information second hand.
- ***Sit down***. Sitting relaxes people. Standing while others sit implies a power imbalance. Also try to eliminate physical barriers between people. The CEO of a very large and

frequent SBI client of ours always sits and chats with our Student SBI Counselors prior to the student presentations – this gesture has "leveled the playing field" on many occasions. Although not in the context of a BBN situation, this serves as an excellent example of the power of this simple act.

- ***Make a connection***. Maintaining eye contact may be difficult, but it is important in establishing rapport. This should be a second natured practice of any professional; however, it may not necessarily be so in the case of BBN or Student SBI Counselors.
- ***Manage time constraints and interruptions***. Inform the stakeholders if you have time constraints or let them know up front if there are any expected interruptions. Eliminate the expected interruptions if at all possible. Also, be sure to be aware of any time constraints that the stakeholders may have.

Step 2: **P** – Assessing the **P**erson(s)

Be sure to ask, then tell! Use open ended questions to create a reasonable accurate picture of the stakeholder's assessment of the situation. Ask what information the stakeholder may already know. Ask their perceptions on the situation. Your goal should be to understand what misinformation the stakeholder may have heard and understand if they may be in a state of denial. *Misinformation* is often far more detrimental than an *absence* of information.

Step 3: **I** – Obtaining the Person's **I**nvitation for **I**nformation

While most stakeholders will want full information, some will not. When a small business manager or owner hears an explicit desire for information, it may lessen the anxiety associated with BBN. Shunning information is a valid psychological coping mechanism (Gattellari, Tatttersall et al, 1999). Understanding how much information the stakeholder had received, understood, and accepted will be important for any follow-up discussions. If the stakeholder does not want details, offer a future opportunity for further discussions or information that they can take with them.

Step 4: **K** – Giving **K**nowledge and Information

Warning the stakeholder that bad news is coming may reduce the shock that often follows BBN and can facilitate information processing. Setting up your meeting with phrases such as "Unfortunately I have some bad news to tell you" or starting the meeting with "I am sorry that I have to tell you…" are appropriate ways to set the stage. Ensure that your stakeholder understands any necessary technical information such as legal definitions, accounting terms, or other difficult to understand terms. Avoid excessive bluntness as being too aggressive may make the stakeholder feel isolated or angry and has a tendency to cause individuals to blame the messenger. Give information in small pieces and check periodically to ensure that the stakeholder understands what is being communicated. We work very closely with our Student SBI Counselors to frame, phrase and wordsmith in a manner to ensure all information is accurately and effectively communicated. This pertains to the PowerPoint content and presentation as well as the project write-up. This is especially important when there is an element of BBN – bluntness can blunt the message and create animosity, particularly with students.

<u>Step 5</u>: **E** – Addressing the Person's **<u>E</u>**motions with **<u>E</u>**mpathetic Responses

Responding to a stakeholder's emotions is one of the biggest challenges associated with BBN. Emotional reactions can include silence, disbelief, crying, anger, or even aggression. When confronted with BBN, the emotional reaction can be an expression of shock, isolation, or grief. Support and solidarity can be given via an empathetic response.

- First, observe the stakeholder's emotion. Look for sadness, silence, or shock.
- Second, identify the emotion. If all one observes is silence, use open ended questions to ascertain what the stakeholder is experiencing.
- Third, identify the reason for the emotion. This is likely connected to the bad news. However, if you are not sure, ask. The situation may affect their personal life as much or more than their professional situation.
- Fourth, after giving the stakeholder a chance to express their feelings, let them know that you have connected the emotion with the reason for the emotion by making a connecting statement. For example:

    <u>Manager</u>: "I'm sorry, but the current situation means that we will have to cancel our next order and it may be months before we need another shipment."

    <u>Stakeholder</u> (Supplier – clearly shaken): "I'm worried. You were a key client and we count on you for a lot of our revenue. We will likely face layoffs."

    <u>Manager</u>: "I know this isn't what you wanted to hear. The market is down and we have experienced a major slow down. I wish that the news was better. We too are likely facing layoffs"

Empathetic statements go a long way to helping a stakeholder deal with an emotional response. Until emotional issues are cleared, it is difficult to go on and discuss other issues. If the stakeholder's emotional response does not diminish, continued empathetic responses should help to calm the stakeholder. It is ok for the manager or small business owner to acknowledge their own sadness or other emotions (e.g., "I also wish that the news was better." *<u>Or</u>*: "This really threw me for a loop too."). Let the stakeholder know that their emotions are legitimate.

If the stakeholder is silent and emotions are not clearly expressed, it is important to ask open ended questions before making empathetic responses. Making a statement to alleviate disappointment when the stakeholder is harboring anger can exacerbate the situation, for example.

<u>Step 6</u>: **S** – **<u>S</u>**trategy and **<u>S</u>**ummary

Stakeholders with a clear understanding and a plan for the future are less likely to feel anxious or uncertain. If the situation has potential legal ramifications, it is best for the manager or small business owner to have discussed the situation and strategy with their attorney or other key professionals if their input will be needed. Make sure that the stakeholder has a clear understanding of the situation before moving forward with a strategy.

In the case of the SBI, all of our projects (BBN or not) are required to include both a summary and recommendations. In those instances such as a business plan, feasibility study, marketing plan, etc., there are explicit strategies as well as a *Key Risks and Contingencies* section where appropriate.

Understand the stakeholder's level of knowledge about the situation. Explore the stakeholder's knowledge and expectations. This helps to understand where to begin a discussion on strategy. Understand the goals that both parties may have and understand how both parties can work together if the end goal is shared. With a clear understanding of the situation, the possible paths forward, and the pros and cons of each possibility, a small business manager or owner can then move forward developing a future strategy with a solid base of knowledge.

Discussion & Conclusion

BBN is an unavoidably stressful situation for small business owners and managers. However, this is a critical skill to develop. Not only are there potential legal issues involved, but it is an unavoidable duty. This is not a current focus in management education, but should be incorporated into the communication skills developed in a business program.

SPIKES is a well-received model that has been adopted by the medical field. With slight modification, no doubt it can be a valuable tool for small business owners and managers. A well thought out process like SPIKES reduces the stress for both the messenger and the stakeholder receiving the bad news.

The SPIKES model addresses how to deliver the bad news, but there is one element mentioned that is not necessarily relevant to individual medical cases but of paramount importance to businesses. In the case of businesses, there is always a strategic element involved in delivering bad news and how to manage the business communications element (Bies, 2013). If the SPIKES model were combined with recommendations on how to handle bad news from a strategic perspective, it could provide a comprehensive model for businesses.

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High Impact Practices in an MBA Strategy Class: The use & application of Live Cases

Blaine Lawlor*, UWF

Objectives

1. Increase university/community involvement by encouraging students to consult with local businesses.

2. Enhance students abilities by allowing them to apply knowledge leaned in a live case in identify problems and/or opportunities and coming up with practical solutions.

3. Develop students' written ability by providing them with the opportunity to write up findings they discovered in the live case into a case and an instructor's note.

4. Integrate and expand on knowledge learned by having students defend the case at a case conference.

5. Revise and improve the case, based on feedback received at the case conference, so the case can be published in a peer reviewed journal and eventually used in the classroom.

Best Practices

The utilization of live cases provides the student with the rich opportunity to apply the knowledge learned to a real life problem. The student is able to fully understand how to utilize tools learned to identify the real problem and then come up with solid solutions on how to resolve the situation. Another great benefit of utilizing this approach is that it strengthens the relationship between the university and the community. Another side benefit of the approach, is it provides the student with contacts that can be invaluable in finding a position once the student graduates. In fact, in many cases, the student may have the opportunity to join the company he/she is examining as the owner/manager has first-hand knowledge on how the student preforms and applies knowledge.

During the last three years, at this regional masters MBA program, thirty-nine companies have been analyzed by teams of MBA students. Some owners received the counsel they received and have applied it to improve their businesses. Other owners chose not to follow the advice either because the owner was set in how he/she wanted to run the business or it because the team was unable to fully identify the problem or come up with a practical solution. The information gathered was then analyzed and written into a case and into an instructor's note where a grade could be assigned for the team assignment. An enhanced level of skill is required to move from straight analysis required to identify the problem and come up with a solution to the skill of applying that information into the form of a case that is comprehensive enough for other students to have the appropriate information to come up with a similar solution. The case needs a protagonist (someone one can relate to), it needs to have a hook that captures the reader's attention, and it should then build into a compelling story that does not provide too much information, but does provide for a student to come up with the problem and recommendation.

With the owner's consent the better cases were with a compelling story were then reworked so that it could be presented at a conference and eventually published in a journal. The majority of the students involved in the process of moving the case from the level that was submitted in class to a level that it can be accepted at a conference have already graduated with an MBA. Thus another high impact practice is that these students are still involved in this academic effort well after they have graduated.

Students then attend a case conference. As an example, five student accompanied me to the North American Case Conference held in October of this year to defend two different cases that were accepted. The graduated students were thrilled with the atmosphere that existed at the conference and with the wonderful level of feedback they received on how the cases could and must be improved in order to be ready to be presented at a journal. The continued interest in this activity is extremely gratifying to me as their professor as I am not sure I would have done that after competed my MBA.

To date, thirty-three MBA students have had a conference acceptance and fifteen students are now authors in a peer reviewed journal.

Conclusion

The utilization of live cases in this capstone class for MBA students is invaluable. Students solve a real problem and provide the owner/manager with practical advice on how to remedy the problem and thus the community benefits by obtaining fresh ideas from students. The student benefits by applying knowledge learned in a live case. The university benefits by having students better prepared to meet the demand of the workplace and also by the improved relationship between academia and the community. Finally, students benefit by writing these findings into a case and an instructor's note that can be published

The Intersection of High Impact Practices and 21st Century Skills in a Graduate Online Business Course

Melissa Brode*, University of West Florida
John Batchelor, university of West Florida

Abstract

Employers value college graduates who enter the workplace with skills that enable them to contribute from the date of hire. Graduates who possess 21st century readiness have developed skills in business literacy, technology, critical thinking and problem solving areas and are able to contribute meaningfully to an organization from the very beginning of their employment (Levin, 2015; Partnership for 21st Century Learning, 2015). Consequently, colleges and universities have embraced high impact practices that provide a platform for more purposeful activities to better prepare students for the 21st century workplace (Brownell & Swaner, 2009; Kuh, 2008). These high impact practices must be employable across the various course delivery methods and levels utilized by universities including in the online learning environment.

Online students make up a significant portion of the increase in recent enrollment at educational institutions (Allen & Seaman, 2014). Specifically, graduate online enrollment has increased and exceeds undergraduate online enrollment (Ginder, 2014). There is a need to include high impact practices in online courses at the graduate level to allow those students to benefit from this type of active learning. This quasi-experimental, non-equivalent groups study assesses the use of a live case study team project as a high impact practice to enhance the student's 21st century skills in an online graduate business course. By redesigning the course content and integrating new group collaboration instructional technology into one of two sections of the same online graduate business course, this study will allow for a comparison between the engagement and 21st century readiness of the two groups.

7:30 – 8:00 am
Registration, Exhibitor Displays, & Continental Breakfast
3rd & 4th Floors

8:00 – 8:30 am
Opening Remarks, Acknowledgements, & Raffles
AB Leadership Room, 4th Floor

8:30 – 10:00 am
SESSION 1 CORE WORKOUT

Group/Title	Speaker	Room
Black Group - Technology	Scott Lewis, Technology Audits	4105
Black Group - Technology	Chuck Aranda & Shaun Lee – "Measure What Matters" – Data Metrics	3020
White Group – Finance/Fundraising	Dan Reynolds, Holmes Radford	4185
Gold Group - Training & Development	Chuck Gulledge, Chief Executive Coach, Chuck Gulledge Advisors.	4190

10:00 – 10:15 am
Exhibitor Displays

10:15 – 11:45 am
SESSION 2 CORE WORKOUT

Group/Title	Speaker	Room
Black Group - Finance/Fundraising	Dan Reynolds- Holmes Radford	4185
White Group – Training & Development	Chuck Gulledge, Chief Executive Coach, Chuck Gulledge Advisors.	4190
Gold Group - Technology	Scott Lewis, Technology Audits	4105
Gold Group - Technology	Chuck Aranda & Shaun Lee "Measure What Matters" - Data Metrics	3020

11:45 – noon
Exhibitor Displays

Noon – 1:30
AB Leadership Room, 4th Floor

Opening Remarks

Raffles

Special Remarks:
Dr. Michael Shonrock, President
Lindenwood University

Special Remarks:
Lindenwood University Faculty & Students
"The Glenn Markway Nonprofit Bootcamp Champion Award"

Lunch
Executive Panel Discussion:

Jake Barnett, Director of Development
LOVEtheLOU

Pamela Coaxum, Executive Director
Greater East St. Louis Community Fund

Dr. Christi Griffin, Founder/President
The Ethics Project

Pat Holtermann-Hommes, President & CEO
Youth In Need

Mary Hutchison, Executive Director
Community Council of St. Charles County

Jamie Kleinsorge, MS
Director of Health Innovation, The Mission Center L3C; Project Director, Institute for People, Place, and Possibility (IP3)

Barbara Levin, President
Nonprofit Missouri

Michael McMillan, President & CEO
St. Louis Urban League

Patrick Walker, Associate Professor of Nonprofit Administration
Nonprofit Bootcamp Host & Moderator

<u>Noon – 1:30</u>
AB Leadership Room, 4th Floor
(cont.)

Special Remarks:
Dr. Grant Shostak, Dean
School of Human Services

Special Remarks:
Lindenwood University Faculty & Students
"The Nonprofit Bootcamp Community Champion Awards"

Raffles

<u>1:30 – 1:45 pm</u>
Exhibitor Displays

<u>1:45 – 3:00 pm</u>
SESSION 3 CORE WORKOUT

Group/Title	Speaker	Room
Black Group - Training & Development	Chuck Gulledge, Chief Executive Coach, Chuck Gulledge Advisors.	4190
White Group – Technology	Scott Lewis, Technology Audits	4105
White Group – Technology	Chuck Aranda & Shaun Lee – "Measure What Matters" - Data Metrics	3020
Gold Group - Fundraising/Finance	Dan Reynolds, Holmes Radford	4185

3:15 – 4:30 pm
SESSION 4 STRENGTH TRAINING
(Pick One)

This is a chance to gain focused knowledge in one of these areas:

Topic	Speaker	Room
Advocacy/Public Policy	**NPMO Landscape Report – Barbara Levin**	**4190**
Board Development & Governance	**Kari McAvoy, EMD Consulting**	**3020**
Developing a Conflict of Interest Policy	**Julie Fix Meyer, Armstrong Teasdale**	**3190**
The Importance of Community Needs Assessments & Impact	**Mary Hutchinson, St. Charles Community Council** **Miriam Mahan, Saints Joachim & Ann Care Service**	**4105**
Evaluation Techniques	**Dr. Tracey Cannon, UMSL Public Policy**	**4185**
Logic Models for Grant Writing	**Dr. Julie Turner, Lindenwood University Department of Nonprofit Administration**	**3015**

Nonprofit Bootcamp Presenters & Panelists:

Dr. Michael Shonrock, President
Lindenwood University

Dr. Michael Shonrock began his tenure on June 1, 2015, as Lindenwood University's 22nd president. Most recently, Dr. Shonrock was university president and a professor at Emporia State University. Previously, in his more than 20 years at Texas Tech University he served as senior vice president and associate professor.

He also held positions as vice president for enrollment management, student affairs and auxiliary enterprises.

President Shonrock has a PhD from the University of Kansas, an Education Specialist degree from Pittsburgh State University, and his bachelors and masters degrees from Western Illinois University. He also received an Institute of Educational Management certificate from the Graduate School of Education at Harvard University.

At Emporia State, he launched the largest, most successful, comprehensive fundraising campaign in university history and sustained six consecutive semesters of enrollment growth.

Dr. Grant Shostak, Dean
School of Human Services

Grant is the Dean of Lindenwood University's School of Human Services. Shostak has been director of the graduate criminal justice degree program at Lindenwood since 2012. Prior to working at Lindenwood, Shostak was director of career development at the University of Missouri School of Law in Columbia and, before that, practiced law from 1996 through 2011. He also served on the Criminal Justice Act Panel for the U.S. District Court of Appeals as a district representative from 2006 to 2011 and in 2010 was a member of a U.S. magistrate judge merit selection panel for the U.S. District Court—Eastern District of Missouri. The School of Human Services offers degrees in Christian ministry studies, criminal justice, fire and paramedic science, military science and aerospace studies, nonprofit administration, public administration, and social work. The school holds a specialized accreditation from the Council on Social Work Education, the nation's sole accrediting agency for social work education.

FINANCE & FUNDRAISING SESSIONS

Dan Reynolds, Managing Partner and Senior Consultant
Holmes Radford & Avalon, Inc.

Dan, who worked for 6 years in the nonprofit field before consulting, began his career in the independent sector with a low-income housing organization in Chicago. Prior to joining HRA in 1999, he was a director with Doorways, an inter-faith residence in St. Louis serving people with HIV/AIDS. In his leadership role with HRA, Dan has conducted numerous planning and feasibility studies, written many fund development plans, directed annual fund programs and led highly successful capital campaigns raising millions of dollars with his clients.

INFORMATION TECHNOLOGY SESSIONS

Chuck Aranda, President
Mission Matters Group

Chuck founded Mission Matters Group in 2011 for one purpose - to help clients harness the power off technology to support their unique missions. With years of combined experience in information systems, cloud computing, non-profit management and process improvement, the Mission Matters team understands that technology is a tool that should be working for an organization.

Shaun Lee, Vice President of Strategic Initiatives
Mission Matters Group

Shaun Lee currently serves as Vice President of Strategic Initiatives at Mission Matters Group (MMG). The mission of MMG is to align people, process and technology to advance mission. In this role he is responsible for leading all the outcome evaluation and collective impact initiatives for MMG clients. Mr. Lee believes strongly in the importance of creating clear organizational values and operating anchors in order to bring clarity and alignment to strategy. He also believes that it's important to create organizational slack, because that is where the real innovation happens.

Scott Lewis, Chief Executive Officer
Winning Technologies, Inc.

Scott has been in the technology industry for over 25 years, working with companies such as IBM and General Electric. He shares with his customers a methodology for increasing profits and managing costs, while making a company more reliable and higher performing. As the former Director of Technology and Chief Information Officer for a $600 million general contractor, Scott has worked with companies as small as 5 users and as large as 30,000. Winning Technologies currently manages over 5,000 users in 40 states, Canada, Mexico, & Puerto Rico.

TRAINING & DEVELOPMENT SESSIONS

Chuck Gulledge, Certified Executive Coach
Chuck Gulledge Advisors

Chuck is the founder of Chuck Gulledge Advisors, providing highly experienced executive coaching and helping organizations gain strategic momentum. Working with CEOs and executives, he focuses on leadership, strategy and organizational alignment. Chuck has a successful 25 year career in finance, business development and executive coaching.

STRENGTH TRAINING SESSIONS

Advocacy & Public Policy:
Nonprofit Missouri Landscape Report by Barbara Levin, President
Nonprofit Missouri

Barbara is the Chair and one of the Founding Board Members of Nonprofit Missouri. This agency is dedicated to building the third sector to the level of organizational status as the public or private sector. Her professional position is as the Coordinator for the Alliance for Building Capacity at the Brown School of Social Work at Washington University. She has a Masters of Social Work from the University of Maryland and she is one of Missouri's leading voices for nonprofit organizations and is considered the State's premiere "networker" among nonprofit organizations.

Board Development:
Kari McAvoy
EMD Consulting

Kari brings 14 years of experience at the United Way of Greater St. Louis to her consulting role. As Vice President of Community Investment, she managed the multi-step, year-long funding decision process involving more than 400 volunteers, 200 member agencies, and the annual allocation of more than $55 million. During that time she worked with volunteers to review community investment strategies, wrote quality standards, and implemented major allocation process changes. She is passionate about building the organizational strength of nonprofits; developing processes to make purposeful decisions; and successfully implementing short-term projects. Kari is an adjunct professor at the Brown School of Social Work at Washington University in St. Louis, where she teaches Strategic Planning & Execution.

Developing a Conflict of Interest Policy:
Julie Fix Meyer, Attorney
Armstrong Teasdale

Julie Fix Meyer is a member of the firm's Litigation practice group working primarily on matters alleging personal or catastrophic injury and wrongful death. For large companies, manufacturers, utilities and their insureds, she handles alleged claims of physical harm due to asbestos exposure. Committed to effective case management, Julie is well-versed in all phases of discovery, trial preparation and negotiation of settlements with opposing counsel. She has an extensive background in federal trial procedure and practice. Prior to joining the firm, Julie was a career law clerk for Judge William D. Stiehl, U.S. District Court, Southern District of Illinois.

Collaboration for Community Impact:
Mary Hutchison, Executive Director
Community Council of St. Charles County

Mary Hutchison is Executive Director of Community Council of St. Charles County where her focus is bringing together people and organizations to improve the ways we care for one another. The Council's core values of compassion, inclusiveness and collaboration drew her to join the Council in 2004, after she completed a Masters in Pastoral Ministry from Loyola University of New Orleans. Mary is from Kansas City where she worked as a product manager for Hallmark Cards and graduated with a Masters in Business Administration from Rockhurst University. Mary and her husband, Tom, raised their two children in St. Charles County and now enjoy spending time here with two grandchildren.

Miriam Mahan, Executive Director
Sts. Joachim & Ann Care Service

Miriam Mahan, a refugee from Cuba, started her life of service when she was only a sophomore in high school. A volunteer at the Chronic Hospital, she witnessed disparity in patient treatment based on income and social status. She joined such organizations as the Red Cross, Big Sisters Big Brothers and the St. Vincent DePaul Society. After residing in Miami for two years, Miriam was sent to St. Louis with the Mercy Sisters. From February 1964, she remained there throughout high school and nursing school. Perhaps Miriam's greatest legacy will be Sts. Joachim and Ann Care Service in St. Charles, a nonprofit agency where she is the Executive Director and which she co-founded in 1981 with $500 seed money. The Care Service provides integrated programs to provide basic needs and advocacy for children and their families. These programs include Housing Assistance, Children and Family Development, Food Pantry, Adopt-A-Family, and Workforce Development. Miriam has successfully spearheaded collaborative community efforts, such as relocating 145 families when a mobile home park was rezoned and providing aid for flood victims. She has also been a community voice in support of Medicaid Expansion in our area. In addition to her ministry, she is an active member on several boards, such as the Missouri Housing Task Force, Missouri Food Pantry Task Force, Missouri Association of Social Welfare, Equal Housing Opportunity Council, and the Community Council of St. Charles County.

Evaluation Techniques:
Dr. Tracey Cannon
UMSL Education Psychology, Research and Evaluation

Dr. Cannon is experienced in applied research methods including the evaluation of program and process outcomes. As a senior research specialist for the public policy research Center at UMSL, she has designed and implemented evaluations for major funded initiatives, in addition to writing winning evaluation plans for grant funding. Dr. Cannon provides such assistance to non-profit organizations, and has taught advanced program evaluation to graduate students of the University of Missouri St. Louis. Relative to the success of a nonprofit corporation are the knowledge and skills to evaluate how well outcomes align with the established goals and objectives. These may be the overall goals and objectives of the organization at large, and evaluation systematically gauges how well its activities lead to the accomplishment of its mission. For nonprofit organizations operating programs through grant funding, program evaluation is fundamental to assessing and reporting outcomes back to funding sources, and in some instances the ability to design an effective evaluation is a prerequisite to obtaining funds.

Logic Models for Grant Writing:
Dr. Julie Turner, Associate Professor and Chair
Lindenwood University Department of Nonprofit Administration

Dr. Turner earned her Doctorate of Philosophy in Education at the University of Missouri-St. Louis, her MA in Adult and Continuing Education at Michigan State University, and her BA in Sociology and Religion at Hope College in Holland, Michigan. Dr. Turner has nearly twenty years of experience in education and nonprofit leadership, having served as a K-12 teacher and administrator, and serving in a variety of leadership capacities through organizations such as Big Brothers & Big Sisters of Greater St. Louis, Children’s Advocacy Services of Greater St. Louis, Today and Tomorrow Educational Foundation, and Washington University in St. Louis. Dr. Turner has also supported nonprofit organizations through volunteer efforts and provides consultative services in strategic planning, grant writing, and program evaluation. Dr. Turner serves the School of Human Services as an Associate Professor of Nonprofit Administration at both the undergraduate and graduate levels.

EXECUTIVE PANEL

Jake Barnett, Director of Development
LOVEtheLOU

Jake is from Milwaukee, Wisconsin. In 2014 he graduated from St. Louis University with an MBA. He made the decision to work for LOVEtheLOU because he truly believes that, as an organization, LOVEtheLOU is addressing the issues of the city head on. LOVEtheLOU was formed out of the very simple idea of bringing people together all with the common desire to meet urban needs. LOVEtheLOU initially focused on loving the city by serving local businesses. Then in June of 2011 the first "commUNITY festival" was held in the Old North City district of St. Louis. This was the first major public project labeled under the title "LOVEtheLOU." The small group of LOVEtheLOU volunteers partnered with other local non-for-profits in Old North in order to make their first event really great. The "commUNITY festival" was funded by local churches and individuals all for the same purpose: to love on the city. Mission accomplished. Many relationships were formed and passions were stirred during that first festival…all which propelled LOVEtheLOU forward. Since then, LOVEtheLOU has grown and changed as an organization in many different ways but our mission remains the same: to beautify and unify the city of Saint Louis

Pamela Coaxum, Executive Director
Greater East St. Louis Community Fund

Pamela has over 30 years of experience in the nonprofit, community development and philanthropic fields, where her tenure has spanned small, local groups to national organizations. Through her own business, she uses her skills and abilities to help organizations develop strategic alliances to grow. Currently, she is employed with the Greater East St. Louis Community Fund where she serves as the Fund's Executive Director. Pamela currently serves as President of the City of St. Charles: Human Rights Commission, St. Charles, MO and is a newly appointed Trustee for the Jackie Joyner-Kersee Foundation where she is leading the Strategic Planning process for the organization. She has previously served on the board of directors for Habitat for Humanity: St. Charles County and the Greater East St. Louis Community Fund.

Dr. Christi Griffin, Founder & President
The Ethics Project

The Ethics Project Founder and President, Christi Griffin, received her Juris Doctorate from St. Louis University School of Law in 1983 and began her private law practice as a ministry in 1984. She headed one of the largest consumer bankruptcy law firms in the State of Missouri until 2007. When faced with the realities of a broken legal system, Christi proved with unequivocal evidence the degree of ethics that guided her law practice for 23 years. Following her experience with the Missouri Bar and Missouri Supreme Court, disclosing the existence of broad misconduct on the part of the prosecutor, hearing officers, attorneys and judges, Christi began The Ethics Project to reduce wrongful prosecutions and convictions by educating the public about professional ethics.

Pat Holtermann-Hommes, President & CEO
Youth In Need

In 2013, Pat became the fourth President and CEO in Youth In Need's history. She has been a key staff member at Youth In Need since 1990, serving most recently as Chief Program Officer. She has extensive expertise in the areas of adolescent development and family therapy, child abuse and neglect issues, positive youth development, and organizational development. Ms. Holterman-Hommes currently chairs the regional Children's Services Coalition and serves on the boards of the Missouri Coalition of Children's Agencies, Behavioral Health Network and the Community Council of St. Charles County. She also represents the needs of vulnerable children and youth on various statewide committees.

Mary Hutchison, Executive Director
Community Council of St. Charles County

Mary Hutchison is Executive Director of Community Council of St. Charles County where her focus is bringing together people and organizations to improve the ways we care for one another. The Council's core values of compassion, inclusiveness and collaboration drew her to join the Council in 2004, after she completed a Masters in Pastoral Ministry from Loyola University of New Orleans. Mary is from Kansas City where she worked as a product manager for Hallmark Cards and graduated with a Masters in Business Administration from Rockhurst University. Mary and her husband, Tom, raised their two children in St. Charles County and now enjoy spending time here with two grandchildren.

Jamie Kleinsorge, MS
Director of Health Innovation, The Mission Center L3C; Project Director, Institute for People, Place, and Possibility (IP3)

Jamie received her Masters in Rural Sociology and a Certificate in Nonprofit Management from the University of Missouri-Columbia. Her Bachelor of Arts in Political Science was received from Western Illinois University. At TMC, Jamie provides technical assistance and healthcare consulting to nonprofits across Missouri. At IP3, she assists with hub development and community data visualization on Community Commons. Jamie also assists with operations and communications management for Nonprofit Missouri.

Barbara Levin, President
Nonprofit Missouri

Barbara is the Chair and one of the Founding Board Members of Nonprofit Missouri. This agency is dedicated to building the third sector to the level of organizational status as the public or private sector. Her professional position is as the Coordinator for the Alliance for Building Capacity at the Brown School of Social Work at Washington University. She has a Masters of Social Work from the University of Maryland and she is one of Missouri's leading voices for nonprofit organizations and is considered the State's premiere "networker" among nonprofit organizations.

Michael McMillan, President & CEO
St. Louis Urban League

Michael is the President and CEO of the Urban League of Metropolitan St. Louis. The Urban League of Metropolitan St. Louis, Inc. is a nonprofit organization that has been providing social services to the metropolitan St. Louis community since 1918. The St. Louis affiliate is one of the largest of the almost 100 affiliates of the National Urban League movement, headquartered in New York City. Our mission is "to assist African Americans and others throughout the region in securing economic self-reliance, social equality and civil rights." Each year, the Urban League serves more than 91,000 residents with economic opportunity, educational excellence, community empowerment, civil rights and advocacy programs. As an advocate for social and economic parity, McMillan speaks on behalf of Urban League constituents. As a young African American, McMillan has taken great pride in creating programs that offer positive role models and mentors; creating endowed scholarships at three educational institutions. He has previously adopted six (6) public schools on all levels and hosted five (5) programs a year to reinforce academic achievement, attendance and positive behavior to ensure professional and personal development of aspiring young adults.

Patrick Walker, Associate Professor of Nonprofit Administration
Nonprofit Bootcamp Host & Moderator

Raised in Winston Salem, North Carolina by his grandparents Luther Odom and Virginia Mae Walker, Patrick is an award-winning first generation college graduate, professor, business lawyer, southern gentleman, and former BELK teen "supermodel" with 20+ years of demonstrated expertise in educational and organizational management, corporate & community engagement, governance, compliance, and assessment. He is experienced with helping organizations achieve the fundamental business ingredients of success as they navigate through critical management and legal decision-making processes and strive toward effectiveness, efficiency, and financial sustainability. Patrick conducts management seminars for local and national nonprofit organizations, small businesses, and Fortune 500 companies. His teaching experience includes courses in management, business law, strategy, governance, ethics, and small business consulting. Published in management journals, law journals, and conference proceedings, Patrick's research explores interdisciplinary approaches to social entrepreneurship in addition to small business and nonprofit "matchmaking." Recently, Patrick received the Emerson Electric Company Professor of the Year award for teaching excellence and was elected Chair of the Lindenwood University Faculty Senate.

Capturing Potential SBDC Clients Using University Students

Joe Harper, Regional Director, SBDC
Jana Minifie, Texas State University

Abstract

The mission of the South-West Texas Border Small Business Development Center Network is to foster small business success. The capacity of SBDC offices to serve the small businesses in their areas is limited by the manpower resources available. Every year, about 40% of those small businesses seeking assistance with the SBDC have to be directed to partner organizations. In order to capture some of these entrepreneurs, a program was developed in conjunction with the host university to train students to become advisors to assist these individuals. This workshop will present the best practices learned from implementing this program during the fall semester, 2015.

Introduction to Program Description

The SBDC offers a *Ready, Set, Launch* workshop along with partners Big Austin and SCORE. These bi-monthly workshops are a first time introduction of local entrepreneurs with the SBDC. Majority of these participants are not in the position to actually start their businesses. They have an idea for a business, but no business plan, business plan, funding, or knowledge of how to start a business. Others come to the workshop; they have started their business but now need to get funding to expand their business. Due to the limited capacity of the SBDC, not all of those attending the workshop can become clients. These entrepreneurs are then partnered with Big Austin or SCORE for assistance. There is no metric to follow up on these entrepreneurs to determine what happened to these individuals.

The mission of the South-West Texas Border Small Business Development Center Network is to foster small business success. We are missing out on the opportunity to work with those entrepreneurs that we are sending to our partner organizations. We are not meeting our goal of fostering small business success for these potential startups. To find a solution, where budgets are shrinking with this increased demand for our services, a solution was determined that met both the mission of the hosting university and the SBDC.

Texas State University is the host institution for our regional SBDC. Their mission includes '*fostering business community relationships with primary emphasis on small and medium-sized businesses*' and '*enhance the student learning environment*.' The McCoy College of Business is AACSB Internationally accredited, it also has the added requirement of demonstrating that teaching, research, and service is having an impact on their specific discipline.

Fall semester, 2015, in the Integrated Field Projects course, the SBDC and faculty professor, collaborated in revising the course. The purpose for the revision of the course was to try to capture some of the entrepreneurs that were being sent to partner organizations. Through extensive planning during the summer, the course was revised.

The Integrated Field Project course has both entrepreneurial and non-entrepreneurial students. All students went through a 9 hours training session on how to be a student-advisor with the SBDC. The training included understanding the mission, vision and purpose of the SBDC to participating in a mock presentation with a SBDC client. Forms were reviewed to capture metrics of the service-learning course from the student perspective.

Students were paired in teams that included a mix of entrepreneurial and non- entrepreneurial majors. Teams identified 3-hour blocks of time during the week that they would be able to meet with a client. All meetings with clients were held at the SBDC offices. In the first meeting, a SBDC advisor met with the client while student team members observed. In the second meeting with a client, the student team led the meeting with the SBDC advisor observing. For all additional meetings, either the faculty member or SBDC advisor met with the students and their clients. Student teams conducted research on their own time, not necessarily in the 3- hour block identified for client interviews.

Best Practices

This workshop will highlight the best practices learned from this new way of offering the student-consulting course. The presentation will include a template for syllabus, handouts, and metrics derived from the course.

This workshop will present the metrics, from both the university and SBDC perspective, which this first class yielded. The lessons learned will also be presented at this session that will be incorporated into future classes. We will also show how the goals of the SBDC and university are being met through this collaboration. Not only is this a win-win for the students and clients, it’s a win-win with the relationship building opportunity between the SBDC, the university, and faculty.

Idea Talk – Ideas Make a Difference

Maithreya Chakravarthula, University of Texas at Dallas

Currently a student? Looking to make the most out of college/school environment? Want to be a part of a start up, or have an idea but do not have a team to work with? Have business experience but no technical skills? Have technical skills at the same time interested in starting up a business?

These are just some of the questions that run through the minds of students of different levels of education with a passion to start a business. Is there a common solution for all the questions? What is the solution that could be provided to these students to achieve their dream of starting up?

The answer for all the above questions is simple. We need people. Any business/ entrepreneur needs a team of likeminded individuals to get together to convert an idea to reality, and turn that reality into a business.

The execution to get to the solution is not as simple, or straightforward. Scouting for the right team members, looking for connections, getting the right network is one of the most time consuming aspects for any start up.

“Idea Talk” aims to provide that opportunity to all levels of education, from high school students to University level students to showcase their ideas and network with people to get them to reality. “Idea Talk” exists because it wants to revolutionize the education system and networking for what we know today.

Schooling & the entire education systems are based on providing & exposing students to two aspects of life. One, knowledge. Two, networking. One of the most commonly used, and misunderstood word is “networking”. Having 50 contacts in your phone, meeting in class, working on a couple of projects is not networking. The true concept of networking is to getting to know the people around you so well that you know what their strengths & weaknesses are, & how they can contribute to your ideas/& life and compliment/& back your idea? That is when your “Network becomes your Net-Worth!”

As far as knowledge is concerned, Idea Talks aims to provide a channel for students to utilize their knowledge to build a business based on what they have learnt for the betterment of the society in general.

Idea Talk wants to promote the philosophy that "Thinking outside the box" is an outdated concept. We are in the world of information and in this world we are all naked. Everyone is exposed and an idea that was once believed to be one's idea can already be another's. So it is important that we take actions for our ideas. We look to promote the new mantra for thinking & we call it "Think like there is no box!"

Idea Talk is a platform provided for students of different majors to collaborate, provide them a platform to share their ideas and network with people of different backgrounds to bring their ideas to reality.

The motivation behind this is a personal story. I had an idea of developing an app that helps students maintain records of their academic processes and also help their money management. I had been able to create a prototype but didn't know how to code and get it to life. I also realized that to get it to the appstore it needed to meet a lot of requirements. It needed a logo, a website, a backend design, a compelling story to market it. I needed a team that can help me in their respective fields. I tried hard, and had to go to person to person to get the right team. In a world where everything is getting easy, the process of networking isn't efficient enough to get to the right people.

That's when I wanted to provide a platform that allows people from different majors to get together and network, share ideas and get ideas to life. Make the most of the College/ University/ School.

In short we are trying to bring together the TED talks + KickStarter.com + Shark Tank to a single platform specifically for students. We have borrowed the concept of 'Ideas worth spreading' from TED talks, the concept of 'crowd funding & networking' from KickStarter.com &, the concept of 'expert's advice and Venture Capitalism' from Shark Tank.

The key is that unlike TED talks that focuses on bringing in outside concepts to the communities inside, we focus on bringing out the inner topics/& interests to the communities within the school/ college/ university.

The platform is tailor-made and is focused on a particular aspect of business only. There would be monthly activities organized based on a particular theme. Ex. Of themes include: Application Development, Short Films, Arts, Biochemistry, Civil Engineering, and Marketing etc. So students with interest or passion in those particular areas are welcome to listen and express their ideas & network within the attended audience.

The ideas that have been expressed will also be published in the university media such as radio, newspaper, blogs, TV's etc. (with the consent of the owner) so that it could reach a wider group of audience.

There is a very thin line of gap between the ideation stage and implementation stage, we would like to give a platform and support students get through this bridge.

We stand, hope and believe in IDEAS. IDEAS that can change a person's life, an IDEA that can change the World. In order for the IDEA's to achieve their potential, they need support and we would like to be the support that nurtures and encourages people to pursue their ideas.

“Idea Talk – Ideas make a difference” & let’s contribute to the ever growing world of creativity & innovation!

Developing a Double-Loop Learning Approach for Growing Rural Businesses

Timothy Pett, Rollins College
Wendy Veatch, Wichita State University

Throughout rural America there are tremendous pressures for survival given the changing competitive marketplace. Many businesses in these areas face higher costs of goods and services, available pool of qualified workers and low unemployment rates in their areas. To advance rural communities, entrepreneurial thinking and solid business tools are solicited by these small business owners. By developing and providing an advanced level of classes with technical assistance and exposure to the latest practices for running and growing a successful entrepreneurial business. The paper discusses a double-loop learning process used to create a strategy for the delivery of the programs as well as for creating a state-wide network for rural small businesses.

Human Resource Management Updates for Small Business

John Hendon*, University of Arkansas at Little Rock
Robert Lussier, Springfield College
Carl Blencke, University of Central Florida
Leanne Coder, Western Kentucky University

Abstract

This workshop will consist of a group of invited panelists who will discuss the changes in Human Resource Management (HRM) practices that have occurred in the past couple of years. A large number of changes have occurred with definitions of protected class individuals as well as the changing health care landscape, recruiting and selection processes, employee versus independent contractor classification, proposed changes to minimum wage and overtime rules and many other issues. Each of these issues has the potential to affect small businesses as well as larger corporations, but most small business owners and managers do not have knowledge of these issues. This workshop will brief academics concerning these significant topics that consulting clients need to be made aware of.

The Program

We expect the program to be broken down into discussion of various agencies and their regulatory changes, in addition to providing a briefing on Executive Orders issued by President Obama over the past four years. Large scale changes (or proposed changes) have been made in regulations controlling the National Labor Relations Act (NLRA), the Fair Labor Standards Act (FLSA), the Occupational Safety and Health Act (OSHA), and Title VII of the Civil Rights Act of 1964, along with some changes within the Department of Labor and other federal government agencies.

The session will provide faculty with the necessary information with which to avoid errors in recommendations resulting from student (and possibly faculty) consulting projects.

Using Network Analysis to Evaluate Team Performance and Individual Growth

Kathleen Liang, University of Vermont

Workshop Proposal submitted to Small Business Institute 2016 Conference

This workshop will share a methodology based on network sciences and analysis to evaluate team work. The theory of collaborative learning emphasizes interactions and collaboration that should motivate, promote, challenge, and stimulate overall performance. Many educators apply team work in teaching entrepreneurship or other subjects. However it is challenging to assess effectiveness and learning outcomes for both team development and individual development. Some have designed surveys and exam questions to gather information from learners. The orientation of most survey and exam questions concentrate on course contents, learning expectations, and explicit outcomes. It is always tricky to evaluate team processes and learning reflections when teaching involves an experiential learning environment.

This workshop will introduce assessment tools applied in an award winning course, Dollar Enterprise, at the University of Vermont. Dollar Enterprise is an integrated curriculum designed for experiential learning, service learning, and new venture creation. Students working in teams to design, plan, and operate small businesses on campus each semester. The instructor provides $1 of seed money for each person, and a team of 8-10 individuals working together create products, sell on campus, and donate all proceeds to charity organizations identified by each team. There are no traditional exams in this course. Students are directly tested in daily experiences through communication, professionalism, work ethic, responsibilities, and decision making processes.

The instructor of Dollar Enterprise has utilized the UCINET program to evaluate team performance and individual learning since 2010. UCINET 6 for Windows is a software package designed to analyze social network data. It was developed by Lin Freeman, Martin Everett and Steve Borgatti. It comes with the NetDraw network visualization tool. If you use the software, please cite it:

Borgatti, S.P., Everett, M.G. and Freeman, L.C. 2002. Ucinet for Windows: Software for Social Network Analysis. Harvard, MA: Analytic Technologies.

Specific elements to be covered include:

1. Contents of the assessment – team based approach and individual based approach, questions to consider when conducting assessment at various levels, peer review within a team and across teams, and reflections on learning.

2. Design and implementation of the assessment tools.

3. UCINet program and its application in evaluating team performance and individual growth.

4. Combine network analysis and other assessment tools to evaluate learning outcomes – what we can do to test students without actually using written exams? All participants will be trained to use the UCINet program (please bring you own laptop if possible, because you can download UCINet program for free up to 90 days). Participants are also encouraged to share their own assessment tools and strategies.

Tentative Schedule for the Workshop:

10 minutes – participant introduction, get to know you better exercise

20 minutes – brief overview of Dollar Enterprise and assessment tools

10 minutes – introduction of the UCINet program and demo

30 minutes – participants use UCINet and create your own assessment tools

20 minutes – discussion and sharing practices

Workshop
Publish Don't Perish
100 Tips that Improve Your Ability to get Published

Who Should Attend

Today, publish or perish is hitting the teaching colleges. As much as we love to teach, without publishing we may not get tenure and promotions and publishing may affect our salaries and the success of our academic careers. Thus, anyone who is interested is getting ideas that will help to get published, and those who would like to help others, should attend this workshop.

Topics

1 Foundations (CVs, developing a winning attitude, persistence and the pipeline)
2 Publishing Assistance (mentors, professional associations, proposals, writing and proofreading)
3 Selecting Topics and Publication Sources (requirements, niche, and selecting journals)
4 Matching Publication Sources (reviewers, referencing, formatting, contacting editors)
5 Time Management (finding the time to publish and to be more productive)
6 Multiplying Publications (coauthors, progression, mining your data, and extending your work)
7 Refereed Sources (conference papers, journal articles, and cases)
8 Non-Refereed Sources (journals, edited books, book reviews, textbooks, and supplements)
9 Empirical Research (abstract, introduction, lit review, methods, results, and discussion)

Format

It will be a presentation with a sharing and question and answer format. The workshop leader will cover the tips following the outline above. After the presentation of each topic, time will be allowed for questions and answers, so bring your questions. Others are encouraged to give tips and to answer and respond to other participant questions.

Source

The workshop tips are taken from the presenter's book:
R.N. Lussier, Publish Don't Perish: 100 Tips that Improve Your Ability to get Published (Information Age Publishing, 2010, **www.infoagepub.com; www.infoagepub.com/products/publish-dont-perish**)
Hardcover ISBN: 978-1-61735-114-3; Softcover ISBN: 978-1-61735-113-6

About the Workshop Leader

Robert N. Lussier is professor of management at Springfield College and is the author of more than 425 publications. Articles: *Academy of Entrepreneurship Journal, Entrepreneurship Theory and Practice, Family Business Review, Journal of Management Education, Journal of Small Business and Enterprise Development*, *Journal of Small Business Management, Journal of Small Business Strategy* and others. Textbooks: *Human Relations* (Irwin/McGraw-Hill); *Management and Human Resource Management (Sage); Leadership and Small Business* (South-Western/Cengage); *Entrepreneurship* and *Business, Society and Government* (Routledge) and *Research Methods and Statistics* (Waveland).

Debra Sea is an Assistant Professor of Mass Communication at Bemidji State University in Northern Minnesota. She teaches a variety of classes including advertising, public relations, social media and media production for social entrepreneurship, and is the faculty advisor for the student-run Headwaters Film Festival. She is a working filmmaker, and her films have screened at prominent national and international festivals. In addition, Debra has recently been appointed to the local Public Arts Commission.

Kelly La Venture is Assistant Professor and Director of Marketing Assistance and Research Solutions in the Department of Business Administration, College of Business, Technology and Communication at Bemidji State University, Bemidji, MN. Dr. La Venture teaches courses in research, management and marketing, and consults with organizations in the private and nonprofit sectors. Dr. La Venture graduated from the University of St. Thomas, Minneapolis, MN Doctoral Program in Organization Learning and Development in 2013. She finds the most satisfying work is helping organizations cultivate healthy and people-focused environments, which led to the co-authorship of *The Human Factor to Profitability: Building a People-Centered Culture for Long-Term Success*. Dr. La Venture may be reached at klaventure@bemidjistate.edu.

Leveraging Strategic Collaborations to
Build Innovative and Impactful Engagement Opportunities

William McDowell*, Middle Tennessee State
Michael Harris, East Carolina University
Shanan Gibson, East Carolina University
Pat Geho, TSBDC; David Mayo, ECU
Scott Senatore, Greenville, NC

The business environment is undergoing profound changes, spurred by powerful demographic shifts, global economic forces, and emerging technologies. At the same time, society is increasingly demanding that companies become more accountable for their actions, exhibit a greater sense of social responsibility, and embrace more sustainable practices. Not surprisingly, the same factors impacting business also are changing higher education. In today's increasingly dynamic environment, business schools must respond to the business world's changing needs by providing relevant knowledge and skills to the communities they serve. *–Paraphrased from AACSB's Eligibility Procedures and Accreditation Standards for Business Accreditation, 2015*

As Schools of Business, we share a common purpose—the preparation of students for meaningful professional, societal, and personal lives. Quality business education can only be achieved when programs ensure academic and professional engagement, apply creativity to develop innovative programs that prepare students for potential for success and the risk of failure, and have a positive impact on our students, our colleges, and business and society. However, as noted above, we are faced with doing this in an increasingly dynamic and challenging environment. As such, most Business Schools must apply a trifecta litmus test to all new opportunities – is this good for our students? Good for our college? Good for our community?

The SBI and other entrepreneurial programs have long considered these hurdles and looked for ways to meet the needs of these diverse constituents. The proposed workshop will explore multiple ways that two separate SBI programs in neighboring states are furthering both student and business success through collaboration with entities that share our goals of education, business development, and professional success. Panel experts will include an Associate Dean, Endowed Chair, Department Chair, State SBDC Director, former SBTDC Counselor turned Faculty Member, and a Chamber of Commerce President (from a 5-Star Chamber). Examined will be innovative collaborations between SBTDCs and faculty, SBI students and SBTDC clients, and connections with other partners from the business community. This interaction will focus on how collaboration can benefit students, the university, and the business community in ways that are engaging, innovative and impactful. The workshop will also highlight how to best use these relationships to link teaching, research, and service efforts. Success stories along with potential obstacles will be shared with participants.

The two universities represented in this workshop already have a small business and entrepreneurship curriculum, but both are in the process of developing new innovative programs based on these potential collaborations. The discussion will examine how these partnerships will be used to develop more impactful programming, experiential learning exercises, and community engagement opportunities. The workshop is intended to be interactive in design, with the objective of providing participants with practices and methods that have been used to successfully integrate students, faculty, and the business community. Topics of discussion will include, but are not limited to, curriculum and program development, engaged learning, collaborative research, and regional transformation. The SBI program will be linked throughout the workshop to demonstrate how it can be used as a key cog in these efforts.

The Small Business Institute® 2016 Annual Conference

Advocacy and Engagement: Tools to Activate Nonprofit and Small Business Leadership

A Workshop Presentation by

Patrick D. Walker, JD, MBA, Lindenwood University
Nicole R. Walker, MA, Lindenwood University

February 11-13, 2016
New Orleans, Louisiana

Brief Workshop Description:

How have you equipped leadership to serve and engage with the community, build sustainable business relationships, raise awareness about products and services, and raise money? Through an interactive dialogue, "Advocacy and Engagement: Tools to Activate Nonprofit and Small Business Leadership" will outline a range of tools and techniques for nonprofit and small business leadership who desire to achieve progressive, sustainable change.

Workshop Learning Objectives:

By the end of the workshop, participants will be able to:

- Select several organizational issues as a means for building relationships through advocacy and engagement;
- Help executive leadership, board members, and volunteers explore advocacy and engagement objectives for each organizational issue;
- Create an advocacy and engagement action plan.

Workshop Participant Outcomes:

To thrive in good markets and survive in tough times, in many instances, nonprofit organizations and small businesses either lack fundamental business ingredients or have a limited supply of them. This workshop is intended for individuals in the public and private sector who are focused on how to best deliver services and products, utilize technology, expand community impact, increase support, and achieve sustainable results. As a result of this workshop, participants will successfully navigate through the complexities of nonprofit advocacy and learn how to better engage and equip board members who advocate on behalf of nonprofit organizations.

Take-away Benefits:

- Attendees will increase their advocacy and engagement awareness, acumen, and abilities;
- Attendees will develop and/or expand their organization's advocacy and engagement platform;
- Attendees will understand how advocacy and engagement directly impact organizational branding and positioning.

Workshop Presenters

Patrick D. Walker is an award-winning professor, business lawyer, and member of several regional St. Louis boards which include the Empower Missouri, Community Council of St. Charles County, Nonprofit Missouri, YMCA – O'Fallon MO, and Youth In Need. Patrick has more than 20 years of expertise in educational and executive leadership, board development, community engagement, corporate governance, compliance, and financial sustainability. Patrick's teaching experience includes courses in nonprofit management, business law & ethics, finance, and governance. Published in peer reviewed management journals, law journals, and conference proceedings, Patrick's research explores interdisciplinary approaches to social entrepreneurship and enterprise development for nonprofit organizations and small businesses.

Nicole (Nicci) Roach Walker currently serves as Webster University's first Associate Vice President for Diversity and Inclusion and Senior Director for Community Engagement. She also contributes as an adjunct faculty member, teaching leadership and diversity and inclusion courses. Nicole is the founder of Covenant Exchange, LLC. The organization's mission, 'Positioning women of culture for celebrated contributions'. Organizational programming includes a speaker series, leadership capacity courses, board development and placement and the popular PopUp Tea Time. She's the host of Rethinking Possible Podcast and a guest contributor on Sparkman JobTalk Radio Show facilitating conversations on transformative leadership. In January 2012, Missouri Gov. Jay Nixon appointed Nicole as a member of the Missouri Community Service Commission with a mission to build stronger communities throughout Missouri. She is active with many civic organizations including; Regional Business Council Young Professionals Network; United Way's Women's and Charmaine Chapman Leadership Society; Opera Theatre of St. Louis Engagement and Inclusion Task Force; and Webster Groves Business Development Commission. Recently, Nicole was honored as a Delux Magazine Power 100 recipient.

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Fostering the Entrepreneurial University: A Practical Guide to a Campus-Wide Entrepreneurship Program

DIANNE H.B. WELSH is the Hayes Distinguished Professor of Entrepreneurship and Founding Director of the Entrepreneurship Programs at The University of North Carolina Greensboro. She is the 2015 Fulbright-Hall Distinguished Chair for Entrepreneurship for Central Europe. Dianne is a recognized scholar in family business, international entrepreneurship, women-owned businesses, and franchising and has seven books and over 150 publications. Her newest books are *Creative Cross-Disciplinary Entrepreneurship*, published by Palgrave-Macmillan, and the 2nd edition of *Global Entrepreneurship* and *Case Studies in Global Entrepreneurship*.

STEVE CRAMER is the UNCG Business Librarian and a Coleman Fellow of Entrepreneurship Education. In addition to teaching ENT/GEO/LIS/MKT 530, he also co-teaches ENT 300: From Ideas to Opportunities: Feasibility Analysis, and MKT 426: International Marketing. Each year he answers over 700 business research questions from students, faculty, and local entrepreneurs. Steve is co-owner of intellectual property called “Export Odyssey” that has been optioned to a software development company through UNCG’s Office of Innovation Commercialization.

JANICE I. WASSEL is an Associate Professor of Gerontology. She is a 2015 Coleman Fellow of Entrepreneurship. For 12 years, she served as the Director of the UNCG Gerontology Program. Wassel is also Dean of the non-profit American Institute of Financial Gerontology. She is past-President of the Southern Gerontological Society and is a Fellow in the Association for Gerontology in Higher Education. She is recognized for her scholarship in introducing aging to be good for business in more than the health care industry. Her publication topics range from discussions on grandparenthood in America to The Boomer Effect on Consumers and Markets.

BILL JOHNSON is a Student Success Navigator, Life Coach, and Instructor in the School of Health and Human Sciences at the University of North Carolina at Greensboro and a Coleman Fellow of Entrepreneurship. He teaches life coaching and professional development courses such as Design Your Life I: What Could I Do With My Life, Design Your Life II: Creating Meaningful Experiences Through Coaching, Meditation as a Way of Life, and Purpose-Driven Entrepreneurship. He also facilitates the Purpose and Vision Navigators Certification Training Program, a national train-the-trainer program for students, faculty, and staff in higher education which incorporates purpose and vision as the foundation of student (and life) success.

BONNIE FARBER CANZIANI holds a Ph.D. from Cornell University in Hotel Administration. Her teaching and research spans services management and marketing, revenue management, and wine industry strategy and marketing. She has held numerous positions relevant to academic assessment and the furtherance of teaching and learning excellence in higher education. Additional research areas include assessment of complex competencies such as critical thinking in student consulting projects, entrepreneurial propensity, sustainability, and global competence.

DEBRA SEA is an Assistant Professor of Mass Communication at Bemidji State University in Northern Minnesota. She teaches a variety of classes including advertising, public relations, social media and media production for social entrepreneurship, and is the faculty advisor for the student-run Headwaters Film Festival. She is a working filmmaker, and her films have screened at prominent national and international festivals. In addition, Debra has recently been appointed to the local Public Arts Commission.

BONNIE THAMES YARBROUGH holds a PhD from The Pennsylvania State University and is a Coleman Fellow in Entrepreneurship. As a Lecturer in the Department of English at The University of North Carolina at Greensboro, she teaches Writing in the Professions and in the Bachelor of Liberal Studies Program. She has served as a Fellow in the University Teaching and Learning Commons for Communication Across the Curriculum, was an i3UNC Fellow in Instructional Innovation, and has led numerous faculty workshops as Faculty Development Coordinator for Writing Intensive Courses. Her experience includes activities as the Coordinator for the Sustainable Entrepreneurship learning community, and she has taught in the collaborative and integrated learning communities for Communication Studies and for the Humanities. While in the Joseph M. Bryan School of Business and Economics, she taught Management Communication and Advanced Topics in Communications for the MBA Program and Business Communications. She has extensive experience in training managers through workshops in communication, negotiation, and diversity through consulting in her professional and academic career. Specializing in individual and team communication techniques, Yarbrough authored the book *Leading Groups and Teams*, the first volume in the modular multi-volume *Managerial Communication Series.*

STOEL BURROWES is Assistant Professor, Academic Professional, in the Department of Interior Architecture at The University of North Carolina Greensboro. He is, also, a Coleman Veteran Fellow of Entrepreneurship. Education, practice and teaching have immersed him in the mysteries of the process of design. A course combining Design Thinking with Entrepreneurial Thinking provides an opportunity for students from Design, Business and other majors to interact and learn team development of ideas and the necessity of action. Readings, lectures and discussions are combined with a project to develop, market and sell a product or service in the semester of the class. How the Design process can inform business development and how Entrepreneurship can focus Design provide the sparks and energy of this semester.

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Joy Griffin, California State University Northridge

Immediate Past President
William McDowell, Middle Tennessee State University

Past Presidents

The following individuals have served as presidents of SBI. Affiliations listed are those at the time of their presidencies.

1976-1977 Rudolph Kagerer, University of Georgia
1977-1978 Lowell M. Salter, University of North Florida
1978-1979 Winston D. Stahlecker, West Texas State University
1979-1980 K. Mark Weaver, University of Alabama
1980-1981 David H. Hovey, Jr., West Georgia State College
1981-1982 Richard D. Lorentz, University of Wisconsin – Eau Claire
1982-1983 Robert Brockhaus, Saint Louis University
1983-1984 Eugene L. O'Conner, California Poly State University
1984-1985 Paul Dunn, Northeast Louisiana University
1985-1986 Robert J. Kerber, Illinois State University
1986-1987 Jack E. Brothers, Calvin College
1987-1988 Harriet Stephenson, Seattle University
1988-1989 Joseph F. Singer, University of Missouri – Kansas City
1989-1990 Dewey E. Johnson, California State University, Fresno
1990-1991 Don B. Bradley III, University of Central Arkansas
1991-1992 Gwen F. Fontenot, Texas Woman's University
1992-1993 Lynn Hoffman, University of Northern Colorado
1993-1994 Robert A. Kemp, Drake University
1994-1995 Joseph C. Latona, University of Akron/ Ashland University
1995-1996 John R. Kerr, Florida State University
1996-1997 Geralyn McClure Franklin, Stephen F. Austin State University
1997-1998 Charles H. Matthews, University of Cincinnati
1998-1999 Lloyd W. Fernald, Jr., University of Central Florida
1999-2000 J. Douglas Frazer, Millersville University
2000-2001 Joseph J. Geiger, University of Idaho
2001-2002 Roosevelt D. Butler, College of New Jersey
2002-2003 Sherrill R. Taylor, Texas Woman's University
2003-2004 Abbas Nadim, University of New Haven
2004-2005 James N. Bradley, Central Washington University
2005-2006 Joseph R. Bell, University of Arkansas at Little Rock
2006-2007 Shawn Carraher, Cameron University
2007-2008 Kirk Heriot, Columbus State University
2008-2009 Bruce Kemelgor, University of Louisville
2009-2010 Ron Cook, Rider University
2010-2011 Patti Wilber, Northwestern Oklahoma State University
2011-2012 Stephanie Bardwell, Christopher Newport University
2012-2013 Michael Harris, East Carolina University
2013-2014 Dianne H.B. Welsh, The University of North Carolina at Greensboro
2014-2015 John Hendon, University of Arkansas – Little Rock

SBI Fellows

The Small Business Institute® recognizes members whose accomplishments are particularly noteworthy by conferring the honorary title "Fellow". This is the highest honor that the Small Business Institute® bestows upon a member. The individuals listed alphabetically below constitute those named as Fellows throughout our history (an asterisk * denotes Fellows now deceased).

Don Altman
David M. Ambrose
Michael Ames
Stephanie Bardwell
Joe Bell
Don B. Bradley III
Robert Brockhaus
Jack E. Brothers
Sam Bruno
Roosevelt Butler
Donald M. Clause
Ronald Cook
Joel Corman
Dale Dickson
Paul Dunn
Lloyd W. Fernald
Gwen Fontenot
Geralyn McClure Franklin
Doug Frazer
Fred Fry
Oliver Galbraith III*
Frederick Greene
Kirk Heriot
Lynn Hoffman
David S. Hovey
Dewey Johnson
Robert Justis
Rudolph Kagerer
Bruce Kemelgor

Robert Kemp
Robert J. Kerber
John Kerr*
Fred Kiesner Chris
Kobler Richard D.
Lorentz* Robert
Lussier
Charles H. Matthews
Eugene L. O'Conner*
Stephen Osborne
Neal Pruchansky
Ronald Rubin
Howard F. Rudd, Jr.
Lowell M. Salter
Homer L. Saunders*
Pamela Schindler
Lincoln Simon
Leo Simpson
Joseph Singer
Ricardo L. Singson
Harriet Soll
George T. Solomon
Matt Sonfield
Winston D. Stahlecker
Harriet Stephenson
Sherrill R. Taylor
Lyle R. Trueblood*
Mark K. Weaver
Craig Zamzow

Homer L. Saunders Mentor Award

The Mentor Award identifies a SBI member who is deserving of recognition for outstanding contribution as SBI Director or for Case Supervisor training and development. In 1994, the award was named in honor of Homer L. Saunders, longtime SBI member. Mentor Award winners, with school affiliation at the time of the award, include:

1993 - Sam J. Bruno, University of Houston – Clear Lake
Paul Dunn, Northeast Louisiana University
Homer L. Saunders, University of Central Arkansas

1994 - Dale Dickson, Mesa State College
Gwen F. Fontenot, Syndics Research
Lynn Hoffman, University of Northern Colorado

1995 - John R. Kerr, Florida State University
Neal R. Pruchansky, Keene State University

1997 - Ronald S. Rubin, University of Central Florida

1998 - Lowell S. Salter, University of Central Florida
Leo Simpson, Eastern Washington University
Harriet Stephenson, Seattle University

1999 - Richard Dailey, University of Montana
Geralyn McClure Franklin, University of Texas of the Permian Basin
Joseph Singer, University of Missouri – Kansas City

2000 - Robert Brockhaus, Saint Louis University

2001 - Charles H. Matthews, University of Cincinnati

2002 - Joseph Geiger, University of Idaho

2003 - Don Bradley III, University of Central Arkansas

2004 - Dewey Johnson, California State University, Fresno

2005 - Bruce Kemelgor, University of Louisville
Dianne H.B. Welsh, John Carroll University

2009 - Kirk Heriot, Columbus State University
Bert Scott, Indiana University Northwest
Sherrie Taylor, Texas Woman's University

2010 - Stephanie Bardwell, Christopher Newport University
Ron Cook, Rider University

2012 - Joe Bell, University of Arkansas at Little Rock

2013 - Shawn M. Carraher, Indiana Wesleyan University
Michael L. Harris, East Carolina University

2014 -John Hendon, University of Arkansas - Little Rock

2015 - Don Lester, Middle Tennessee State University

Showcase Award

The Showcase Award identifies the SBI Program and its Director that is deserving of recognition for innovative development or management, or because their SBI efforts contributed to a true small business client success story. Showcase Award winners, with school affiliation at the time of the award, include:

1993 - Charles H. Matthews, University of Cincinnati
Frederick H. Rice, Kansas State University
William Shulte, George Mason University
Jacki Staudt-Netzel, California State University, Fullerton

1994 - Sally A. Charles, Kennesaw State University

1995 - Harlan Bruha, Angelo State University
Randall Ewing, Northern University
Lewis Paul, Jr., Wichita State University

1996 - Lisa Borstadt, Northern Arizona University
John R. Kerr (dec), Florida State University
Margaret Shipley, University of Houston – Downtown

1997 - Pamela S. Schindler, Wittenberg University
Harriet Stephenson, Seattle University

1998 - Ronald Cook, Rider University Sherrill Taylor, Texas Woman's University Chandra Schorg, Texas Woman's University

1999 - Stephen Osborne, Indiana University of Pennsylvania

2001 - Bruce Kemelgor, University of Louisville

2002 - Joseph Geiger, University of Idaho

2004 - Craig Zamzow, Plymouth State College

2005 - Stephanie Bardwell, Christopher Newport University

2006 - Don Bradley III, University of Central Arkansas and SBANC

2007 - Leo Simpson, Western Kentucky University

2008 - Neal Pruchansky, Keene College
Dianne Welsh, University of Tampa

2009 - Paul Belliveau, Rutgers University

2010 - Michael Harris, East Carolina University

2011 - Shawn Carraher, Indiana Wesleyan University

2013
Lloyd Fernald and Jill Kaufman, University of Central Florida

2014
Raj Mahto, University of New Mexico

2015
John Buzza, Monmouth University
Deborah Cours, California State University Northridge

Best Practices Award

A new award for Best Practices began at the 2009 annual meeting. Best Practices may include-but are not limited to: New entrepreneurial curriculum; New or innovative classroom delivery; Innovations in attracting and maintaining clients; Promoting entrepreneurship across the curriculum; Superior outcomes from existing programs, etc.

Best Practices Award winners, with school affiliation at the time of the award, include:

2009
Minding Our Business: An Effective Summer Program for Urban Preadolescents
Sigfredo Hernandez, Rider University

2010
Masters of Science in Strategic Business Transitions
William A. Andrews, Stetson University

2011
Creative Cross-Disciplinary Entrepreneurship
Dianne H.B. Welsh, The University of North Carolina at Greensboro

2012
McConn Coffee Company
Shawn Carraher, Indiana Wesleyan University

2013
Programmatic Research with Students
Shawn M. Carraher, Indiana Wesleyan University

2014
Dollar Enterprise Program
Kathleen Liang, University of Vermont

2015
Training and Educating Grass-Root Leaders in Food System and Rural Development for the 22nd Century Utilizing the Teen Reaching Youth (TRY) Model: TRY for Farm, Food, and Energy
Kathleen Liang, University of Vermont

The Small Business Institute® would like to thank the following sponsors and vendors:

FRIDAY NIGHT'S FELLOWS RECEPTION COURTESY OF DEAN DAVID URBAN,
JONES COLLEGE OF BUSINESS, MIDDLE TENNESSEE STATE UNIVERSITY
(7:00 P.M. at Bon Ton Café 401 Magazine, New Orleans, LA 70130)


CENTER FOR
ENTREPRENEURSHIP
UNIVERSITY of WEST FLORIDA
College of Business
MISSION
The University of West Flonda Center for Entrepreneurship IS dedicated to seeding economiC growth. The Center encourages and supports educationalinitiatives related to entrepreneurship and entrepreneurialthInktng and serves as a comprehensive resource for economic innovation for students, tndustry and community partners. The Center for Entrepreneurship seeks to serve as a source of support for the complete ltfe cycle of an entrepreneur.
The Center willbe housed 1n the College of Business and host numerous activities and 1n1t1at1ves related to creat1ng a culture of entrepreneurial thmkmg. Add1t1onally, affiliate units and orgamzat1ons Will create a synergiStiC support for entrepreneunal efforts and 1nnovat1on.
Outnt Studer Will serve as the Entrepreneur-in-Residence to mobtlize a professional network of entrepreneurs that Will positively impact the Center through contributions to advisement, seminars, classes, workshops and a host of other 1nit1at1ves.
The UWF College of Bus1ness IS actively developing degree and certificate programs in entrepreneurship.The College of Business recently launched a MBA program wtth an emphaSIS on entrepreneurshiP and the College provides an undergraduate certificate 1n small busmess management/entrepreneurship and graduate ce1llflcate 1n entrepreneursh1p.
uwf.edu/cfe
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AMERICA'S SBDC FLORIDA

E-Verify Workshop will be held from 1:45 to 3:15 on Friday, February 12, 2016 in the Vieux Carré Foyer

Keynote Speaker: Gerry Goldstein

Owner, Goldstein Properties, LLC

Gerry's educational background includes a BSBA in Finance from the University of Florida and an MBA from the University of West Florida. He spent more than decade on Wall Street in various rolls within the investment banking community. In his early years, he was a short -term money trader specializing in BA's, CD's, Treasury Bills, and using the Euro Dollar futures market to hedge cash positions.

Gerry has collaborated with team members to build two government- trading operations. His last position was with Merrill Lynch at their headquarters in New York on the institutional sales desk specializing in short term money instruments.

After returning to Pensacola in the early 80's, he started multiple businesses including owning one of the largest printing businesses in the southeast that supplied print to the US Government Printing Office. During this same time, Gerry also designed an online system to delivery printing contracts from the US Government and State agencies to printers throughout the country.

Currently he owns two companies, Salomon-Goldstein Properties LLC which specializes in commercial real estate brokerage and Goldstein Properties that owns and manages commercial buildings.

Gerry has been active in promoting economic development in both Santa Rosa and Escambia counties for over ten years and sits on multiple boards, including the Center for Innovation and Entrepreneurship, Board of Governors at Pensacola State College, Santa Rosa Medical Center, as well as Rebuild Northwest Florida.

Schedule for Wednesday, February 10, 2016

SBI Board Meeting
Satchmo, 3rd Floor
5:00 pm -9:00 pm

SBI Board Dinner
Mannings, 1st Floor, Archie's Room
6:00 pm -7:00 pm

Schedule for Thursday, February 11, 2016

Conference Check-in & Silent Auction

Second Floor Conference Desk

8:00 am -5:00 pm

Pre-Conference Workshop

"Regulatory and Ethical Issues Facing SBI"

Fuller Street

1

10:00 am -11:15 am

Neal Pruchansky, Barbara Charkey, and Robin Lubberoff
Keene State College

Opening Luncheon

Vieux Carré Foyer

12:00 pm -1:30 pm

Thursday, February 11, 2016

Opening Luncheon: Celebrating Business in the Big Easy

Second Floor Conference Desk
12:00 pm-1:30pm

Welcome:	John H. Batchelor, University of West Florida SBI Vice President of Programs
Silent Auction:	Joy Griffin, California State University Northridge SBI Vice President of Development
President's Address:	William McDowell, Middle Tennessee State University SBI President
Fellow Recognition:	Matthew Sonfield, Hofstra University SBI Fellowship Coordinator
Speaker Introduction:	John H. Batchelor, University of West Florida SBI Vice President of Programs
Keynote Address:	Ben Johnson President & CEO New Orleans Chamber of Commerce

Session 1

1:45 pm -3:15 pm

BREAK

Second Floor Conference Area
3:15 pm -3:30 pm

Session 2

3:30 pm – 5:00 pm

SBI COCKTAIL RECEPTION – Welcome to New Members

Mannings, 2nd Floor
5:30 pm -7:00 pm *Drink ticket provided

Schedule for Friday, February 12, 2016

Conference Check-in & Silent Auction
Second Floor Conference Desk
8:00 am-5:00 pm

Breakfast Buffet
Vieux Carré Foyer
7:30 am -8:30 am

Joint Editorial Board Breakfast
Vieux Carré Foyer
7:30 am -8:30 am

Journal of Small Business Strategy
Editor William McDowell
Middle Tennessee State University

Small Business Institute® Journal Editors
***Michael Harris & Shanan Gibson* East**
Carolina University

Session 3
8:30 am -10:00 am

Break
Second Floor Conference Desk
10:00 am -10:15 am

Session 4
10:15 am -11:45 am

Friday, February 12, 2016

Luncheon: The Soul of Small Business

Fuller Street 2
12:00 pm -1:30 pm

Welcome:	John H. Batchelor, University of West Florida SBI Vice President of Programs
Silent Auction:	Joy Griffin, California State University Northridge SBI Vice President of Development
President's Update:	William C. McDowell, Middle Tennessee State University SBI President
Mentor/Showcase Award Winners:	John Henderson, University of Arkansas – Little Rock SBI President-Elect
Speaker Introduction:	John H. Batchelor, University of West Florida SBI Vice President of Programs
Keynote Address:	Gerry Goldstein Goldstein Properties, LLC

Session 5

1:45 pm - 3:15 pm

Break

Second Floor Conference Desk
3:15 pm - 3:30 pm

Session 6

3:30 pm - 5:00 pm

Dinner on your own

Schedule for Saturday, February 13, 2016

Conference Check-in & Silent Auction
Second Floor Conference Desk
8:00 am - 5:00 pm

Breakfast Buffet
Vieux Carré Foyer
7:30 am - 8:30am

Past Presidents & Fellows Breakfast
Vieux Carré Foyer
7:30 am - 9:00 am

William McDowell, SBI President
Middle Tennessee State University

Matthew Sonfield - Presiding
Hofstra University

SBI Annual Members Meeting
Vieux Carré Foyer
8:30 am -10:00 am

Break
Second Floor Conference Desk
10:00 am -10:15 am

Session 7
10:15 am - 11:45 am

Saturday, February 13, 2016

Awards Luncheon: Celebrating Business in the Big Easy

King Palm, 2nd Floor
12:00 pm - 1:30 pm

Welcome:	John H. Batchelor, University of West Florida SBI Vice President of Programs
Silent Auction:	Joy Griffin, California State University Northridge SBI Vice President of Development
Best Practice Winners:	Stephanie Bardwell, Christopher Newport University
Student Project of the Year Winners:	Blake Escudier, University of Fredericton SBI Vice President of Research & Publications
Best Papers Award:	Deborah Cours, University of California - Northridge SBI Vice President of Programs-Elect
2016 Conference Announcement:	Deborah Cours, University of California - Northridge SBI Vice President of Programs-Elect

SBI Board Meeting

Satchmo, 3rd Floor
1:45 pm - 3:45 pm

Patrick Walker – Presiding
Lindenwood University

Creole Queen Paddle Wheeler

7:00 pm - 9:00 pm *Drink ticket provided
Boarding begins at 6:00 pm
Board on at river across from 1 Poydras St.

2016 CONFERENCE SESSION DESCRIPTIONS

Thursday, February 11, 2016

Session 1

1:45 pm -3:15 pm

Fuller Street 1 – Best Practices
Session Chair & Moderator: Stephanie Bardwell

Paper Titles:

Developing and Embedding Student Skills for the Management of a Small Tax Firm: Evidence from a University-Level Experiential Learning Program

Andrew Holt (MSU Denver)
Christine Kuglin (MSU Denver)
Michael Montoya (MSU Denver)

How to Create High Impact Community Outreach Through A Veteran Entrepreneurship Training Program

Ron Cook (Rider University)
Lee Zane (Rider University)
Diane Campbell (Rider University)

The Intersection of High Impact Practices and 21st Century Skills in a Graduate Online Business Course

Melissa Brode (University of West Florida)
John H. Batchelor (University of West Florida)

Thursday, February 11, 2016

Session 1

1:45 pm -3:15 pm

Fuller Street 2 – Small Business
Session Chair & Moderator: Jeff Shields

Paper Titles:

Examining Linkage Between Resource Constraints & Multifunctional Ag-Entrepreneurs' Decisions

Kathleen Liang (University of Vermont) Paul Dunn (University of Louisiana at Monroe)

Website Quality for SME Wineries: Measurement Insights

Bonnie Canziani (University of NC Greensboro)
Dianne Welsh (University of NC Greensboro)

An SME Approach to Sustainability Reporting: The B Corporation's Impact Assessment

Jeff Shields (University of North Carolina at Asheville) Joyce Shellman (University of Maryland University College)

Factors Impacting Entrepreneurship in the Deaf Community

Richard Demartino (Rochester Institute of Technology)
Robert Barbato (Rochester Institute of Technology)

Thursday, February 11, 2016

Session 1

1:45 pm - 3:15 pm

Fuller Street 3

Workshop
Session Chair: Robert Lussier

The Heritage and Horizon of the Small Business Institute: Where Should We Go From Here?

John Hendon (University of Arkansas at Little Rock)

Publish Don't Perish: 100 Tips that Improve Your Ability to Get Published

Robert Lussier (Springfield College)

Thursday, February 11, 2016

Session 2

3:30 pm - 5:00 pm

Fuller Street 1 – Best Practices
Session Chair & Moderator: Stephanie Bardwell

People Process Culture May Be a Key Competitive Advantage for Small Business

Kelly La Venture (Bemidji State University)
Jeanette Kersten (UW-Stout)

Student Research and the Small Business Institute

Shawn Carraher (University of Texas Dallas)

STELLAR: Student Entrepreneur Learning Lab and Research

Dawn Bolton (Western Kentucky University)

Thursday, February 11, 2016

Session 2

3:30 pm - 5:00 pm

Fuller Street 2 – Accounting
Session Chair & Moderator: Andrew Holt

An Analysis of the Duties of Auditors to Detect Fraud Through Interviewing

Doug Laufer (Metropolitan State University)
Travis Boyd (Arrow Electronics & Metropolitan State University)

The Accounting and Financial Management Capabilities of SMEs and Non-Profit Organizations: The Role of Third Party Professional Accounting Expertise

Andrew Holt (MSU Denver)
Shannon Williams (MSU Denver)
Elizabeth Self (MSU Denver)

Can the Level of Financial Literacy Within U.S. Small Businesses and Non-Profit Organizations be Improved Through Student-led Advisory Programs

Andrew Holt (MSU Denver)
Shannon Williams (MSU Denver)
Elizabeth Self (MSU Denver)

Thursday, February 11, 2016

Session 2

3:30 pm - 5:00 pm

Fuller Street 3 – Small Business
Session Chair & Moderator: Robert Lussier

Small Business Employee's Intention to Learn: Establishing Research Directions

Jeffrey Young (Mount Saint Vincent University)
Paulette Cormier-MacBurnie (Mount Saint Vincent University)
Ned Kelleher (Mount Saint Vincent University)
Peter Mombourquette (Mount Saint Vincent University)
Gary Sneddon (Mount Saint Vincent University)

Success Factors for Small Businesses in Guanajuato, Mexico

Judith Banda (Universidad de Guanajuato)
Robert Lussier (Springfield College)

An Examination of the Transition from Informal to Formal Entrepreneur in a Developing Country Context

Chris Achua (UVA – College at Wise)
Robert Lussier (Springfield College)

Entrepreneurial Negotiations: Are We Getting Carried Away About Win-Win?

Timothy Dunne (Middle Tennessee State University)
Joshua Aaron (Middle Tennessee State University)

Small Business Employees: Recognize Their Hidden Potential

Kristie Abston (University of West Florida)

Friday, February 12, 2016

Session 3

8:30 am - 10:00 am

Fuller Street 1 – Small Business Development Center
Session Chair & Moderator: Jana Minifie

Capturing Potential SBDC Clients Using University Students

Jana Minifie (Texas State University) Joe Harper (SBDC Texas State University)

Idea Talk – Ideas Make a Difference

Maithreya Chakravarthula (University of Texas at Dallas)

Developing a Double-Loop Learning Approach for Growing Rural Businesses

Timothy Pett (Rollins College) Wendy Veatch (Wichita State University)

Best Priced Digital lenses, Inc.: A Small-Scale Supplier to a Big-Scale Industry

Gerry Goldstein (University of West Florida)
Blaine Lawlor (University of West Florida)
Laura Jansen (University of West Florida)
Michael Newsom (University of West Florida)
Stelios Peterson (University of West Florida)

Friday, February 12, 2016

Session 3

8:30 am -10:00 am

Fuller Street 2

Workshop
Session Chair: Dianne Welsh

A Practical Guide to a Campus-Wide Program: Part 1

Dianne Welsh, Steven Cramer, Bonnie Canziani, Bonnie Yarborough, Stoel Burrowes, and Bill Johnson (University of NC Greensboro)
Debra Sea (Bemidji State University)

Friday, February 12, 2016

Session 3

8:30 am -10:00 am

Fuller Street 3 – Best Practices
Session Chair & Moderator: Stephanie Bardwell

Breaking Bad News: The SPIKE Method

John Lipinski (Indiana University of PA)
Joette Wisneski (Indiana University of PA)

High Impact Practices in an MBA Strategy Class: The Use and Application of Live Cases

Blaine Lawlor (University of West Florida)

Best Practices in Incubator Formation

John H. Batchelor (University of West Florida)
Christian P. Garabedian (University of West Florida)

The Nonprofit Bootcamp

Patrick Walker (Lindenwood University)

Friday, February 12, 2016

Session 4

10:15 am - 11:45 am

Fuller Street 1

Workshop
Session Chair: Dianne Welsh

A Practical Guide to a Campus-Wide Program: Part 2

Dianne Welsh, Steven Cramer, Bonnie Canziani, Bonnie Yarborough, Stoel Burrowes, and Bill Johnson (University of NC Greensboro)
Debra Sea (Bemidji State University)

Friday, February 12, 2016

Session 4

10:15 am - 11:45 am

Fuller Street 2 – Small Business
Session Chair & Moderator: Joe Felan

The Role of Confidence in the New Venturing Process

James Weinhardt (University of Calgary)
Justin Davis (University of West Florida)
Olga Petricevic (University of Calgary)

Military Veterans and Civilians Response to Entrepreneurship Training

Shannon Kerrick (University of Louisville)
Denise Cumberland (University of Louisville)
Namok Choi (University of Louisville)

Training and Educational Development for "Vetrepreneurs"

Denise Cumberland (University of Louisville)
Sharon Kerrick (University of Louisville)

Internet Presence as a Small Business Capability: The Case of Mobile Optimization

Troy Voelker (University of Houston Clear Lake)
Doug Steel (University of Houston Clear Lake)
Elsa Shervin (University of Houston Clear Lake)

Friday, February 12, 2016

Session 4

10:15 am -11:45 am

Fuller Street 3

Workshops
Session Chair: Blake Escudier

How to Start a Small Business Institute Program

Ron Cook (Rider University) Michael
Harris (East Carolina University)

SBI Experiential Learning Basics and Project of the Year Quality Standards

John Jackson (California State University Fullerton)
Blake Escudier (University of Fredericton)

Friday, February 12, 2016

Session 5

1:45 pm - 3:15 pm

Fuller Street 1 – Marketing/Small Business
Session Chair & Moderator: Matthew Sonfield

New and Ongoing Retail Venture Strategy: Utilizing Regional Consumer Expenditure Data

Matthew Sonfield (Hofstra University)

Are There More or Fewer Opportunities for SMEs in the Supply Chain

Joe Felan (University of Arkansas Little Rock)
Naeem Bajwa (University of Arkansas Little Rock)

The Relationship of TMT Background Characteristics with Entrepreneurial Orientation

J. Ruben Boling (University of North Georgia)

Friday, February 12, 2016

Session 5

1:45 pm - 3:15 pm

Fuller Street 2 – Global Entrepreneurship
Session Chair & Moderator: Dennis Barber III

Entrepreneurial Attitudes of Czech Students

Dennis Barber III (Armstrong State University)
Shanan Gibson (East Carolina University)
Rolinek Ladislav (University of South Bohemia)
Michael Harris (East Carolina University)

Fostering Silver Entrepreneurship in South Korea

Jan Wassel (University of NC Greensboro)
Hanjo Cho (University of NC Greensboro)
Joo Han (Future Mosaic Institute)

Friday, February 12, 2016

Session 5

1:45 pm - 3:15 pm

Fuller Street 3 – Family Business
Session Chair & Moderator: Whitney Peake

Family Business Governance in Young Family Firms: A Review of the First Experiences of Polish Family Firms

Izabela Koladkiewicz (Kozminski University)

Do Family Businesses See CSR as a "Win" More Than Nonfamily Businesses? An Exploration of Self-Regulation in Promoting Small Business CSR

Whitney Peake (Western Kentucky University)
Leanne Coder (Western Kentucky University)
Mariah Yates (Western Kentucky University)

Family Business and Small Business: Are They the Same?

Raj Mahto (University of New Mexico) Saurabh Ahluwalia (University of New Mexico)

Small Business Learning and Performance

Timothy Pett (Rollins College) James Wolff (Wichita State University)

Friday, February 12, 2016

Session 6

3:30 pm- 5:00 pm

Fuller Street 1

Workshops
Session Chair: John Hendon

Human Resource Management Updates for Small Business

John Hendon (University of Arkansas at Little Rock)
Robert Lussier (Springfield College)
LeAnne Coder (Western Kentucky University)
Carl Blencke (Central Florida University)

Friday, February 12, 2016

Session 6

3:30 pm - 5:00 pm

Fuller Street 2 – Experiential Learning
Session Chair & Moderator: Josh Bendickson

Teaching Entrepreneurship Research Skills to Students: Best Practices from Three Entrepreneurship Librarians

Steven Cramer (University of North Carolina Greensboro)
Mary Scalon (Wake Forest University)
Diane Campbell (Rider University)

Improv Pitch: Using Shark Tank for Business Pitches and Comparison Discussion

Josh Bendickson (East Carolina University)
Philip Davis (East Carolina University)
Chelsea Midgett (East Carolina University)

Academic Case Study Publications at Your Finger Tips

Joseph Bell (University of Arkansas at Little Rock)

Friday, February 12, 2016

Session 6

3:30 pm - 5:00 pm

Fuller Street 3

Workshop
Session Chair: Kathleen Liang

Using Network Analysis to Evaluate Team Performance and Individual Growth

Kathleen Liang (University of Vermont)

Saturday, February 13, 2016

Session 7

10:15 am -11:45 am

Fuller Street 1

Workshop
Session Chair: Shanan Gibson

Leveraging Strategic Collaborations to Build Innovative and Impactful Engagement Opportunities

William McDowell (Middle Tennessee State University)
Michael Harris (East Carolina University)
Shanan Gibson (East Carolina University)
Pat Geho (Middle Tennessee State University)
David Mayo (East Carolina University)
Scott Senatore (East Carolina University)

Advocacy and Engagement: Tools to Activate Nonprofit and Small Business Leadership

Patrick Walker (Lindenwood University)
Nicole Roach Walker (Webster University)

Saturday, February 13, 2016

Session 7

10:15 am - 11:45 am

Fuller Street 2 – Women, Minority, Social, Ethics, and Environmental Responsibility
Session Chair & Moderator: Patrick Walker

Are Professors Entrepreneurs?

Raj Mahto (University of New Mexico) Saurabh Ahluwalia (Universif New Mexico)

A Business Model to Mitigate Financial, Legal, and Managerial Risk for Nonprofit Organizations and Small Businesses

Patrick Walker (Lindenwood University)

The Effects of Ethical Behavior on Family Firm Performance

Jerry Kudlats (Middle Tennessee State University)
William McDowell (Middle Tennessee State University)
Michael Harris (East Carolina University)

Saturday, February 13, 2016

Session 7

10:15 am - 11:45 am

Fuller Street 3 – Experiential Learning
Session Chair & Moderator: Lynn Hoffman

Strategic Planning and Field Based Consulting

D. Lynn Hoffman (Metropolitan State University of Denver)
Johannes Snyman (Metropolitan State University of Denver)
David Bechtold (Metropolitan State University of Denver)
Ann Murphy (Metropolitan State University of Denver)

Developing and Embedding Student Skills for the Management of a Small Tax Firm: Evidence from a University-Level Experiential Learning Program

Christine Kuglin (Metropolitan State University of Denver)
Andrew Holt (Metropolitan State University of Denver)
Michael Montoya (Metropolitan State University of Denver)

You Can Teach Entrepreneurship but Can You Teach Risk Tolerance?

John Lipinski (Indiana University of PA) Donald
Lester (Middle Tennessee State University) Steve
Osbourne (Indiana University of PA)

SEE YOU AT THE 2017 CONFERENCE!

Notes: