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Entrepreneurship Processes and Success in Developing Nations

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ENTREPRENEURSHIP PROCESSES AND SUCCESS IN DEVELOPING NATIONS

AUTHORS

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INTRODUCTION

This research provides insights into the entrepreneurial process of small business owners (SBOs) in developing nations. Much of the existing entrepreneurship research has focused on small and medium sized businesses in developed nations such as the United States and United Kingdom; very little is known about the topic in the context of developing nations. Furthermore, while entrepreneurship is important to the economies of developing nations, entrepreneurship is often hampered in them due to lack of capital and financial innovation.

BACKGROUND

The companies interviewed were all started in developing nations. The intent of the research was to find any similarities or connections between how these companies operate and manage their business practices.

METHOD

This research uses the results of depth interviews of 70 SBOs in developing nations, focusing on Mongolia and the Philippines. The hour-long interviews spanned dozens of questions about the SBOs entrepreneurial journey. Initial findings of the coded data include several interesting and important insights.

I coded all of the qualitative answers to the different questions into categorical responses in an excel spreadsheet. I then looked at the responses for patterns and then ran pivot tables to confirm them.

HYPOTHESES

- H1. There is a positive relationship between how many years the SME has been in business and its level of satisfaction with business success.
- H2. Entrepreneurs who view the business as a necessity are, on average, more risk adverse, as a group versus entrepreneurs who view the business as an opportunity.
- H3. There is alignment between the entrepreneurs' primary goals for the SMEs and the entrepreneurs' measures of business success (e.g., a goal of increased profit results in using profit as the measure of business success).

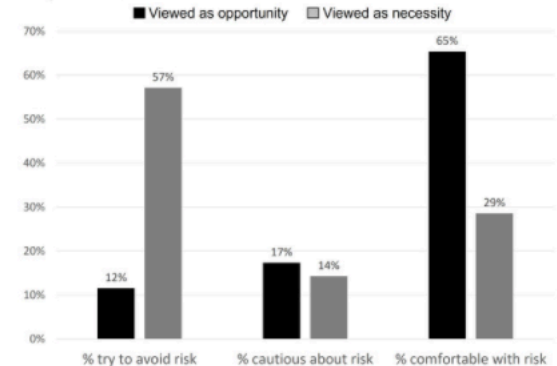
ANALYSIS

The data did not support H1. There was no identifiable relationship between how many years the SME has been in business and its level of satisfaction with business success.

The data does support H2 that entrepreneurs who view the business as a necessity are, on average, more risk adverse, as a group versus entrepreneurs who view the business as an opportunity.

I found partial support for H3. There is alignment between the entrepreneurs' primary goals for the SMEs and the entrepreneurs' measures of business success--when the primary goal is increased profit the business owners usually use profit as the measure of business success. However, for other primary goals, they have a very diverse set of business measures for success.

How Entrepreneurs First Viewed The Business & Their Views on Risk Taking



RELATED LITERATURE

- Brixy, U., Sternberg, R., & Stüber, H. (2012). The selectiveness of the entrepreneurial process. *Journal of Small Business Management*, 50(1), 105-131.
- Leyden, D. P., & Link, A. N. (2015). Toward a theory of the entrepreneurial process. *Small Business Economics*, 44(3), 475-484.
- McMullen, J. S., & Dimov, D. (2013). Time and the entrepreneurial journey: The problems and promise of studying entrepreneurship as a process. *Journal of management studies*, 50(8), 1481-1512.
- Zapkau, F. B., Schwens, C., & Kabst, R. (2017). The role of prior entrepreneurial exposure in the entrepreneurial process: A review and future research implications. *Journal of Small Business Management*, 55(1), 56-86.

RESULTS

As the chart shows, a distinct correlation was found between how SBO's view risk and whether the business opportunities came from a sense of necessity or a sense of opportunity.

FUTURE RESEARCH

- Possible correlation between how SBO's perceive their level of success and whether or not they have mentors.
- Possible correlation between how SBO's view risk and how they funded their start-up company.
- Possible correlations within Dynamic sensing, seizing, and reconfiguring capabilities.