


12-2017

The Impact of Culture on Hispanic Entrepreneurs as Mediated by Motivation, Challenge, and Success

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THE IMPACT OF CULTURE ON HISPANIC ENTREPRENEURS AS MEDIATED BY
MOTIVATION, CHALLENGE, AND SUCCESS

by

VALERIE BALLESTEROS

A DISSERTATION

Presented to the Faculty of the University of the Incarnate Word
in partial fulfillment of the requirements
for the degree of

DOCTOR OF BUSINESS ADMINISTRATION

UNIVERSITY OF THE INCARNATE WORD

December 2017

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2017

ACKNOWLEDGEMENTS

I am very thankful, humbled, and above all, honored to join my peers in this level of academia as a Doctor of Business Administration. It has been an incredible journey in growth and maturity, and despite all the work, effort, and struggle, I am grateful to have had this program to keep me focused on and hopeful for the future.

I would like to acknowledge my study participants. Your stories were inspiring, your feedback, insightful and eye-opening. Thank you for sharing your Latino experience and your passion for business.

To my colleagues, and cohort at UIW and Texas State, thank you for your example, your respect, and the acceptance you all extended to me. I am proud to be among you, and hope we never stop learning from one another.

To all the amazing professors in my program, thank you for your inspiration and support. I also must acknowledge the program leadership, Dean Vincent Porter, SPS and Dr. Forrest Aven, HEBSBA, Dr. Osman Oztürgüt, Academic Deans and the awesome staff of ORGS, Dr. Ryan Lunsford, DBA Program Director, SPS and Dr. Annette Craven, Program Director, HEBSBA for working to keep the DBA Program growing and moving forward. It was Dr. Craven's vision and ten yearlong effort that brought the program to fruition, and we are grateful for your work and determination. I am especially thankful to you, Dr. Craven, for the research knowledge and insight you shared not only as a scholar but as an educator. It was at your encouragement that I stepped outside my finance focus and chose a dissertation topic that I ne

Acknowledgements-continued

thought would hold so much future potential for me. Interestingly, it is still about finance to some degree, but it truly brought me full circle as a researcher. Thank you for seeing in me what I was unable to see in myself.

To my awesome Dissertation committee members, Dr. Anthony Ojo and Dr. Jeannie Scott for your support, confidence and subtle guidance in the dissertation process contributing significant input yet allowing me to manage with my own ability. I truly appreciate your wisdom.

To my Dissertation Chair, Dr. Diana Garza, for your strength of leadership in this process, given all the challenges since you joined me on this journey last year. I am thankful for your input, your tireless effort to make this research better at every turn. I would not have done this without you, and am honored to have worked with you. Thank you.

To my support team, my family, I love you all and could not have done any of this without you all. My siblings, especially my sister Veronica for all we've been through since I began this journey, I cannot thank you enough for all you have done to help me get here. To my children, Elijah, Lourdes, and Daniel despite all the turmoil and for all your sacrifices you've endured these last four years, thank you for your unconditional love. Truly everything I do, I do for you. To my husband, Paul, despite everything you have been through and all the challenges we endured, thank you for your love and support. Like all else that I have accomplished in the last 30+ years, this achievement has been our achievement.

Finally, to my heavenly angels who reside with our Heavenly Father: my mom, my dad, and my aunt, I felt your presence throughout and especially in the most difficult parts of this

Acknowledgements-continued

journey. I am here because of you, I am better because of you, and I am ever-blessed because of you. I love and miss you always.

I can only hope I have made you all proud.

Valerie

THE IMPACT OF CULTURE ON HISPANIC ENTREPRENEURS AS MEDIATED BY
MOTIVATION, CHALLENGE, AND SUCCESS

Valerie Ballesteros, DBA

University of the Incarnate Word, 2017

In the modern economic environment, demographic shifts in U.S. population resulting from changing immigration, changing economic policies and environments, and growing socioeconomic disparity, scholarly research examining the business behavior of specific groups and the impact of behavior on the broader marketplace is valuable and necessary. Hispanic entrepreneurs, when compared to both minority and non-minority business-owners, started and flourished in successful business ownership at a greater growth rate than any other group (Davila, Mora, & Zeitlin, 2014). Since the beginning of the 21st century, Hispanic entrepreneurs have become a measurable economic force. The cultural experience of the Hispanic entrepreneur is important to examine to understand the phenomenon of this growth. Rooted in both cultural and entrepreneurial theory, this research study identified the key cultural factors that influenced 20 Texas Latino entrepreneurial leaders and examined the impact of their cultural experience on their motivations, challenges, and successes as related to the pursuit of enterprise creation.

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Chapter 1: Overview

Context of the Study

In a changing economic environment, demographic shifts in U.S. population resulting from growing immigration and increased socioeconomic disparity, scholarly research to further understand the effect of behavior on resulting market patterns is valuable to future and long-run economic growth. Hispanic entrepreneurs not only grew in the recent 2009 recession where entrepreneurship among other groups dropped, but also hold higher than expected current and future growth potential (Davila et al., 2014). Further research of this phenomenon is useful at both microeconomic and macroeconomic levels for the social sciences and for business as behavior is both shaped by and impacts the broader environment (Kuratko, 2009).

There is limited research on behavioral factors and on the cultural factors that shape behavior (Miles, 2012). Most scholarly research on Hispanic-owned businesses examines the growth rates between Hispanic and non-Hispanic owned businesses. While Hispanic-owned business growth mirrored the upward trend of Hispanic population growth, the growth of Hispanic-owned businesses when compared to non-Hispanic-owned businesses was significantly higher at 87% from 1990-2000 compared to 14.4% for non-Hispanics (Davila et al., 2014). The number of new Hispanic-owned businesses rose from 32% in 1996 to 53% in 2011 (monthly average) resulting in an overall 66% increase while the growth in non-Hispanic businesses remained constant (Bishop & Surfield, 2013). Entrepreneurship growth among immigrant Hispanics was significantly higher at 122% when compared to U.S.-born Hispanics at only 43% for the 1990-2000 decade (Davila et al., 2014).

Background of the Problem

According to the decennial census (2010), the demographic growth of Hispanic population was 58% from 1990 - 2000 and 42% from 2000 - 2010. This growth rate, although slowing since 2010, will make Hispanics the largest minority group in the United States. at roughly 20% of the total U.S. population (Krogstad & Lopez, 2015). Although the Hispanic population is still growing, recent growth has slowed when compared to prior decades (Krogstad & Lopez, 2015) and may continue to decline considering recent immigration policies where the long-term impact is yet to be determined. Even after the 2009 recession, Hispanic-owned businesses growth continued an upward trend while other non-Hispanic groups dropped (Davila et al., 2014).

Hispanic-owned business research measuring market behavior and risk factors for Hispanic entrepreneurs also suggest that actual field research studies are lacking (Miles, 2012). There are managerial studies on behaviors of Hispanic employed managers and professionals; however, these studies indicate that research on entrepreneurs is limited (Bishop & Surfield, 2013). These gaps in research indicate that additional study of entrepreneurs (in field tests, for example) is necessary to better understand the impact of cultural experience on individual behavior (Ruiz, 2005). Field tests allow for primary observation of specific phenomena in the environment where it occurs (Merriam, 2009). Observation adds not only to validity but also to richness and depth of data since the phenomena are directly observed by the researcher. The observation of this researcher creates a unique instrument that both observes and relates to the subject. Merriam (2009) explains that this combined role of observer and participant can be valuable in certain groups to gain access and reliable information. With some cultures, observation may be the only way to obtain participation. Among Hispanic business owners it is

important to establish trust to foster the willingness to participate in studies to ease data confidentiality concerns.

Table 1.

Hispanic Population and Entrepreneur Growth

	1990-2000	2000-2010
Hispanic population growth	58%	42%
Hispanic entrepreneur growth	87%*	53%
Non-Hispanic entrepreneur growth	14.4%	15%

Note. *includes 122% growth rate of immigrant Hispanics vs. 43% growth rate of U.S.-born Hispanics. Source: U.S. Census data (2000 & 2010)

Statement of the Problem

There is limited scholarly research on behavior factors of Hispanic entrepreneurs (Miles 2012). When compared to other business-owner groups, including non-minority business owners, Hispanic entrepreneurs exhibit behaviors and experiences that lead them to not only start businesses but also flourish and become a measurable economic force. Behaviors are influenced by experience, and to further understand these behaviors, there is a need for development cultural theories (Ruiz, 2005) or models to better serve and better understand unique communities and their experiences.

The experience of the Hispanic entrepreneur and the impact of culture on business behavior is relevant and necessary for the business environment. Study of the impact of entrepreneurial business behavior and decision making in the changing global marketplace is important to support and foster economic long-run growth. However, there is limited research of cultural influencers that impact the behavior and business decisions of Hispanic entrepreneurs (Miles 2012).

Purpose of the Study

The purpose of this study was to identify key common cultural factors that influence Hispanic entrepreneurs by examining their motivations, challenges, and success as related to decisions that lead them to pursue self-employment and business ownership. Through this study, the examination of key cultural factors provided useful insight to the phenomenon of above-average entrepreneurial growth rates that will not only further understanding but also provided key examples of successful business behaviors.

Research Questions

To examine the behaviors that motivate, challenge, and lead to success of Hispanic entrepreneurs, this study identifies common cultural influences and cultural experiences that affect behavior. What were the most commonly experienced cultural factors that impacted the decisions of Hispanic entrepreneurs to pursue, manage, and succeed in their own businesses?

- What key cultural factors were most impactful to motivation, decisions, and success?
- How did those factors influence entrepreneurs to choose business-ownership versus employment?
- How do cultural factors influence entrepreneurs' daily decisions as business owners?
- How do cultural factors help or hinder entrepreneurs' success as business-owners?

Significance of the Study

This applied research seeks to add to the existing body of research that will be valuable for future researchers, business educators, and practitioners. Current scholarly research of culture-specific studies is limited in the business discipline. Entrepreneur studies, particularly quantitative studies using demographic data, are more common especially with relationship to financing and capital acquisition. The literature reviewed for this study indicated a need for

additional, ongoing research. Field studies are needed to identify ways to better serve entrepreneurs in areas of business development, entrepreneurial education, business monitoring, and networking. Understanding the motivations that impact entrepreneurial decisions also furthers understanding of entrepreneurship at both macro and micro economic levels. By identifying common cultural factors, this study contributes to the development and expansion of new Hispanic-specific culture theories in the context of business education, services, and marketplace economics.

In this study, the participants were asked to identify any areas of business function (e.g. personnel management, risk management, marketing, HUB contract procurement, etc.) where they would have benefited from specialized training. From a cultural perspective, respondents identified potential areas that were influential (e.g. education, language skills, community support, and resources) and were beneficial, are limited, or unavailable. This type of finding that results directly from the experience of successful entrepreneurs is valuable to current peers as best practices and future generations of entrepreneurs.

This type of cultural research is potentially more impactful and beneficial to policymakers, business and political leaders, and society. This type of study is not only limited to Hispanic culture but also raises inquiry about the cultural factors that may influence other minority groups in other aspects of business. The U.S. Census Bureau list (2010) of minority groups is extensive and ever growing as immigration continues to shift the U.S. population. However, for Hispanics, it is this same issue of immigration that holds the greatest challenge and opportunity. Immigration has influenced this minority group, more than any other, because of geography, economic necessity, and the political environment. Immigrants represent the fastest growing segment of entrepreneurs. Therefore, entrepreneurship may also hold the solution to one

of the most divisive, socioeconomic challenges currently faced in the United States. The long-term economic impact of current immigration policies from the series of executive orders of a new administration is yet to be seen.

For future research, the same questions of this study can be applied to other cultural groups. In reviewing literature, there are identified sub-groups within the Hispanic community itself that could be further examined (e.g. U.S.-born Hispanics compared to non-U.S. Hispanics) Other ethnic minority groups, women, the special needs community, the LGBTQ community are all potential populations for future study regarding the unique cultural influences on their economic decisions and business behaviors.

Definition of Terms

For purposes of this study, the following terms are defined from research sources as follows:

1. Culture: Configuration of learned behaviors and results of behavior whose component elements are shared and transmitted by the members of a society (Linton, 1945). Also, an invisible social structure, embracing groups of people larger than kin groups, who share a common language, religion, or ancestry not always coinciding with political institutions or geographical boundaries. Members of the same culture tend to follow similar everyday practices (or customs), such as cooking, dressing, respecting kin relationships, and celebrating life events such as births, marriages, and deaths (Yin, 2016).
2. Culturalism: A series of conceptual and methodological foundations in cultural studies that reflect the narratives and observations of the active living experience of group (Walton, 2012).

3. Entrepreneur: One who organizes, manages, and assumes the risks of a business or enterprise (Sobel, 2008).
4. Entrepreneurship: Creation of organizations (Griffiths, Kickul, Bacq, & Terjesen, 2012).
5. Hispanic: A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race (U.S. Census Bureau, 2010).
6. HUB: Historically underutilized business eligible for favorable procurement processing when competing for government contracts for the purchase of good or service (Texas Comptroller, 2017).
7. Immigrant: A person who comes to live permanently in a foreign country (Oxford Dictionary, 2016).
8. Latino: “An amalgamation of people twenty-five countries throughout Mexico, South and Central America, the Caribbean, Spain, and Portugal” (Sosa, 2006, p. 8).

Summary of Appropriate Methodology

Qualitative studies are used in multiple disciplines to observe the phenomenon that evolves when individuals create reality based on their interaction with their society (Merriam, 2009). A basic qualitative study as described by Merriam (2009) contains three elements: 1) individuals interpreting their experiences, 2) individuals constructing their realities and 3) individuals attributing meaning to their experiences. Robert Yin (2016) adds two additional elements to the description of qualitative study: 4) the contribution of additional insight to explain behavior and thinking process and 5) the presence of multiple evidence sources (Yin, 2016).

This study utilized multiple “specialized” (Yin, 2016) qualitative strategies to not only provide a deeper understanding of findings but also to provide multiple sources of support. First,

as a phenomenological study to determine what factors of cultural experience set this group apart from others. Second, ethnographic study to determine if the environment was unique, meaningful, or an impactful outcome of above-average achievement of this group. Third, critical theory, which takes what can be derived from this experience to make it meaningful and applicable. This allows this study to be relevant in both social and business disciplines.

Merriam (2009) indicates that phenomenology and ethnography are not forms of qualitative study, but rather how to identify, observe, and assess culture and environment, while critical theory utilizes findings from research data observations to create change action or empowerment (Merriam, 2009).

To gather data for this study, 20 Hispanic entrepreneurs from South Central Texas (Austin, Corpus Christi, and San Antonio) were interviewed individually using a semi-structured interview format consisting of fifteen interview questions surrounding two general categories: 1) cultural understanding, experience and opinion, and 2) entrepreneurship experience in creating an enterprise, managing daily challenges, and successes. Finally, this study sought to explore how the participants perceived that their cultural experience impacted their individual entrepreneurial business experience. When possible, interviews were conducted in their places of business (i.e. their operating environments) otherwise in a conference room of the offices of the local Hispanic Chamber of Commerce.

Qualitative analysis establishes cultural themes (influencers) resulting from interviewees expressed experiences and interpretation, researcher observation, and resulting business applicability or utility. Using a triangulation method, the impact of culture as derived from these qualitative specialized strategies, provided for deeper understanding and applicability.

Triangulation allows for data methods to compare and check data from various strategies to

support a conclusion (Merriam, 2009). This use of multiple methods adds validity to the data and the additional credibility to the research findings as data is analyzed and interpreted from different qualitative angles or perspectives.

A triangulation model in Figure 1 illustrates the relationship of various data methods in data analysis. The first method, phenomenology, examines how cultural experience translated into conscious actions and decision-making. The second method, ethnography examines the environmental influence on attitudes, belief, and values (Merriam, 2009). Third, critical theory is the method used to examine culture and derive or determine some truth or power that can be applied within a greater context (Merriam, 2012). For this study, the qualitative process using these data methods and a triangulation strategy will identify how individual experience, impacted by culture, lead to conscious decision-making by this group of entrepreneurs.

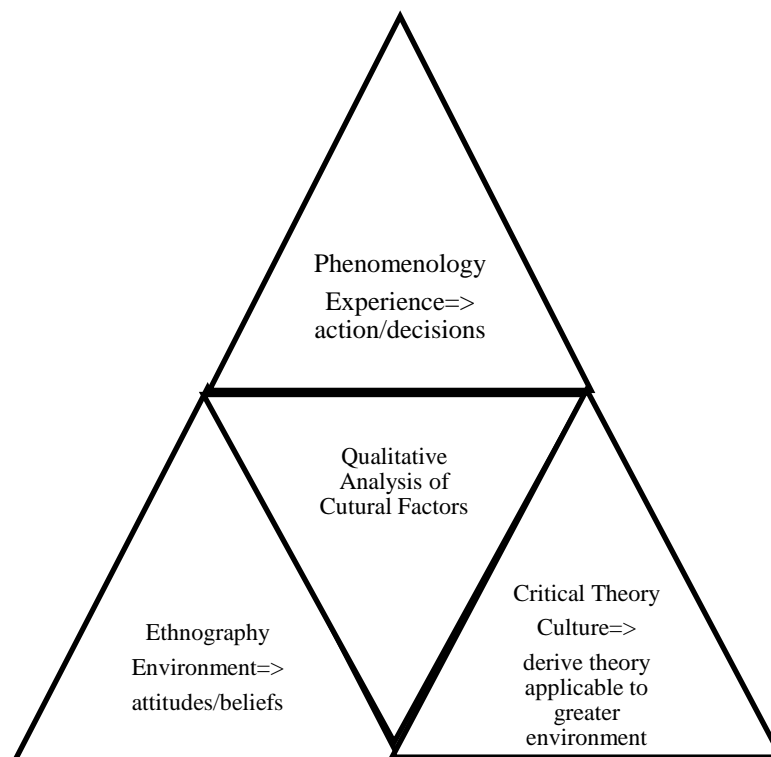


Figure 1. Triangulation of data methods for qualitative analysis of cultural factors: Data adapted from *Qualitative Research: A Guide to Design and Implementation* (pp. 24-27) by S.B. Merriam, 2009, San Francisco, CA: Josey-Bass. Copyright 2009 by John Wiley & Sons, Inc.

Theoretical Framework

This study is based on two central theories, culture theory and entrepreneurship theory. Cultural theory is rooted in anthropology (Kaplan & Manners, 1986), while entrepreneurship stems theoretically from economics (Kuratko, 2009). There are many broad definitions of culture theory. For this study, culture theory is defined as a process of human behavior focusing in three specific cores central to the theory (Walton, 2012). The first core is survival or the simple adaptation or adjustment of behavior in response to environmental factors that threaten existence or acceptable outcome. Second, is development of learned behaviors which are responses, refinements, or changes to promote progress. Finally, identity which is the formation of shared ideals, behaviors, customs, norms, language, etc., that derive from a common experience.

Entrepreneurship theory is also varied, but for this study, the Cantillon (1755) entrepreneur theory concretely defines entrepreneurial motivations that parallel culture theory. In a 2012 interview, economist and NYU Entrepreneurship Professor William J. Baumol, indicated that according to Zachary and Mishra (2011), researchers need to expand current concept and theory to “think more comprehensively using varied and innovative multidisciplinary approaches” (Griffiths et al., 2012). Baumol’s statement is useful in this study to support the application of a social theory as it impacts an economic theory. In Richard Cantillon’s entrepreneur theory, he implies that it is the entrepreneur’s willingness to take on risk and function that create a profitable organization (Griffiths et al., 2012); it is not a function of personality. This would create an argument against any cultural factors that influence behavior (Brown & Thornton, 2013). Baumol and Cantillon define entrepreneurs as creators or innovators who are also risk-takers.

Canedo, Stone, Black, and Lukaszewski (2012) used the entrepreneurship model of Baron and Henry (2011) to identify factors influencing behavior categorizing them into prelaunch, launch and post-launch phases. For this study, those phases were categorized as motivations, challenges, and successes. For Hispanic entrepreneurs however, both studies identified that both function (behavior) and influence (culture) are crucial to successful entrepreneurship. The Baron and Henry (2011) study was useful to support Yin's qualitative study definition indicating conclusions can be drawn to explain behaviors (Yin, 2016). Therefore, identifying opportunities and the willingness to take on risk is an entrepreneurial motivation that results from behavior development influenced by experience or cultural factors.

This study sought key influencers and any common factors among this group of Hispanic entrepreneurs as a means of examining from a multi-disciplinary perspective the cultural influence on economic behavioral decisions resulting in their entrepreneurial experience.

Culture theory (Kaplan & Manners, 1986) and entrepreneurship theory (Cantillon, 1755) have parallel theoretical components. Figure 2 illustrates how initially, an individual's primary need is for survival whether physical or financial, so societies form communities while entrepreneurs form enterprises to meet this survival need. To create or maintain progress, there is a need for development and risk. With societies, it usually means further education or developing skills while in entrepreneurship it may mean taking on every aspect of risk and all decision-making relative to the enterprise. Finally, regarding the broad macroenvironment, the societal community becomes a recognizable, identifiable force capable of creating societal change, while in entrepreneurship the enterprise becomes a recognizable market force.

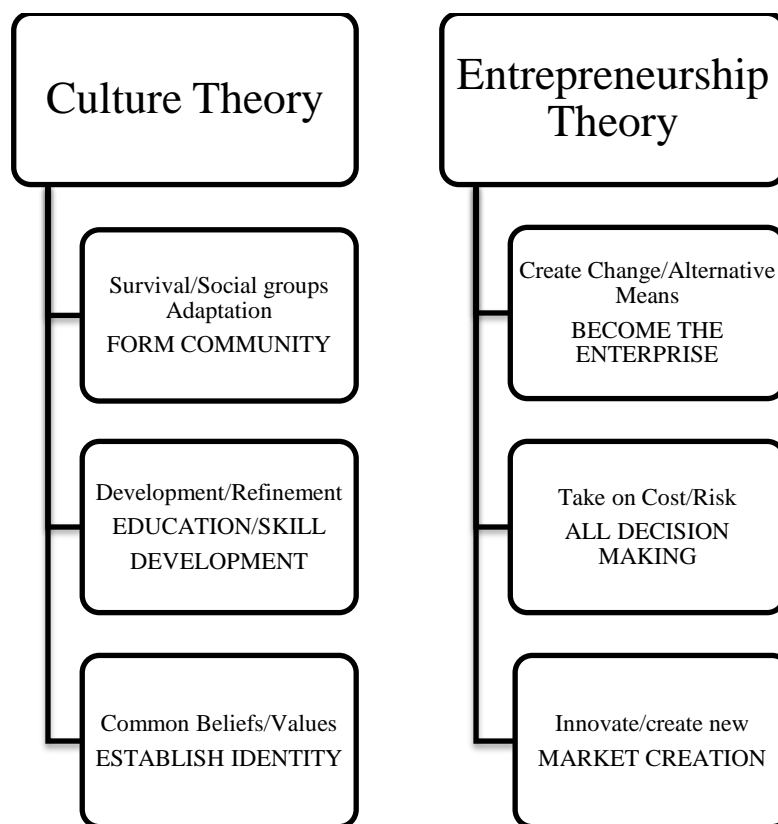


Figure 2. Culture theory and entrepreneurship theory: Data adapted from *Doing Cultural Theory* (p. 9), by D. Walton, 2012, London, England: Sage. Copyright 2012 by Sage Publications, Ltd.

Limitations of the Study

This research examined only entrepreneurs in South Central Texas (Austin, Corpus Christi, and San Antonio); Hispanic business-owners in other large Hispanic markets were not included in this study. This created geographic limitations in data gathering. This geographic limitation also narrowed the scope of cultural factors to include only the predominately Mexican-influenced culture of Texas. Since the broad Hispanic community consists of many sub-groups, such as Puerto Rican in New York or Cuban in Florida, the cultural influence factors could also vary among the sub-groups from a geographic market perspective.

The small sample size also limited the research to specific industries within the economies of South Central Texas. Research indicates that certain industries are more popular

among Hispanic entrepreneurs. There is further opportunity to examine industry environmental and economic factors that could be influenced by culture and affect entrepreneurial decisions and experiences.

There is limited research on business behaviors among minority groups using primary data sources. For purposes of literature review and for research instrumentation, interviewing format, interview questions, field subject studies, there is a need for additional evidentiary support and additional research to support primary data studies.

As the rate of Hispanic population growth in the United States continues to rise, this growth also creates needs for additional research to address growth-related issues unique to the Latino population. Literature suggests that such studies, particularly those involving primary data sources, are limited but necessary. As population growth continues, entrepreneurial activity among Hispanics could continue to grow at a much faster rate in comparison to other groups. By examining entrepreneurial behaviors of Hispanics in South Central Texas, influential cultural factors can be identified. Understanding cultural influence factors that impact behavior of distinct minority groups is necessary to develop theories, create access to resources, and narrow socioeconomic gaps.

Chapter 2: Comprehensive Literature Review

Introduction

The cultural experience of Hispanic entrepreneurs and its impact on business behavior is relevant and necessary for the broader economic environment. In the case of Hispanic entrepreneurs, it is two environments, a business environment and a cultural environment that impacts business behavior. To further understand the economic and cultural landscape where Hispanic entrepreneurs are succeeding, it is important to understand that Hispanic entrepreneurs operate from both a cultural and economic perspective. This means that Hispanic entrepreneurs must be examined both as a cultural force and as an economic force. It is then important to consider cultural theory and entrepreneurship as an economic theory.

Since the 1990s, the number of new Hispanic-owned businesses rose from 32% in 1996 to 53% in 2011 (monthly average) resulting in a 66% increase while the growth on non-Hispanic business remained constant (Bishop & Surfield, 2013). Hispanic-owned businesses growth when compared to non-Hispanic-owned businesses was significantly higher at 87% from 1990-2000 for Hispanics, compared to 14.4% for non-Hispanics (Davila, Mora, & Zeitlin, 2014). Although the Hispanic population is still growing, recent growth has slowed when compared to prior decades (Krogstad & Lopez, 2015) and may continue to decline considering recent immigration policies where long-term impact is yet to be determined. Even after the 2009 recession, Hispanic-owned business growth continued an upward trend when other groups dropped (Davila et al., 2014).

Entrepreneurship is a risk-taking economic endeavor and the individual also assumes the additional cost of creating a new organization. What was it about this subgroup (Hispanics) that

motivated them to take on additional risk and economic cost at a rate higher than other groups?
What was driving their success even in the recent recessionary environments?

Evolution of Culture Theory

Anthropologist Ralph Linton (1945), defined culture as “configuration of learned behaviors and results of behavior whose component elements are shared and transmitted by the members of a particular society” (p. 32). A group’s culture is composed of its history, experience, language, religion, values, and social norms. Robert Yin (2016) defines culture as follows:

An invisible social structure, embracing groups of people larger than kin groups, who share a common language, religion, or ancestry not always coinciding with political institutions or geographical boundaries. Members of the same culture tend to follow similar everyday practices (or customs), such as cooking, dressing, respecting kin relationships, and celebrating life events such as births, marriages, and deaths. (p. 333)

Other definitions of culture include “phenomena which account for patterns of behavior that cannot be fully explained by psychobiological concepts” (Kaplan & Manners, p. 3). Culture has varied definitions and the theories of culture are as varied. This study will examine culture and its impact on behavior. It is then important to understand the origins or anthropological roots of culture. The first origin or root is that of basic survival or the formation of communal groups for purposes of meeting basic needs both individual, such as food and protection, as well as association needs such as reproduction and friendship (Feibleman, 1968).

Culture developed from these survival interactions into common beliefs and practices to form means of cooperation and organized interaction to meet both the needs of the individual and the needs of the larger group. This higher form of interaction according to Feibleman’s (1968) theory led to his first definition of culture as the “common use and application of complex

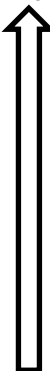
objective ideas by the members of a social group” which he referred to as “implicit dominant ontology” (p. 73).

The next level in defining a culture is in ethnology. That is the formation through use of tools and organization to create institutions. It is the physical aspects of a culture; the learned behaviors such as laws, customs, practices, characteristic development, language development, principles and morals, even the use of fire (Feibleman, 1968). The final level includes distinguishing cultural types and the formation of unique identities. This distinction is determined not by the culture itself, but how it is viewed from the external environment. This distinction was also defined by Feibleman (1968) from two perspectives, incidental or as he refers to it, “chance happenings” (p. 126) and “supra-cultural” (p. 127). The latter is that which is a perception of the greater environment, and includes beauty, uniqueness, and opportunity; what makes one environment appealing to another. This view is not from the culture itself but from perception outside the culture.

According to Feibleman (1968), culture is complex, so he identifies key institutions that comprise culture to show its complexity. He assesses that cultural institutions are “parts which in their aggregate go to make up the whole of culture” (p. 104). The “interdependence” of these institutions (see Table 2) comprise culture, but these institutions do not define it; they are instead necessary components (p. 104). Each institution is dependent on either the support of or existence of another with family as the most central or “basic” to culture (p. 105). The more basic the institution, then the more “biological” the institution, but also the more fundamental the institution is to the foundation of a culture (Keesing, 1974, p. 74).

Table 2.

Interdependence of Cultural Institutions

<i>Cultural Institutions</i>	<i>Dependency</i>	
Religion	More	
Philosophy		
Pure arts		
Pure sciences		
Decorative arts		
Technologies		
Politics		
Education		
Economics		
Communication		
Transportation		
Family		Less

Note. Data adapted from *The Theory of Human Culture* (pp. 104-105), by J. Feibleman, 1968, New York, NY: Humanities Press. Copyright 1968 by Humanities Press.

Keesing (1974) expands the anthropological definition of culture into adaptation and evolution. He outlines how cultural systems adapt and evolve and creates the following assumptions about cultural adaptation:

1. Cultures are systems. When cultures are viewed broadly as behavior systems characteristic of populations, extending and permitting somatic givens, whether we consider them to be patterns of or patterns for behavior is a secondary question (Keesing, 1974, p. 75). The culture concept comes down to behavior patterns associated with the particular groups of peoples that is to “custom’s” or to people’s “way of life” (Harris, 1968, p. 16).
2. Cultural change is a process of adaptation and natural selection. Cultural adaptation is the result of environmental equilibrium where those that adapt can survive and that adaptation is necessary for survival (Keesing, 1974). Adaptation reflects changes in the environment.

3. Technology, economy, and social organization are the most central realms of culture.

This is supportive of Feibleman's (1968) interdependence hierarchy where the basic institutions (less dependency) like family, communication, or economics, create the foundation for a culture's religion, philosophy, arts, science, and technology (Keesing, 1974).

These institutions are present in human culture in general but vary in importance, power, and accessibility within the environment. Therefore, to look at Hispanic culture specifically, it is important to understand how to approach the study of that culture.

As seen, even from an anthropological perspective, culture is difficult to define (Walton, 2012). Walton (2012) refers to the observations of Grossberg, Nelson and Treichler (1992) as "cultural studies have no particular methodology", and "pragmatic, strategic, and self-reflective" (p.2). Walton concludes that cultural studies are a product of theory and practice. The theory and practice process, however, can be vastly different as the landscape where it is created (Walton, 2012). Frow and Morris (1993) defined culture as a way of life of a social group determined by its representation and power in its environment. Based on their definition, Walton indicates that cultural studies are a network of representations (images, language, behavior) and the "narrative structures organizing these which shapes every aspect of social life" (Walton, p. 2). It is this narrative and observational (albeit localized) process of studying culture that creates the opportunity to create "dialogues" (Walton, p. 2) where practitioners can create generalizations applicable to a broader environment. As cultures evolve, the need for cultural studies needs to evolve as well. As Walton (2012) asserts, "cultural analysis has to keep itself open to new possibilities and approaches" (p.4). These cultural studies are defined by Walton as "culturalism" which allows for "the lived culture of ordinary people to be worth studying" because people can

be “active agents” of change rather than just lead a passive existence (Walton, 2012 p. 7). Thus, culturalism is application of what is written or observed about the active living experience of a distinct group based on their history, experience, and institutions (Walton, 2012). For this study, it is the examination of experiences shaped by both individual and shared histories that impact the philosophies and economic behaviors of entrepreneurs. Through this observation process, a broader application can be made to both the Hispanic and entrepreneurial environments.

Gilmore (2013) also identifies that culture plays a major role in shaping perceptions of one’s environment. She indicates that culture can influence perception allowing for interpretation of experience. Since every experience is unique for every culture, different perceptions of the same environment will result. For this study that influence is both powerful and limiting because while it can reflect a positive economic result of successful Hispanic entrepreneurs, it is limited to the perceptions of a geographic group in a distinctive environment and timeframe.

Hispanic Culture and Culture Theory

Hispanics are defined by the U.S. Census Bureau (2010) as persons of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race. For U.S. Hispanics, the definition is further complicated by the history of the United States as a nation of immigrants, each with their own experience and degree of assimilation to the local U.S. culture. To further examine Hispanic culture, it is important to understand the history of the Latino community. The Latino community is defined by Lionel Sosa (2006) as “an amalgamation of people twenty-five countries throughout Mexico, South and Central America, the Caribbean, Spain, and Portugal” (p. 8). This is a relatively young history as Sosa compares the 500-year-old history of the countries of Latin America (apart from Spain and Portugal) to the history of Europe that is almost 100 times the age of the Americas. As part of the colonization

process of the New World, the Americas represent “conquered” people. This refers to the conquest (economic and religiously motivated) of the indigenous populations of the New World (Sosa, 2006), by European monarchies and Christian missionaries. This history created nations of essentially oppressed survivors living among conquering elites. As these two groups merged over time, the overlap created a mixture of the two and as Sosa implies a sort of cultural confusion (pp. 9-10).

As Feibleman’s theory (1968) would support, the need for survival was paramount in Latino history. In fact, Sosa (2006) writes, “Our quiet but relentless energy and optimism arose from the need to survive in the face of recurring oppression” (p. 10). He also identifies a characteristic of servitude resulting from a history of conquest which he presents as either positive or potentially negative if not clearly defined (Sosa, 2006). From the perspective of culture theory however, the positive implications of this cultural attitude are key to work ethic, skill development, refinement, and education (both formal and informal). As Sosa (p. 12) states in his study, the economic instability of a relatively young still developing economy of the Americas (South and Central) and even more recently economic instability in Mexico and the United States created a culture of “starting over” (Sosa, 2016, p. 12). Sosa further asserts that “starting over” (p. 12) is the uniquely valuable behavior of optimism combined with the energy to do so.

To understand Hispanic culture, it is important to identify some of its characteristics shaped by its unique history of “conquest” (Sosa, 2006, p. 10). Sosa (2006) compares these “values” to non-Hispanic values (i.e., Anglo) (p. 13). He stresses the importance of understanding where and how they originate, where they differ and where they are alike. Sosa identifies the roots or origins upon which Latino/Hispanic values are based: religion

(specifically, Catholicism), Spanish colonization, respect for authority and tradition, family, personal responsibility, and community interdependence. Sosa lists “Latino values” (p. 13) as follows:

- Family first;
- Faith in God;
- Humility;
- Work hard;
- Sacrifice;
- Stability;
- Respect for authority;
- Modesty;
- God loves the poor;
- Accepting of problems;
- Small success is good;
- Whatever God wants; and
- Hope (Optimism).

When compared to Anglo values, the origins are quite different. Anglo values are based on freedom, independence, equality, individuality, and freedom of expression. The religious influences on Anglo values are Protestant religions (e.g. Puritanism, Calvinism) whose beliefs and philosophies implies that good (including wealth) comes from favor of God and those who are favored or “blessed” are responsible to the greater good of society. Sosa lists the following Anglo-American values (p. 13):

- Individualism;
- Helping self helps family;
- Faith in self and in God;
- Self-expression;
- Work smart;
- Paying your dues;
- What’s new? (next);
- Challenge authority;
- “Toot your own horn;”
- God loves the rich, too;
- Solve problems;
- Greater success is better;
- What individual wants; and

- Action.

When compared, Sosa shows Hispanic values clearly reflect “interdependence” while Anglo values reflect “independence” (p. 15).

Although Hispanics of Mexican origin represent about two-thirds (64.9%) of the Hispanic population in the United States, they are a diverse group that share similar values (Allison & Bencomo, 2015). In a 2015 study on Hispanic families and their cultures, Allison and Bencomo outlined 10 core Hispanic cultural characteristics. They are as follows:

1. Family (*la familia*) is the most influential and central influence among Hispanics. This includes not only immediate family, but extended family which includes blood, marital, and “fictive” kin (Allison & Bencomo 2015, p. 57). Family provides a support system in many aspects including religious, social, emotional, and economic. Combined with a sense of personal responsibility to and strong loyalty to family, this characteristic is not only positive but vital to managing challenge and change.
2. Collectivism can be applied on two levels in Hispanic culture. Allison and Bencomo refer to definitions by Haynes and Zacarian (2010), Leeder (2004), and Zambrana (1995) of collectivist orientation as the importance or precedence of needs of family or the group over individual needs. This is true for Hispanics regarding family, but also regarding the broader community (*el pueblo*). There is a strong sense of pride and honor in self-sacrifice for the greater good of others (Allison & Bencomo, 2015).
3. Family structure and gender roles in Hispanic families are typically patriarchal with fathers or even grandfathers serving as leaders and authority commanding ultimate respect (Allison & Bencomo, 2015). Women hold a traditional role of mother, homemaker, caregiver but are also vital contributors to family by working outside the

home. In former generations, this included working in the fields with the men, in sales of produced goods, including crafts. Different members of extended family support the role of women, particularly regarding care of children and family elders. Extended family is also important in single parent households, particularly in more recent generations as the roles and numbers of working mothers increased (Diaz-Loving, 2008). These traditional roles have evolved over the years but are still major contributors to Hispanic enterprise.

4. Role of children is central and important to Hispanic families. They are a source of pride and legacy for family. They are also expected to contribute particularly in care of siblings, elder family members, or the family enterprise. Hispanic children spend time and often live with extended family so there is much multi-generational influence. Children are expected to be obedient and respectful of parents and extended family members. Children are typically supported by parents although expressions of love and affection usually originate with mothers while Hispanic fathers are loyal to and supportive of their children (Allison & Bencomo, 2015).
5. Education is important in Hispanic families as children are that source of family pride and legacy. In Hispanic families, it is expected that children will be more educated than their parents. Education is viewed as necessary for the success and progress not just of the individual but also the family and community. However, Allison and Bencomo (2015) note that parents tend to not be involved in children's education due to language barriers and lack of knowledge about education systems and not due to lack of parent interest (Ramirez, 2008; Salinas, 2013).
6. Religion like education is central to Hispanic culture. There have been shifts in religious affiliations among Hispanics (Pew Hispanic Center, 2014). The traditions of faith,

spirituality, and spiritual values is a centuries old tradition from both European organized religions like Catholicism but also religious traditions of indigenous peoples of the Latin American regions (Allison & Bencomo, 2015).

7. Work ethic is a source of pride and commitment among Hispanic. Work ethic for Hispanics applies not only to the commitment of work but also the willingness to work long and hard and in difficult conditions. Hispanics believe in teaching work ethic to children through experience and to encourage education and the importance of commitment and hard work in learning. It is also a motivation to seek economic progress and long-term success (Allison & Bencomo, 2015).
8. Cultural pride is very strong among Hispanics. History and tradition is passed from generations along with a sense of pride in Hispanic culture and cultural identity remains even among today's young Hispanics (Pew Hispanic Center, 2012).
9. Language is a source of culture identity. Its use in the United States includes both English and Spanish. Spanish is the primary language of Hispanic countries. Maintaining use of the Spanish language strengthens generational bonds and connections with extended family, therefore the use of both languages is typical and encouraged (Pew Hispanic Center, 2012).
10. Acculturation is defined as the assimilation of culture when members of one group become part of a new cultural environment. Younger members of a cultural group are more affected by exposure to a different culture than adults in the group. For Hispanics, the effects on their cultural characteristics is influenced (positively or negatively) from the current (non-Hispanic) environment as they try to assimilate and fit in to the non-Hispanic culture (Bal & Perzigian, 2013; Pew Hispanic Center, 2013; Zambrana, 1995).

This study will examine these cultural characteristics as key influencers to further examine, the entrepreneurial experience. There is overlap between the Sosa (2006) and the Allison and Becomo (2015) list of characteristics. The core values identified in the literature are important in this research to determine the impact on entrepreneurial behavior and decisions.

Entrepreneurship Theory

To begin to understand entrepreneurs, it is necessary to understand entrepreneurship. Entrepreneurship is defined as the creation of an organization (Griffiths et al., 2012) by one who organizes, manages, and assumes all associated risk (Sobel, 2008). Entrepreneurship was identified as early as 1755 by French economist, Richard Cantillon. In 2013, Brown and Thornton (2013) wrote that Cantillon created the earliest economic model based on entrepreneurship. Cantillon's theory showed that entrepreneurs create an economy, and not the economy creating a need for entrepreneurs. In this theory, Cantillon states that the property owners are the suppliers or producers. To meet their needs, they employ wage laborers to produce goods. They become employer and accept risk of uncertain income as opposed to workers who have a fixed wage. The entrepreneur owns, produces, manages, and assumes all risks to meet the demand of consumers (Brown & Thornton, 2013). This is the earliest theory on trade and supply-side economics according to the Brown and Thornton (2013) article and is based on the function of the entrepreneur. For the theoretical framework of this study, this economic perspective was key to supporting the function of entrepreneurs as "creators of the enterprise."

Another entrepreneur theory by modern-day economist, William J. Baumol (1968), is based on similar economics of land, labor, and capital as related to price. He stated that price is controlled and managed by entrepreneurs who created product thus impacting all prices in the

economy (Griffiths et al., 2012). This theory also indicates that entrepreneurs are willing to accept risk created by the uncertainty of future prices. These theories support the entrepreneurial functions in risk-taking and all cost decision-making. Entrepreneurship research also indicates that this risk-taking is what drives the economy, and is the recovery force behind economic downturns (Kuratko, 2009).

To understand entrepreneurship, it is necessary to identify characteristics of entrepreneurs, some of which directly define the theoretical entrepreneurial process. However, they represent specific behaviors that are necessary for successful entrepreneurial endeavor. While entrepreneurship is the creation of an enterprise as is outlined in entrepreneurial theory, entrepreneurs exhibit a unique set of characteristics that bring them to that creation process. This includes the following (Kuratko 2009):

1. Ability to identify or seek opportunity;
2. Taking risks (sometimes more so than in other organizational environments); and
3. Tenacity to make creation a reality.

Kuratko (2009) argues that these characteristics were not inherent but can be taught and developed. They are applicable in many firm settings, for profit, non-profit, individual firms and corporations with the objective of innovation and creating ideas. Because of this creative process of innovation, entrepreneurship became synonymous with free enterprise and capitalism.

However, Kuratko (2009) redefines entrepreneurship as it has evolved and increased not only in presence but in importance for the modern economy.

Entrepreneurship is a dynamic process of vision, change, and creation. It requires an application of energy and passion toward the creation and implementation of new ideas and creative solutions. Essential ingredients include the willingness to take calculated risks---in terms of time, equity, or career; the ability to formulate an effective venture team; the creative skill of building a solid business plan; and finally, the vision to recognize opportunity where others see chaos, contradiction, and confusion. (Kuratko, 2009, p. 5)

Kuratko (2009) also describe entrepreneurial “schools of thought” that explain the environments in which Hispanic entrepreneurs might find themselves economically and culturally. These also support some of the behaviors that are both learned and inherent to all entrepreneurs. These “schools of thought” are both Macro and Micro with respect to controls of external and internal environments.

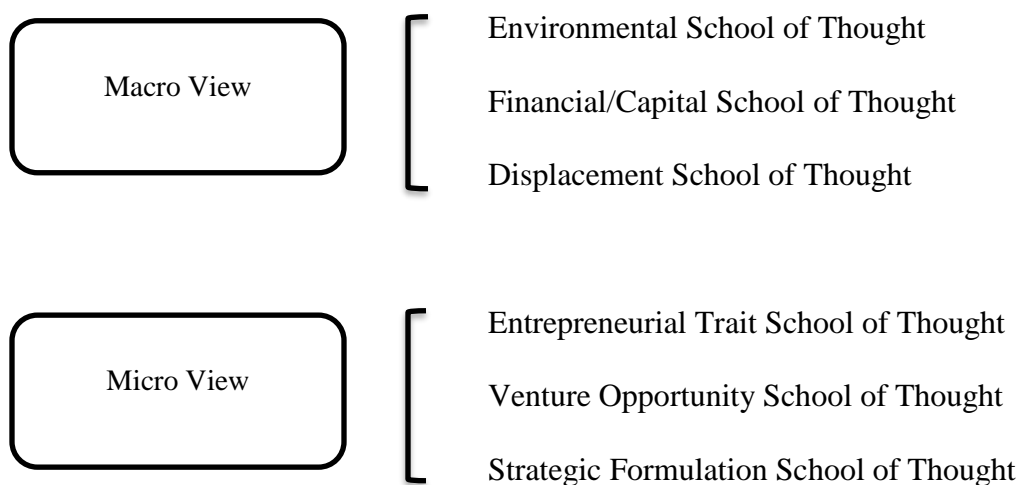


Figure 3. Entrepreneurial schools of thought. Macro view includes areas with external locus of control : environmental, financial/capital, and displacement. Micro view includes areas with internal locus of control: entrepreneurial trait, venture opportunity, and strategic formulation. Data adapted from *Entrepreneurship: Theory, Process, Practice* (p. 9), by D. Kuratko, 2009, Mason, Ohio: South Western. Copyright 2009, 2007 by South Western, a part of Cengage Learning.

The environmental school of thought identifies factors from an individual’s socioeconomic environment that might influence entrepreneurs. These factors include institutions, values, and even social group influencers. For example, an entrepreneur whose family are entrepreneurs, becomes motivated and influenced by those factors. Most business research on entrepreneurship focuses on the financial/capital school of thought. This factor is important for any entrepreneur but for some it is the sole focus and motivation of this category of

entrepreneurial ventures. The displacement school of thought argues that the lack of opportunity for individual to advance socioeconomically is a common motivation among entrepreneurs and can particularly affect minorities. Entrepreneurship then creates an opportunity or in some cases the most viable alternative to such barriers or limitations. There are three types of displacements: political, cultural, and economic (Kuratko, 2009).

From the micro view, the entrepreneurial trait school of thought outlines characteristics of entrepreneurial behavior. Some of these characteristics among Hispanic entrepreneurs may be driven by strong cultural influence and experience as this study will further examine. Some of those characteristics Kuratko (2009) identified include traits such as creativity, determination, and achievement. In the venture opportunity school of thought, entrepreneurs find opportunities resulting from creative endeavors or market opportunities. They also may have a unique specialization that fits a target market need or niche that creates a new venture. Finally, strategic formulation stresses the use of a strategic approach to new venture planning. There are four strategic formulation types: unique markets, unique people, unique products, and unique resources. This market formulation strategy is also important for entrepreneurs who bring culturally unique products to market (Kuratko 2009).

Entrepreneurial research (Kuratko 2009) also provides various characteristics of entrepreneurs which include the following:

1. Commitment, determination, perseverance is the willingness of entrepreneurs to do whatever is necessary and remain committed to their endeavor until success is achieved. This commitment also enables any challenges or obstacles to be handled and ultimately overcome.

2. Drive to achieve and grow is documented in entrepreneurial literature of the 1950s and 1960s which determined that entrepreneurs are self-driven high-achievers (McClelland, 1961).
3. Opportunity and goal orientation is the ability to remain constantly aware of opportunities that exist. Entrepreneurs are also efficient at setting, prioritizing, and achieving goals.
4. Initiative and personal responsibility are necessary as entrepreneurs must be self-motivated and self-reliant. The ability to take on all risk represents their level of personal responsibility in their ventures.
5. Persistent problem-solving is necessary as challenges must be handled by entrepreneurs themselves. Determination of entrepreneurs combined with complete responsibility of the enterprise also prevent them from not working toward problem resolutions.
6. Realism and sense of humor represent the entrepreneur's ability to calculate and take necessary losses yet still maintaining positive optimism.
7. Seek and use feedback is important as entrepreneurs are always looking to improve their enterprise and see improvement as an opportunity. This requires ongoing personal and professional assessment.
8. Internal locus of control gives entrepreneurs a total sense of control of their own actions and opportunities. Represents their belief in self and in their own effort.
9. Calculated risk-taking and risk seeking is necessary as entrepreneurs are typically higher risk-takers than other businesspeople. However, they do so only to their benefit but are willing to leverage whatever is necessary to shift that benefit in their favor.
10. Low need for status and power result from the sense of internal control and willingness to sacrifice whatever is necessary for success.

11. Integrity and reliability are ultimately what entrepreneurs believe are core to person and professional success. This allows for strong reliable relationships with necessary partners in enterprise. These are crucial for success.

These characteristics when compared to cultural traits of Hispanics include many parallels. Understanding the impact of culture of distinctive groups on particular behaviors and “why some succeed while others fail is critical to the study of economic development, the growth of the firm, and the distribution of income” (Casson, 2003, p. 10). While economic theory indicates that material factors (resources, technology, skill of workforce) determine success and failure, it does not reflect the impact of entrepreneurial “abilities” of a group (p. 10). The many characteristics listed in literature reflect personal and professional behavior and decision-making and can impact the economic outcome of minority groups. When culture is influential, it can affect (both positively and negatively) the socioeconomic gaps that exist among different groups.

Hispanic Culture and Entrepreneurship

Core entrepreneur theory does not focus on the behaviors or experience of the entrepreneur but rather indicate that entrepreneurial action is purely motivated by economics. A 2011 entrepreneur model created by Baron and Henry was used in a study to identify behaviors of entrepreneurs using three phases: pre-launch, launch, and post-launch (Canedo et al., 2014). This study categorized motivations, identifying opportunities, and gathering resources as pre-launch behaviors. Launch behaviors included setting up operations, and developing business models or strategies. In post-launch phase, behaviors included staff management, negotiating contracts, or improving operations. This study indicated that for Hispanic entrepreneurs, behaviors could be impacted by experience including culture, education, and access to resources.

Culture represents an influential factor that is not economic but because of its influence shapes economic behavior.

Mark Casson (2003) describes that entrepreneurship theory as an economic force which directly supports the importance of examination of Hispanic entrepreneurial success as a unique identity. He states, “many economic laws refer to the aggregate behavior of populations of individuals, and that it may be possible to predict the behavior of a population of entrepreneurs even if it is impossible to predict the individual behavior of any one of them” (p. 9). Casson (2003) states that by certain individuals “acting differently” and achieving success, the significance of that example can impact others to repeat those behaviors (p. 11). Behavior of the entrepreneur is “atypical”, therefore it is valuable to study the successes of the entrepreneur to identify where the efforts of others lacked and how duplicating the effective behaviors can have a positive economic impact (p. 11). This supports Casson’s argument that entrepreneurial “effort” is required to improve resource allocation, narrow economic disparities, and “transfer relevant know-how” (Casson, 2003, p. 11). The speed and degree of Hispanic entrepreneurial growth over the last two decades by this argument increases both the economic and the informational value of the Hispanic entrepreneur.

Casson (2003) noted that entrepreneurs often come from minority groups as these groups tend to seek alternative means when economic and social advancement opportunities are limited or even unavailable. Casson states that the “personal” qualities and abilities of these cultural groups in a society, when applied to business are affected by educational levels, legal freedoms, and the prevailing culture of the broader society (p. 11). When minority entrepreneurs succeed, it is not only a positive impact economically, but Casson (2003) indicates it is also “desirable to

know what sorts of social institutions provide a favorable climate for developing qualities of entrepreneurship” (p. 12).

Human interaction is a core of economic principle indicating that individuals seek opportunities in their own best interest to meet their needs and make themselves better off at the lowest possible economic cost. To be economically efficient, that action cannot be at the expense of another or resulted in another being left worse off (Krugman & Wells, 2015). This core principle indicates that economic activity cannot exist efficiently in the absence of interaction. Human interaction, however, is not as simple as seeking the lowest cost factor. While some of the simplest definitions of human culture are needs-based, as in the need for survival in each environment, the reality is that individuals are both part and product of their environment. (Feibleman, 1968).

Sosa’s (2006) research indicated that for Latinos, the ability to adapt based on a need for survival and driven by optimism when combined with a strong work ethic and commitment to service, and core values that are God and family centric have evolved over centuries. These characteristics are important for entrepreneurial enterprise creation, risk-taking and innovation that lead to entrepreneurial leadership experiences. However, he also identifies some cultural “baggage” that is important to understand because it is a unique attitude that can shape the drive and motivation of Latinos positively and negatively. Sosa is referring to centuries of a servant attitude of the conquered (i.e. colonized) Latino culture (Sosa. 2006).

To explain the servant attitude, it is important to revisit Latino history. Sosa (2006) writes about the “unique injury” of the Latino “conquest” (p. 10). Sosa (2006) further asserts that Latin America is the result of 500-year-old colonization by Western Europe of the indigenous peoples in the New World. Even the ancient Aztecs, Incas, and Mayans were civilizations comprised of

slavery and servitude. This created a mixed culture of conquered and conqueror coexisting which he indicates created a “an unconscious macho/servant dichotomy” (p. 10). Sosa expands on his list of Latino characteristics and corresponding Anglo attitudes.

In Table 3, the words on the left of Sosa’s (2006) list, while familiar to most Hispanics, translate to shame, sacrifice, suffering, sweat, responsibility, and respect. These are inherited attitudes of servitude and service still held by Hispanics centuries later. The Anglo column of Table 3 portrays a very different attitude. The other important outcome of this history is that from this subservient attitude, arose a strong sense of “quiet and relentless energy and optimism in the face of oppression” (Sosa, 2006, p. 10). These values are not only strengths but direct characteristics of both Hispanic culture and entrepreneurial traits. Casson (2003) emphasizes that these unique group experiences set minority groups apart from most of society, and there is much value to be obtained from behaviors that foster economic success, progress, and narrow economic disparity. This greater application to majority of society will provide critical theoretical application for the broader entrepreneurial and economic environment. Latino entrepreneurs also have a power beyond their own economic successes to impact positive change in their communities and impact public policy (Grossman, 2007).

Table 3.

Latino Values and Anglo Values

Latino Values	Anglo Values
<i>Vergüenza</i>	What is that?
<i>Sacrificio</i>	To a point
<i>Sufrimiento</i>	Avoid at all costs
<i>Sudor</i>	Okay but not forever
<i>Responsabilidad</i>	Of course
<i>Respeto</i>	Earn it first

Note: Data adapted from *Think and Grow Rich: A Latino Choice*, (p. 15), by L. Sosa, 2006, New York, NY: Ballantine Books. Copyright 2006 by the Napoleon Hill Foundation.

When comparing entrepreneurial traits and culture characteristics with Hispanic characteristics (Figure 4) found in the literature there is overlap in some core traits: Family, religion, and education, for example, are of high importance to Hispanics. For entrepreneurs, education is reflected on this cultural component as a strong focus for achievement and problem-solving. Hispanic culture emphasizes the importance of strong work ethic and stability while entrepreneurs also emphasize perseverance, initiative, and internal locus of control. Communication and interaction characteristics of respect and (personal) responsibility are important for Hispanics and entrepreneurs. Both groups tend to have similar philosophies, and tend to have strong initiative and integrity levels. Hispanics value humility and entrepreneurs generally do not seek status or power as they are willing to take responsibility for all functions of enterprise. These are some evident overlaps of the Hispanic culture with the necessary traits of successful entrepreneurship.

For this study, the latter key cultural influences will be examined; however, these lists do not represent exclusive characteristics and in the analysis of results, the researcher will look for other unique experiences common to both Hispanics and entrepreneurs that may attribute to their success. There are other categories in both cultural and entrepreneur theories that are not addressed in these lists (e.g. acculturation experience). Figure 4 represents the overlap found in the literature of the core traits: family, religion, and education.

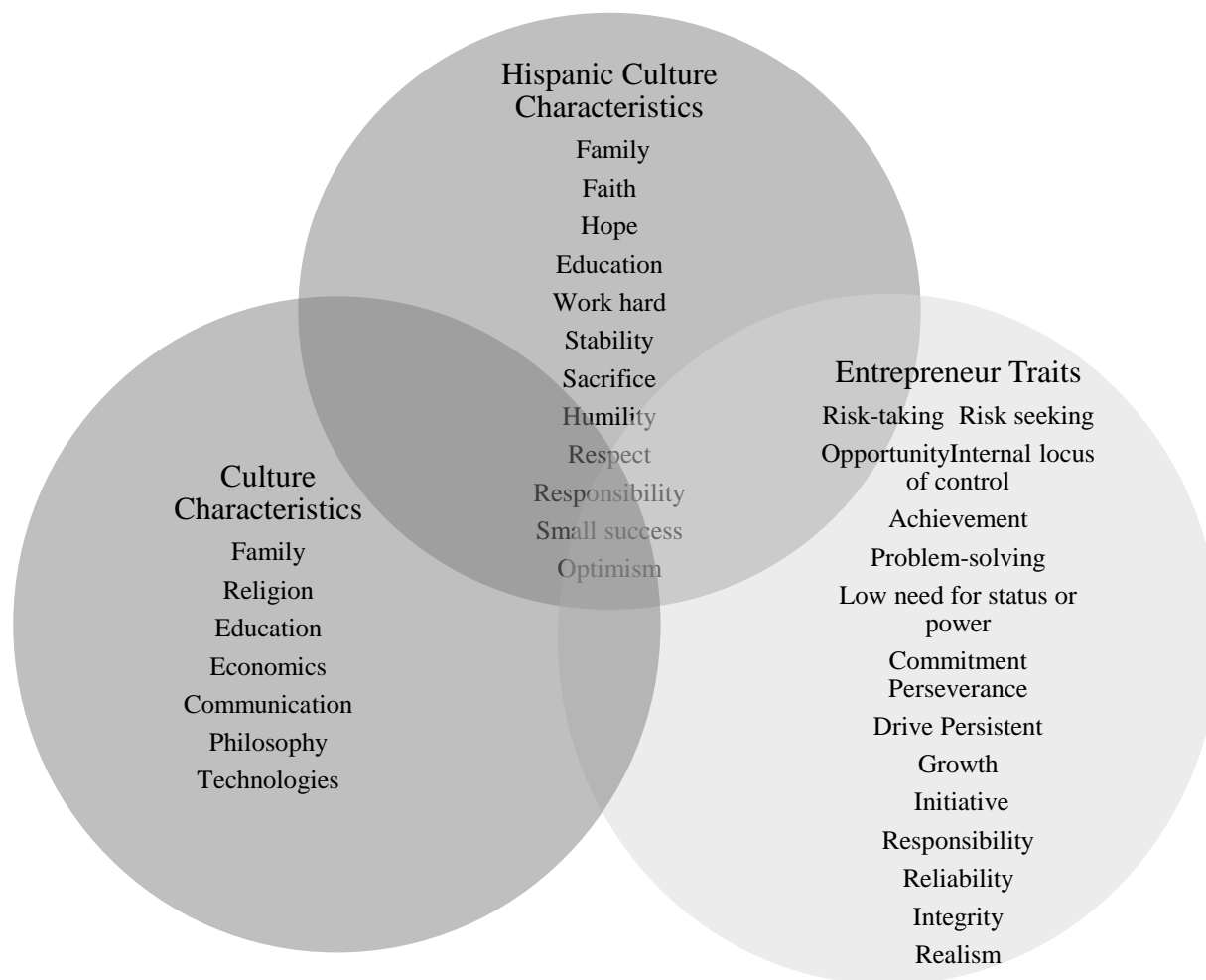


Figure 4. Hispanic culture characteristics, culture characteristics, and entrepreneur traits comparison. Data adapted from *Think and Grow Rich a Latino Choice*, (p. 15), by L. Sosa, 2006, New York NY: Ballantine Books. Copyright 2006 by the Napoleon Hill Foundation; *The Theory of Human Culture* (pp. 104-105) by J. Feibleman 1968, New York, NY: Humanities Press. Copyright 1946 by James Feibleman; and *Entrepreneurship: Theory, Process, Practice* (p. 9) by D. Kuratko, 2009, Mason, Ohio: South Western. Copyright 2009, 2007 by South Western, a part of Cengage Learning.

Related Research

Research indicates that cultural studies in business are limited. There are studies on the cultural factors that influence other disciplines such as education, health care and social services.

A study by Ruiz (2005) identified specific factors unique to Hispanics that influence behavior and directly influence Hispanics' decision-making processes. This theoretical concept

of cultural influence can be applied to the business environment since entrepreneurship is a conscious decision to take on additional risk and create new marketplace organizations (Brown & Thornton, 2013). Culture theory would indicate that it impacts personality development and affect decisions.

Ruiz (2005) states that the cultural theory that parallels the economic concept of mutual benefit is relational culture theory. Mutuality is at the core of relational culture theory as it not only emphasizes mutual empathy but also mutual empowerment (Ruiz, 2005). The increased understanding leads to increased empowerment. Mutual empathy arises out of five steps: common connection, mutual change, increased sense of worth, increased knowledge, and a desire for more connection (Ruiz, 2005). According to relational culture theory, examining and understanding culture is crucial to long-term economic growth to form future connections for mutual economic benefit.

An identifiable gap in research indicates that additional studies of entrepreneurs (in field tests, for example) was necessary to better understand the impact of their experience and behavior (Ruiz, 2005). A study by Miles (2012) on Hispanic-owned business measuring market behavior and risk factors for Hispanic business, also suggested that actual field research studies are lacking. There are also managerial studies on behaviors of Hispanic employed managers and professionals but indicate that research on entrepreneurs is limited (Bishop & Surfield, 2013).

A 2014 study by Canedo Stone, Black, and Lukaszewski examined the characteristic behaviors exhibited by Hispanic entrepreneurs that led to their pursuit of business-ownership. Their study measured the impact of experience on their entrepreneurial motivation, opportunity, and capital acquisition (Canedo et al., 2014). Like other studies, including studies by Wang and

Li in 2007 and by Bishop and Surfied in 2013, these studies used existing survey and demographic data to study entrepreneur behavior.

Summary

Entrepreneur theory established an economic premise for entrepreneurial activity, but most existing research does not examine individual behavior. There is even less research on culture factors and their influence on entrepreneurial behavior. As Cantillon's theory suggests, the entrepreneur is the basis for creating supply (Brown & Thornton, 2013). The value in and need for research on the fastest growing segment of the entrepreneurship is vital to economic growth. It also opens the door for mutual increased understanding of other cultural factors to potentially narrow the gap of economic disparity in the United States.

Chapter 3: Research Methodology

Overall Approach and Rationale

This research was a qualitative study of 20 Texas Latino entrepreneurs in South Central Texas (Austin, Corpus Christi, San Antonio) identifying key common cultural factors impacting behavior. Target participants included Hispanic entrepreneurs identified from local Hispanic Chambers of Commerce, networking sources, and participant referrals. These entrepreneurs represented various industries, organization sizes, and tenure in business.

The qualitative methods for this study included a phenomenological approach that utilized individual participant semi-structured interviews to examine cultural experiences that impacted business behaviors and decisions. An ethnographic strategy examined cultural environment influences that impacted business and entrepreneurial attitudes and beliefs. Finally, through data transcription and analysis, and the use of critical theory, common themes were identified in the data that could be applied in a greater context to support broad culture and entrepreneur theory. Through a qualitative process, supported by various qualitative methods, culture and its impact could be examined (Merriam, 2009).

Setting

The individual primary data was gathered via interview process and was conducted with the individual participants in their respective office settings located in various cities throughout South Central Texas. When office settings were not available, then research participants could be interviewed in the conference rooms of local Hispanic Chambers of Commerce. The data were collected from 20 respondents in Austin, Corpus Christi, and San Antonio. Using audio-recorded interviews and voice-to-text software. Interviews were 30-45 minutes to an hour in duration and

conducted in face-to-face sessions during the business day or a time of day convenient for each business-owner.

Research Strategy

Since an entrepreneur's behavior cannot be directly observed, interviews provide valuable insight into their interpretations and experiences. The narratives created by the interviews provided content that was analyzed for common themes derived from the data. Merriam (2009) indicated that for experience or events that cannot be duplicated but where phenomenon behavior is present, interviews are a useful strategy for observation. Research of individual behaviors in business from primary data sources such as field studies is limited, particularly among Hispanics (Ruiz, 2005). This study used an open-ended semi-structured interview allowing business-owners to share their experiences in their own words using their unique responses from which common themes could best be identified.

The questions stemmed from the study's basic research question: What are the key common cultural influences that impacted the decisions of Hispanic entrepreneurs to pursue, manage, and succeed in self-owned business enterprise? The questions were structured in two major categories of culture and entrepreneurship based on the theoretical foundation of this study. The twelve open-ended questions within those two categories were categorized as cultural experience and entrepreneurial experience.

Participants. The 20 business owners in the study were taken from a selective sample of Hispanic business owners from various markets across South Central Texas (Austin, Corpus Christi, and San Antonio). The local Hispanic Chambers of Commerce in each respective market were the primary resource for identifying potential study participants. Participants were also selected from networking sources and as referrals from other participants. Given geographic

limitations, only 20 participants will be chosen, but from various industries and operational size. Prospective business owners were invited to participate via email. The researcher followed up with a phone call to prospective participants to confirm participation and schedule an individual interview. A requirement of participants was that they should be accessible for an in-office field interview either in company office or offices of local Hispanic Chamber of Commerce.

Instrument. The interview used a semi-structured formatted interview consisting of using a simple set of fifteen open-ended question focusing on two theoretical categories, culture and entrepreneurship. The initial interview questions were written to reflect the three elements of each theoretical category (Figure 5). For culture, the questions were created to reflect culture theory elements of community, development, and identity. For entrepreneurship theory, the theoretical elements of enterprise creation, risk/decision-making, and market creation were areas used for developing questions. In addition, to derive specific entrepreneurial experience from the data, the questions also reflected the innovation, risk, and success factors central to entrepreneur theory.

For each question, the researcher used probes to obtain more detail, elaboration, or further insight from the participant. After the pilot-study, only one question for each broad category was added as a final question. The addition of this question provided an opportunity for respondents to reflect on what they would have done differently in their entrepreneurial decisions. Answers to this final question could potentially provide information on knowledge gaps, needs, or other resources that could be lacking for Hispanics entrepreneurs. This final question also provided not only closure to the interview, but also allowed the researcher to gather direct feedback that could be utilized for future research.

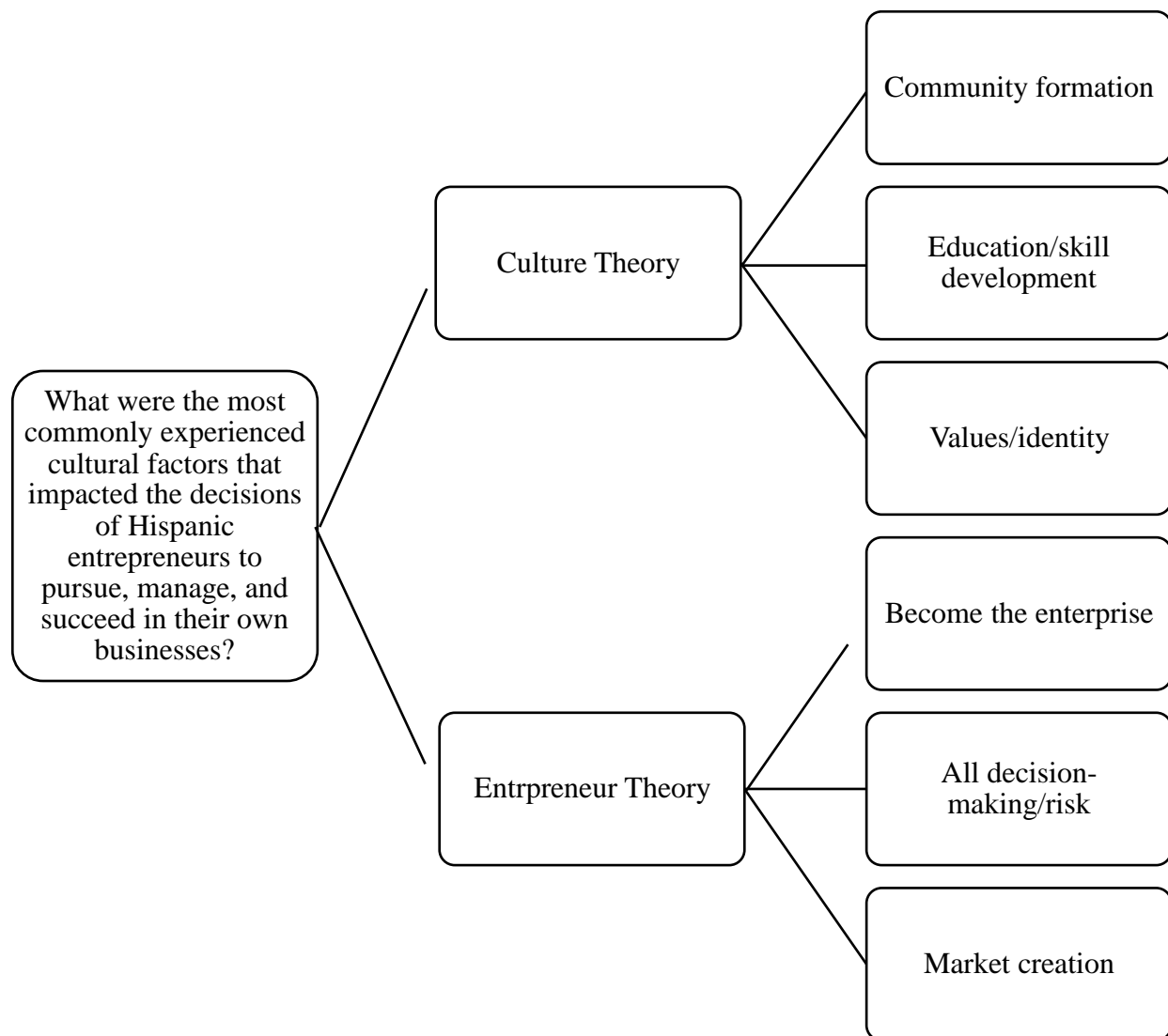


Figure 5. Theoretical elements to create interview questions

The instrument was pilot-tested with five Hispanic San Antonio entrepreneurs from the financial services, professional services, retail service, and retail (goods) industries. The data for the pilot-study was gathered in the same setting and manner as the primary study. Through the course of the pilot-study two additional questions were added, one in each category (culture and entrepreneurship). The interview questions created for this research were as follows:

For culture:

1. The term “Hispanic/Latino” is a broad definition to describe the culture or origins of people from Spanish-speaking nations of the Americas, Spain, and Portugal. What does it mean to you to be a “Hispanic or Latino?”
2. Do you consider yourself to be Hispanic or Latino? How do you reflect this in your business?
3. What do you consider to be some of the most important (or valuable) characteristics (or traits) of being Hispanic or Latino?
4. What experiences growing up “Hispanic or Latino” influenced you as a business owner?
5. Over the last two decades, Hispanic-owned businesses have grown at a rate faster than other groups; what do you think has impacted or created such opportunity for growth?
6. How does being a Hispanic or Latino help or hinder those growth factors or opportunities in your opinion?
7. Looking back at your experience as a Hispanic in business, are there specific areas or skills you wished you had available to provide additional knowledge, education, or training?

For entrepreneurship:

8. Entrepreneurs are defined as innovators or change-makers. What is your definition of an entrepreneur?
9. What motivated or caused you to go into business for yourself?
10. What is the best part of being a business-owner? What is the most difficult?
11. What has been the biggest risk in owning and running your own operation?
12. What are some of the challenges (obstacles) you have experienced in your business over the years and how did you manage them?
13. To whom or to what do you attribute your success?
14. In terms of your cultural experience, would you say it helped you or hindered your business experience?
15. As a business owner, are there any business functions that Hispanics or Latinos would benefit from with additional knowledge, education, or training?

After transcribing the pilot interviews, some initial codes were readily identified validating that the instrument would be appropriate for data gathering for this study.

Data collection. Interview data was collected using an audio recorder and voice-to-text software in the offices of the individual business owners. Open-ended interview questions were asked of each participant and both the questions and responses of the researcher and the participant were audio recorded with written notes taken by the researcher. The data were then transcribed to text using voice to text software for analysis. The voice-to-text software was compared with audio data to facilitate transcription process and support audio recording.

Software served as a backup for reference. The primary collection was done in the participants'

own recorded words and the researcher's notes and recorded questions from each participant interview. The data was kept as was necessary to conduct data analysis and results reporting.

Protection of Human Subjects: Ethical Considerations

The entrepreneurs participating in the study each signed an informed consent indicating their agreement to voluntarily participate. The consent form outlined the UIW protocol on studies involving Human Subjects. The content of the interview response was confidential and was kept for the duration of the research process until completion. Under no circumstances would any identifying data of subjects be needed or used. Any descriptions were broad and generic and limited to broad descriptions such as industry, never identifying a specific firm or business owner. Merriam (2009) referenced key protocol outlined by Taylor and Bogdon (1984) to follow when conducting interviews: (a) researcher motivation and purpose for the study, (b) confidentiality and protection of respondent's identity, (c) researcher control over final study content, (d) payment disclosure (if applicable), and (e) interview specifics (e.g. time, place, number). This protocol should be communicated at the beginning of each interview (Merriam, 2009). It is also a required protocol that is communicated in the informed consent.

Data Analysis

Interview data were sorted, coded and categorized to determine common themes. This process began with transcribing data. By combining recordings and researcher's notes, transcriptions from voice-to-text software were reviewed and updated as voice-to-text does not always accurately convert voice data. Researcher exposure to data by this stage was already threefold: the actual interaction in the interview, listening to playback recording, and reviewing voice-to-text transcription. This is important to note as the researcher was able to begin organizing data for coding. This process is what Merriam (2009) refers to as "beginning analysis

during data collection” (p. 170). While this is an informal process, it is significant because it involves the observations and analysis of the researcher as part of the research process.

Bogdon and Bilken (2007) outline ten methods to use to begin analysis as it is collected. These guidelines were utilized even in the pilot process to build interview questions that generate rich, meaningful, useful data content from the interviews (Merriam, 2009). The Bogdon and Bilken (2007) guidelines found in Merriam’s text (2009) are as follows:

1. Make decisions that narrow the study. This recommendation is to pursue very specific topics, subjects, etc.
2. Make decisions concerning the type of study. Will the purpose be generating theory or descriptive?
3. Develop analytic questions. Recognize that questions may need to be reformulated or adjusted during data gathering process and some may prove more relevant than others.
4. Plan future data gathering from findings of previous data gathering results. Narrow further from one session to the next using observations and researcher notes.
5. Write observer comments while in actual field collection. The objective is to create active critical analysis rather than just passive observation.
6. Note researcher thoughts, observations, and conclusions. As they are reviewed later in process, they can be more valuable and applicable theoretically.
7. As themes and codes are identified, use them with future respondent interviews. Ask respondents about identified themes, patterns already identified for further validation.
8. Continue to review literature. Revisit previously reviewed literature to support analysis and stimulate critical analysis.
9. Look at data from various perspectives. Look for metaphors, analogies, concepts.

10. Visualize. Use models, color coding, to give deeper or different perspective to data.

After the transcription process, coding the data was the next step for data analysis. Coding comes from the language in the transcription of the data. Codes created from the responses directly are inductive codes. Codes that are observed and determined by the interpretation of data by the researcher or from literature are referred to as deductive codes (Hennick, Hutter & Bailey, 2011). The method for coding data in this study was 1) annotation of transcripts and 2) comparison to codes obtained from transcripts through coding software. From the 20 transcripts, codes were developed from 8-10 of the transcripts using annotation method. Once codes were created, the data from all transcripts could be used in the categorizing process. The process of replaying the recordings, transcribing and annotating made code development more obvious to the researcher, but also allowed for support and validation from the data itself. This is also where use of data from all transcripts and responses adds richness and depth to findings.

After codes were developed, they were put into categories. References to cultural factors were categorized to identify the most influential factors. Merriam (2009) indicates that the categories of data should meet specific criteria. This means that data should answer or fit the research question. All relevant data should be categorized. For this study data categories were important as some data were characteristic to culture theory and not entrepreneur theory, while some were applicable to both theories. Merriam (2009) stressed importance of maintaining clear focus of study's purpose, researcher's knowledge and perception, and the responses of the participants. This adds to the depth and rich quality of the data to best support the study's objective. Categories can come from the researcher, from the respondents, and from the literature. Merriam (2009) outlines criteria for creating categories:

1. Categories must be applicable to purpose of research;
2. There must be a category for all relevant data;
3. Data can only fit in one category;
4. Categories should be as exact as possible; and
5. Categories must be characterized at the same level, or “conceptually congruent” (p. 186).

The number of categories should be narrowed to four or five from which themes or a theory can be developed or derived.

Finally, after categorizing data, the categories were narrowed to the categories that will be most supportive of research purpose. They would also be the categories most supported by data responses and analysis. From these categories, themes to support initial research question allowed for the development of new knowledge or validation of existing theory. This is the third step in the qualitative research strategy of triangulation.

Triangulation uses phenomenology which is the observed resulting action from the cultural influences of the respondent data; ethnography allows for observation of cultural environment and experiences that shaped beliefs and attitudes about business and culture. The deduction of themes from the final categorization of data leads to the third method of critical theory. Triangulation does not rely on just one application of data analysis, but on multiple interpretations and applications of data to support the result of the study.

Role of Researcher

In this qualitative study, the role of the researcher was varied and ongoing throughout the research process. In a physical sense, the researcher conducts the data collection according to proper human subject protocol. The researcher was the interviewer, interacted with the

respondent not only conducting interviews but listening, observing, noting and, most importantly beginning the analysis process from the moment the prospective participants were identified.

The researcher's experience and knowledge provide deductive reasoning and critical thinking from the start of the research process (Hennick et al., 2011). The researcher targets and identifies prospective respondents that could provide valuable feedback. The researcher begins to establish rapport and responsiveness to the participant from the first contact. This establishes researcher's credibility from participant's perspective which can impact the fullness and frankness of the responses thus providing valid, rich, and valuable data. The researcher's function is as a keen observer, objective listener, and conscientious interviewer and documenter (Merriam, 2009). This allows for critical thinking and analysis to be ongoing throughout the data gathering process, through analysis, and finally to interpretation and reporting of results. From this perspective, Merriam (2009) indicates that the researcher is "the primary instrument for data collection and analysis" (p. 15). The problem with a human instrument however, is the potential for bias in process and interpretation of a study. However, Peshkin (1988) argues that "it is the basis of researchers making a distinctive contribution, one that results from the unique configuration of their personal qualities joined to the data they have collected;" this statement to some degree solidifies the researcher's important role in data gathering and interpretation (Merriam, 2009). The researchers dual function not only as observer but as a relational participant in the data gathering process is also uniquely beneficial to cultural study.

Chapter 4: Results

Introduction

The purpose of this study was to identify key common cultural factors that influence Hispanic entrepreneurs by examining their motivations, challenges, and success as related to decisions that lead them to pursue business ownership or entrepreneurship. To identify key cultural factors that impacted entrepreneurial behavior and affected their experience, a qualitative study utilizing field research which consisted of 20 respondent interviews was conducted in three major South Central Texas markets (Austin, Corpus Christi, and San Antonio). This chapter presents the results of the qualitative data and detail of the data gathering process. The objective of this research was to identify the major cultural factors most impactful on the 20 entrepreneurs' experience. The primary objective of this chapter is data analysis to identify the most common themes that support existing culture and entrepreneur theory and that proved influential to respondents' entrepreneur experience. The second objective was to identify any negative influences that created limitations based on the respondents' shared experiences and identify gaps or opportunities for potential new theory development.

Twenty entrepreneurs from South Central Texas participated in the study after recruitment efforts conducted via email and telephone from various resources: local chambers of commerce, entrepreneur organizations, and business associations. This chapter presented various types of data gathered from interviews held with the 20 participants. The first set of data gathered was demographic including: industry or type of business, number of years in business, size of enterprise (based on numbers of employees), age and gender of respondent. The second set of data gathered was observational including physical environment and respondent behavior. This allowed the researcher to include data that is not specific to the instrument but still reflects

attitudes and experience of respondent either as observed by the researcher or from the interview process. The third set of data examines each instrument question for common themes supported by direct participant response. Responses to questions were categorized and coded to identify common themes in the responses. Direct quotes from respondents and the frequency of similar or related responses were illustrated in the results throughout this chapter.

Demographics

Table 4 below illustrates demographic data collected before the interview process: industry, number of years in business, size of enterprise (determined by numbers of employees), age and gender of the respondent. The purpose of demographic data was to illustrate the diversity of the sample and to identify specific groups for any commonality among responses.

Table 4

Demographics

Participant	Industry	Years in Business	Size of Business	Age Range	Gender
1	Retail Food Svc.	0-10	5	40-50	F
2	Technology	20-30	50	40-50	F
3	Food Production	30-40	42	60-70	F
4	Food Production	20-30	42	30-40	F
5	Health Care/Prof.	10-20	14	40-50	M
6	Contractor/Service	30-40	22	70-80	M
7	Prof Svc Engineering	0-10	22	40-50	M
8	Retail Big Ticket	20-30	60	40-50	M
9	Prof Svc Funeral	20-30	5	50-60	M
10	Prof Svc Funeral	30-40	5	70-80	M
11	Prof Svc PR/Prod.	20-30	4	50-60	F
12	Prof Svc Marketing	20-30	1	40-50	F
13	Retail Food Svc.	20-30	40	60-70	M
14	Retail/Wholesale Clo.	0-10	15	40-50	F
15	Retail Clo. /Pro.Stylist	0-10	2	30-40	F
16	Prof Svc Beauty/Spa	10-20	3	50-60	F
17	Prof Svc Insurance	0-10	1	50-60	M
18	Non-profit	0-10	3	40-50	M
19	Health and Fitness	0-10	1	30-40	F
20	Prof Svc Fin Svcs	20-30	2	60-70	M

The respondents represented a broad range of industry and organization size. Industries ranged from professional services (funeral service, insurance, marketing, public relations), retail (soft lines and big ticket), health care, technology, engineering, food service (including wholesale distribution and retail), to manufacturing and contract construction. Some enterprises were multi-generational operations with 5 to over 40 years in business. Respondents were 50% male and the average respondent age range was 40-50 years. Enterprise size was determined by numbers of employees and the sample majority reflected national average of less than 50 employees. Demographics of sample also reflected other national averages as illustrated in Table 5 below, which included a younger average owner age of 35+ years among Hispanic entrepreneurs when compared to the non-Hispanic business owner age of 55+ years. These parallels of respondent sample data shown in Table 5 reflect the national small, Hispanic-owned business secondary data from the U.S. census. This also indicated that although the sample size was small at 20 respondents, it was a representative sample.

Table 5

Demographic Comparisons

	Respondent Sample	Secondary sourced Data (SBA and Census)
Average ownership age of Hispanic-owned business owners	40-50	35+*
Majority of Hispanic-Owned business is <50 employees	80%	77%

Note. *Average age of non-Hispanic owned business owners is 55+. Source U.S. Census and Small Business Administration

Observations (Ethnography)

To observe culture, environmental, and behavioral factors, a field research study was conducted by placing the researcher in the environment to observe the participants. Regarding

ethnographic observation, Merriam (2009) concurs with Van Maanen that “the result of ethnographic inquiry is cultural description. It is, however, a description of the sort that can emerge only from a lengthy period of intimate study and residence in each social setting” (Van Maanen, 1982, pp. 103-104). For this study, all but two respondent interviews were conducted in the respondent place of business. It did not take very long after arriving at most locations to see multiple examples of symbols, and active presence of Latino culture.

The most visible observation was in the use of language. Professional service offices and retail storefronts alike had posted signs, policies, and marketing materials in both English and Spanish. This was especially true of the services involving high levels of client trust such as health care, insurance or funeral service. For retail enterprises, if the product was distinctly Hispanic, i.e. food or clothing, product descriptions or names were usually in Spanish. While all respondent interviews were conducted in English, the availability of Spanish-speaking staff available to customers were present in most environments.

The most noticeable observation was in office décor. One of the most striking was a series of canvas paintings in the entry hall of a technology firm depicting one-of-a-kind artwork in the style of the Mexican card game of “*Loteria*.” The paintings were the work of a local Latino artist. Another noticeable presence was that of religious icons, some subtle as part of desk or shelf décor and some with prominent placement. In enterprises of distinctly Hispanic products, such as restaurants or retail establishments, the décor ranged from cut paper banners (referred to as “*papel picado*”) to brightly painted furniture, to exquisite Talavera tile work, fountains, paintings, owner portraits, or sculpture. The subtlest presence in an office of a Hispanic business owner would include recognition or an award from the local Hispanic Chamber of Commerce. In retail storefronts that did not have specific Hispanic products (e.g. a

clothing boutique), colorful “*serapes*” were used as table covers or incorporated in store displays or office music was set to a Latin genre.

While music was often present, food like language, was one of the most commonly described cultural elements described by respondents. Some respondents described experience regarding food in a very positive way. Two respondents specifically described how food sometimes is misrepresented by non-Latinos or by the media. True Latino foods were described as “fresh” and wholesome, home-prepared, “minimally-processed” and containing large quantities of fruits, vegetables, and meats prepared over open-flame or wood grilled. Even a popular Mexican confection, “*la paleta*” was described as pureed fruit frozen on a stick, while “*aguas frescas*” were fruit-based drinks made of pureed fruit, water, ice, and pure cane sugar (minimally-refined). Many respondents mentioned that food preparation and consumption was family-centric and created a sense of community. Meal preparation was traditional as were celebrations where food was central to bringing groups together. Some entrepreneurs felt that a high number of restauranteurs also created an entrepreneurial “stereotype” about Latino-owned business, “we don’t all own (Mexican) restaurants.” Some entrepreneurs, however, saw the unique “flavor” and demand for Latino foods as an opportunity to take Mexican foods, such as tamales, fajitas, or even margaritas and create a niche markets, some at the nationally-distributed level.

Another observation was in response time to questions where respondents had to describe experience or reflect on experience (e.g. questions 4, 5, 7, 12, 14, 15). Many respondents, they truly took some time or perhaps had not reflected on their experience as an influencer of behavior. This observation was significant because while many participants were aware of cultural influence or presence of culture in their lives (i.e. family, language, food, music,

education, work ethic), many of the behaviors that resulted (and that respondents recognized they exhibited) were inherent or not recognized as conscious effort (e.g. “I did things because I saw how my dad did it;” or “I have never really thought about why I that, it was because it’s how we did things or how I was taught;” or “It’s how I was raised.”) Some respondents became aware of influences as their experiences evolved (“As I got older I realized,” or “After my mom died I saw how she had done things, and I tried to do the same for my kids.”) This occurrence of a life event or an increased awareness led to a conscious understanding of important influencers and impacted conscious behavior.

Finally, one of the most unexpected observations was the way entrepreneurs identified themselves. Most did not identify themselves as Hispanic. Some preferred the term Latino or more specifically identified with their country of origin or ancestry. They identified themselves as Mexican-American with the distinction that Mexican referred to country of origin while Mexican-American was what they considered themselves since they were U.S. citizens. The term Hispanic was not viewed as favorable because some indicated it was “too broad” or was classification given “by the government,” “for census purposes,” or “the establishment.” Although they saw the term as a common description for the group, it was considered a descriptive term used to describe a population and not to identify themselves.

In every enterprise, the physical presence of Latino culture was evident. In some organizations, it was very subtle and for others it was the very nature of their enterprise. However small or subtle, the entrepreneurs’ expressions of Latino culture were representative of traditions, ties to countries of origin, reflections of identity, but above all, indicative of a strong sense of pride. “I think we are blessed to be Hispanic; we really are.”

Experiences (Phenomenology)

The recruitment process was conducted using chambers of commerce, entrepreneur organizations and associations, however, most responses for participation in the study came as referrals from other participants. Merriam (2009) refers to this as a type of purposeful sampling also known as “snowball, chain, or network” sampling (p. 79). This study used a qualitative data gathering approach of recorded field interviews and collected responses to a fifteen-question instrument. The questions were divided into two sets: the first set gathered responses on cultural experience, and the second set focused on the entrepreneurial experience of the respondent. To organize data, coded responses from each of the interview questions were categorized to identify common themes in the responses. Those themes were listed and the frequency of common (or related) responses tabulated with supporting respondent quotes. After all the fifteen question responses were presented and respective themes identified, the top five most common themes (by frequency of response) were confirmed. Initially, the research was to focus on the three most common cultural factors identified from participant responses but as the themes evolved, additional common themes emerged. The five themes were supported by both cultural and entrepreneurial theory, and some supported both.

To identify themes, each set of responses for each question was categorized and coded for commonalities among responses. To manage data, Hennick et al. (2011) recommend that to set categories, eight to 10 interviews should be used to provide annotation for categorization then all responses should compare against those categories. Merriam (2009) concurs with Creswell that from a larger number of categories, the researcher “can reduce and combine them into five or six themes” (Creswell, 2007, p. 152). Therefore, the researcher expanded key cultural factors

influencing behavior (i.e. themes) to include five themes. To illustrate, Tables 6-20 below examine categories for each interview question along with the frequency of responses.

Culture. For Question 1 for culture, the categories of family, language, and background, illustrated in Table 6, are thematic elements of Identity, which is a core of culture theory. In question Question 2 for culture, the categories of language, family (staff), and tradition, illustrated in Table 7 are thematic elements of Identity, which is also core culture theory. Question 3 for culture (and illustrated in Table 8) identifies categories of work ethic, humility, and commitment. These categories are thematic elements of Perseverance, which is an entrepreneurial trait. From Question 4 for culture, Table 9 illustrates the categories of education, work ethic, and family as thematic elements of Education and Skill Development which are core culture theory. Question 5 for culture identified categories of demographics, community, and opportunity (creativity) and are illustrated in Table 10. Question 5 categories are thematic elements of Adaptation, which is a theme in culture theory while Innovation is a theme in entrepreneur theory. Question 6 for culture identified the categories of community, opportunity, and race and are illustrated in Table 11. These are thematic elements of Identity and Adaptation, which are core culture theory. The final question for culture, Question 7 is illustrated in Table 12 and identifies categories of education and cultural negatives as thematic elements of Identity, which is core culture theory.

For questions one through seven regarding culture, the themes are Identity, Education, and Adaptation supporting culture theory. These theoretical elements include cultural traits which define a community such as language, family, faith, skill development, work ethic, and economics (see Figure 4). Culture theory also suggests that communities adapt to their changing environments as their members develop over time and over generations through increased

education and developed skill set (Feibleman, 1968). Their resulting common experience(s) lead to creation of shared beliefs and values resulting in a common identity. Identity emerged as the most common theme in four of the seven culture questions. Identity as a theme also reflects culture which Merriam (2009) quotes Wolcott (1999, p. 8) that the “notion of culture is central to ethnography” (2009, p. 28). The experiences then become actions which is the “philosophy of phenomenology” (Merriam, 2009, p. 24). For Latinos, those experiences translated to specific actions. The themes are as follows: Adaptation, Education, Innovation, and Perseverance.

Although the responses to participants’ cultural experience questions reflected and supported culture theory with very direct parallel, two specific entrepreneurial traits, Innovation and Perseverance also emerged as themes to their cultural experience. Innovation is both part of the definition of entrepreneurship (Griffiths et al., 2012) and entrepreneur theory (Cantillon, 1755). To have these entrepreneurial themes emerge from cultural experience, implies that to some degree, entrepreneurship is inherent to Latino culture.

Table 6

Themes and Categories from Interview Data: Question 1 for Culture

Question 1: The term Hispanic or Latino is a broad definition to describe the culture of origin of people from Spanish-speaking nations of the Americas and Europe. What does it mean to you to be “Hispanic or Latino”?			
Category	Rate of response #	Rate of response %	Examples
Background	5	50%	<p>“Culture (comes) from the way we are raised when we are little...the way your parents raise (us). It is different than the way kids are raised now...I think that is how Hispanic people are.”</p> <p>“It’s because of my family background, everything that I was brought up with was seeped with Latino culture—the food we ate, the language we spoke.”</p> <p>“Hispanic is your background-it’s your parents and your grandparents. It’s culture. The things they did.”</p> <p>“We try to instill our culture in our children. My daughter is in folkloric dance and attends a dual-language school.”</p>
Subcategories: -childhood -upbringing -tradition -experiences			
Language	5	50%	<p>“(It means) that I was born of Spanish-speaking people.”</p> <p>“People spoke Spanish and English back and forth every day, so you absorb the language.”</p> <p>“My (younger) cousin knew Spanish only until he was 6 and then he became fluent in English. He’s 10 years younger than I am!”</p> <p>“I am bilingual and bicultural.”</p> <p>“We use names and terms of endearment in Spanish with our kids even though they don’t speak Spanish yet.”</p>
Subcategories: -bilingual -Spanish -Spanish and English			
Family	5	50%	<p>“My dad worked here, but took us to see our grandparents in a little small town outside of here.”</p> <p>“Hispanic culture emphasizes family and that’s one of the reasons I came back to Corpus.”</p>
Subcategories: -parents -grandparents -nuclear -extended			
Country	4	40%	<p>“I am first generation, so I am Mexican-American; I am <i>Mexicana-Americana</i>.”</p> <p>“I relate more to being Mexican-American living in the United States.”</p> <p>“I identify as Mexican-American.”</p> <p>“People are sometimes from Mexico, but my grandfather was born here in the U.S. in Texas 1889 and his father was born here in 1859.”</p> <p>“Latino is about origin—like my family’s is Mexico and Spain.”</p>
Subcategories: -origin -bicultural			

Table 7

Themes and Categories from Interview Data: Question 2 for Culture

Question 2: Do you consider yourself to be Hispanic or Latino? How do you reflect this in your business?			
Category	Rate of response #	Rate of response %	Examples
Language	6	60%	<p>“97% of our customer base is Spanish speaking.”</p> <p>“60% of our customers are Spanish-speaking.”</p> <p>“Some patients speak no English.”</p>
Subcategories: -customers -Spanish-speaking staff			<p>“Our office staff in El Paso is almost all Hispanic since that is the (nature) of the geography.”</p>
Staff	6	60%	<p>“Even our staff is 75% Hispanic-origin and that just happened; it wasn’t intentional.”</p> <p>“In our stores in the Rio Grande Valley and Laredo our staff is very loyal, many have been with us 10 or more years.”</p> <p>“We are like one big family, we work hard, and we play harder.”</p> <p>“Family is important in our organization.”</p> <p>“Staff has to care.”</p> <p>“We care about them so that they will care about (patients/customers).”</p>
Subcategories: -loyal -like family -hard-working -relationships			
Tradition	5	50%	<p>“In my business, I try to do everything the way my mom used to—everything fresh, everything from scratch, a lot of herbs. My dad uses to have a garden, tomatoes, chilis. We grow our own herbs.”</p> <p>“We do things together, hunting, we have BBQs and bonfires.”</p> <p>“We celebrate and have fun.”</p> <p>“I would never change my product; it is a very traditional Mexican product, but I have taken it to new markets.”</p> <p>“I’m a very spiritual person, and my father taught me that doing for others without expectation, that is when it becomes ‘golden’. It will always come back to you, especially with customers and staff.”</p>
Subcategories: -family-oriented -create			
Certification	4	40%	<p>“We are a certified minority-owned business with the state and with the city.”</p> <p>“We are certified minority-owned and women-owned.”</p>
Subcategories: -Minority-owned -Hispanic-owned			
Relationships	5	40%	<p>“We want our customers to feel like family.”</p> <p>“We try to reflect our customer base.”</p> <p>“We are sensitive to their culture. We’ve even changed our commercials and sales to accommodate the market.”</p> <p>“You have to treat everyone with respect.”</p>
Subcategories: -customer -family			

Table 8

Themes and Categories from Interview Data: Question 3 for Culture

Question 3: What do you consider to be some of the most important (or valuable) characteristics (traits) of being Hispanic or Latino?			
Category	Rate of response #	Rate of response %	Examples
Work ethic	5	50%	<p>“I can do any aspect of my business.”</p> <p>“We are not afraid to do anything.”</p> <p>“Work is something to be proud of.”</p> <p>“Work hard.”</p> <p>“Watching my dad taught me work ethic.”</p>
Subcategory: -willingness to do any task			
Pride	3	30%	<p>“Be good at what you do and don’t feel less because of it.”</p> <p>” Embrace who you are in every aspect.”</p>
Humility	4	40%	<p>“We do not think we are better than anyone or too good to do something.”</p> <p>“My grandparents were janitors and cleaned offices and if they had to pick us up from school between jobs we would go with them and they were still loving and kind no matter how long the day.”</p> <p>“Give without expectation.”</p> <p>“I learned from my patients; I learned that there’s a lot of disadvantaged Hispanics. I learned to help, to give without expectation.”</p>
Subcategories: -giving -authenticity -rooted			
Creativity	3	30%	<p>“When you don’t have much, you make do and figure out a way.”</p> <p>“Never give up.”</p> <p>“Sometimes you have to challenge the status quo because you are already different.”</p>
Subcategories: -resourcefulness -tenacity -resilience			
Commitment	5	50%	<p>“You don’t forget your people or where you came from.”</p> <p>“You give back and you bring people with you.”</p> <p>“Family helps family, in any and every way. I see my family for free; I am seeing victims of the hurricane and we are not charging them.”</p> <p>“Watching my dad, I was taught about not giving up.”</p> <p>“Our commonalities (language, culture) make us a bridge to one another.”</p>
Subcategories: -community -family			

Table 9

Themes and Categories from Interview Data: Question 4 for Culture

Question 4: What experiences growing up Hispanic/Latino influenced you as a business owner?			
Category	Rate of response #	Rate of response %	Examples
Education	9	90%	<p>“In school, I was always told anyone can do anything.”</p> <p>“Learning work ethic and tenacity helped me in my academics.”</p> <p>“If I had had more education, I would have done even more.”</p> <p>“There were 8 of us and we all went to college; we have 2 with master’s and one doctor.”</p> <p>“One of the only things I regret is that I didn’t go to school; I went into the army.”</p>
Subcategory: -work ethic			
Family	6	60%	<p>“Spending time with my grandparents, I learned what it was to work hard.”</p> <p>“Watching my dad work and how to treat people taught me business skills at a very young age.”</p> <p>“My dad took me with him when he was conducting business.”</p> <p>“My father told me ‘never let anyone outwork you.’”</p> <p>“I watched my parents and grandparents do two, three jobs because they had to bring money into the household but that meant you find a way to make it work.”</p> <p>“When you don’t have anything, or you are always held down by your circumstances, the only way out is up.”</p>
Subcategories: -work ethic -tenacity -resilience			

Table 10

Themes and Categories from Interview Data: Question 5 for Culture

Question 5: Over the last 2 decades Hispanic-owned businesses have grown at a rate faster than other groups; what do you think has impacted or created such opportunities for growth?

Category	Rate of response #	Rate of response %	Examples
Demographics	5	50%	<p>“More people are coming to the US from other countries.”</p> <p>“Immigration has affected growth.”</p> <p>“In this area, people don’t treat you less because you are Hispanic.”</p> <p>“Hispanics have the numbers and the buying power.”</p> <p>“Part of that (entrepreneurship) has to do with the landscape.”</p>
Subcategories: -population -wealth			
Opportunity	4	40%	<p>“Many people who come to this country and don’t find opportunities create them.”</p> <p>“Innovation comes from not being afraid to challenge the status quo.”</p> <p>“Opportunities like HUB, minority-owned business, women-owned business help business grow.”</p> <p>“There are more opportunities—education, scholarships than there were before.”</p>
Subcategories: -creativity -innovation			
Popularity	2	20%	<p>“The Hispanic culture has become very popular. It wasn’t (long ago) that it was not popular being Hispanic.”</p> <p>“People like the idea of being in business for themselves.”</p>
Subcategories: -acceptance -flavor			

Table 11

Themes and Categories from Interview Data: Question 6 for Culture

Question 6: How does being a Hispanic or Latino help or hinder those growth factors?			
Category	Rate of response #	Rate of response %	Example
Community	4	40%	<p>“This is an area where (Hispanic) people support you. That is grace from God.”</p> <p>“You treat people the way you want to be treated and you do it with your heart not because you want something back and it is going to come back to you.”</p> <p>“You help and never forget where you came from, bring people with you and growth comes to you.”</p> <p>“My dad taught me that you give without expectation and it comes back to you. That is when it becomes ‘golden’. For us, embracing it has helped us in specific markets.”</p> <p>“Again, Latinos aren’t afraid to challenge the status quo.”</p>
Subcategories: -giving -family -faith			
Race	5	50%	<p>“You still run into it (racism), it’s real. You are sometimes the <i>only</i> brown person in the room. But being Latino has helped a lot more than it has hindered.”</p> <p>“I can honestly say it has only happened once to me like in an obvious way in trying to get a loan. But then I just went down the street and my race wasn’t an issue at all.”</p> <p>“Actually, being female has been more of a hindrance than being Latino.”</p> <p>“I never noticed because I never let anything affect me. Maybe it’s my personality. I think if any barrier has been there it’s being a woman.”</p>
Subcategories: -ethnicity -prejudice			
Opportunity	5	50%	<p>“It has helped a lot more than it has hindered.”</p> <p>“It helps a lot. You relate to your customer better if you look like them and speak their language.”</p> <p>“They trust you more.”</p> <p>“It’s popular!”</p> <p>“It’s a niche. If not, create one; they already see that you are different. We started changing our tiles and our colors and everyone wanted it!”</p>
Subcategory: -adaptation			

Table 12

Themes and Categories from Interview Data: Question 7 for Culture

Question 7: Looking back at your experience as a Hispanic in business, are there specific areas or skills you wished you had available?

Category	Rate of response #	Rate of response %	Examples
Education	5	50%	<p>“You know in all of my years of education, I only had 2 lecture classes on how to run a practice. They don’t teach you how to run a business.”</p> <p>“You do things and you don’t know if it’s the right thing.”</p> <p>“You can be the best engineer, but it doesn’t matter if you can’t run a firm.”</p> <p>“More business courses.”</p> <p>“The only thing I regret is not having an education but in those days, we couldn’t.”</p>
Cultural negatives	6	60%	<p>“Assertion, poise, confidence.”</p> <p>“Expectation that you can’t be the owner because you are a woman or Latino.”</p> <p>“Assertion.”</p> <p>“Only regret is not having more education because my father didn’t think it was necessary. Maybe because he couldn’t or didn’t know how to do it for me, he discouraged it.”</p> <p>“My parents not knowing or being prepared financially for my education. They always encouraged it, but when the time came it was like ‘oh, crap, how do we do this?’”</p>
Subcategories: -ignorance -gender bias -lack of resources			

Entrepreneurship. For Question 8 the categories of visionaries, change-makers, risk-takers are thematic elements of Change and Risk as illustrated in Table 13; these represent core entrepreneur theory. In Question 9 the categories of loss, limitations, and legacy (illustrated in Table 14) support themes of Identity and Adaptation which are cultural themes. Limitations and loss also support Innovation which is entrepreneur theory. For Question 10 the categories of risk, and sacrifice (Table 15) are thematic elements of Risk-taking and Identity which are core themes of entrepreneurship theory and culture theory, respectively. For Question 11, Table 16 illustrates categories of financial, quality management, and failure management which are all thematic forms of taking on all Risk which is entrepreneurial theory. Taking on responsibility is reflected in thematic elements of tenacity and concern for others which are Hispanic culture traits. For Question 12 the categories of risk, knowledge, and size (Table 17) represent themes of taking on all Risk and Enterprise Creation in entrepreneur theory. Knowledge or Skill Development is cultural theory and represents Education which is a Hispanic culture characteristic (Figure 4). In Table 18 the responses for Question 13 included the categories of family and all-decision making which are themes for culture and enterprise theory, respectively. Family is also a characteristic trait of Hispanic culture (Figure 4) and supports culture theme, Identity. Change Creation, and (all) Decision-making are also entrepreneurial themes since in entrepreneur theory, all decision making is also the assumption of all risk (Kuratko, 2009). In Question 14 the categories of positive and negative impact of culture illustrated in the results in Table 19 are thematic elements of Identity which is core culture theory. For Question 15: Categories of education and culture both support themes of Education and Identity as illustrated in Table 20. Education again is also a characteristic trait of Hispanic culture (Figure 4).

When analyzing the respondents' answers, Identity and Education were strong themes that were key to innovation, managing challenges, and achieving success in entrepreneurship. Identity was a theme in half of the questions in the entrepreneurial experience. Identity was not always positive, in some cases, gender bias and lack of resource availability within the Latino community, for example, hindered enterprise. Work ethic, another Hispanic culture characteristic viewed as a positive culture trait, resulted in negative impact on family life for some respondents. Others felt the work ethic and commitment to enterprise created high levels of self-sacrifice and negatively affected home life. Importance of education was also prevalent and as respondents indicated there is a lack of formal business training and strategic enterprise methods.

Finally, Risk and Innovation were common among Latino entrepreneurs. However, taking on risk was not a positive entrepreneurial experience but rather the result of lack of resources. The resources most commonly lacking among respondents that resulted in risk were financial in nature. Many entrepreneurs indicated periods of difficulty during economic downturns, and cash flow lags in receivables and invoicing, resulting in loss of personal earnings. Start-up costs were also often personally funded and at a degree of risk and high degree of financial sacrifice. Again, this lack of access to resources and information also indicates that Latino entrepreneurs could be subject to greater entrepreneurial risk because of the lack of access to capital resources. This is an entrepreneurial theme that presents a potentially negative influence disproportionately on Latinos. Therefore, the willingness to take on additional or undue risk can also be inherent to Latino culture.

Table 13

Themes and Categories from Interview Data: Question 8 for Entrepreneurship

Question 8: Entrepreneurs are defined as innovators or change-makers. What is your definition of an entrepreneur?			
Category	Rate of response #	Rate of response %	Examples
Visionaries	3	30%	<p>“Entrepreneurs are visionary and have to be willing to be disruptive.”</p> <p>“Able to find a need and fill it.”</p> <p>“Giving back element is something that we did differently than was done before because we wanted to give back.”</p>
Change-makers	4	40%	<p>“Change-agents and to Latinos it is inherent when opportunities don’t exist for you.”</p> <p>Subcategory: -innovators</p> <p>“We changed the entire business model of what this was before.”</p> <p>“As I said earlier, willing to challenge the status quo.”</p> <p>“Find new ways to do business; for us when we began doing fundraising with our product, it helps the schools, but it gets out products out there and we sell thousands and it gets your product out there and bring new customers in.”</p>
Risk-Takers	6	60%	<p>“Entrepreneurs have to be willing to not only take on risk but to live with it—constantly.”</p> <p>“Entrepreneurs are not afraid to take on risk.”</p>

Table 14

Themes and Categories from Interview Data: Question 9 for Entrepreneurship

Question 9: What motivated or caused you to go into business for yourself?			
Category	Rate of response #	Rate of response %	Examples
Loss	4	40%	<p>"I lost my brother and I thought if I don't do this now I may not have the chance, and what do I have to lose? I had already experienced the greatest loss (his death) I'd known."</p> <p>"I was a silent partner and worked at the business helping out but when I lost my job, I took over and went full -time. I have never looked back."</p> <p>"I got divorced and bought out my ex."</p>
Subcategories: -family -job -divorce			
Limitation	4	30%	<p>"I didn't want to work 60-70 for Senior partners to get the same if not more of the benefit."</p> <p>"I wanted flexibility and control of my time."</p> <p>"I wanted to work for myself."</p> <p>"Working in my industry for someone else was limiting."</p>
Legacy	6	60%	<p>"I grew up in this business, I've been here since I was a kid watching my parents; it's who I am."</p> <p>"I come from a family of entrepreneurs; it's what we do. My dad, my uncles, they all have their own businesses. Even when they worked for someone, they always did their own thing too!"</p> <p>"Even as a kid, I had a business. As a teenager, I had a sno-cone business in a building downtown."</p> <p>"I was always selling. I was good at it and I liked it so self-motivation to pursue business came easy to me."</p> <p>"I saw my dad every day, how people respected him, I went to mortuary school and it was just natural."</p> <p>"My uncle asked me to come work with him. Then I opened my own agency."</p>
Subcategory: -tradition			

Table 15

Themes and Categories from Interview Data: Question 10 for Entrepreneurship

Question 10: What is the best part of being a business-owner? What is the most difficult?			
Category	Rate of response #	Rate of response %	Examples
Independence	3	30%	“I don’t answer to anyone anymore.”
Subcategories: -freedom -flexibility			“I can have more control and flexibility of my life and time.”
			“It isn’t a job, it’s you.”
Risk	9	90%	“It is all on you; and you have people now depending on you to make things (business) happen.”
Subcategories: -failure -financial			“You have to constantly be out there getting deals done and finding new ones.”
			“Financial risk is huge.”
			“Failure is always a possibility, and everything is a risk.”
Sacrifice	6	60%	“The work ethic thing has a down side.”
Subcategories: -fatigue -isolation -family impact			“You work a lot!”
			“It’s 24/7!”
			“You are never disconnected from your business.”
			“You have to learn balance.”
			“Sometimes you lose yourself and you put your life on hold sometimes.”
			“Sacrificing personal life.”

Table 16

Themes and Categories from Interview Data: Question 11 for Entrepreneurship

Question 11: What is the biggest risk in owning and running your own operation?			
Category	Rate of response #	Rate of response %	Examples
Financial	3	30%	“It is so hard to find financing to start but it is so easy to lose and very difficult to manage. You always have to be looking for new business.”
Subcategories: -economic -external			“There are elements you can’t control that can be devastating financially.”
			“We went through a period of bad timing with how invoicing fell, and partner and I took no salary for three to four months.”
			“Recessions, economic issues that you don’t control.”
Quality	3	30%	“If you can’t maintain it, you lose everything.”
Subcategories: -product -employees			“You have to have good employees, so you have to take care of them.”
			“If you don’t take care of staff, they won’t take care of patients. Care is everything.”
Failure	2	20%	“There are no safety nets. It’s all on you.”
Subcategories: -tenacity -determination			“They say ‘failure is not an option’; when you own your own business it’s always an option; you just can’t let it (failure) happen.”

Table 17

Themes and Categories from Interview Data: Question 12 for Entrepreneurship

Question 12: What are some of the challenges (obstacles) you have experienced in your business over the years and how did you manage them?

Category	Rate of response #	Rate of response %	Examples
Size	2	20%	“Since you are small, you must do everything, you don’t have an IT dept., or someone to do different segments of the business function. So, you do it. Anything that is lacking must get done and you do it.” “You do it all!”
Risk	2	20%	“The risk is 24/7, just like the work. And you just do it.” “Cash flow is always a challenge; you must keep working.”
Subcategory: -financial			
Knowledge:	2	20%	“Lack of business knowledge was a huge learning curve. That’s part of why I felt fortunate to be part of the Leadership program at Stanford.” “You learn OJT and from your mistakes. You have to learn to grow from them and accept them.”
Subcategories: -lack of -learning curve			

Table 18

Themes and Categories from Interview Data: Question 13 for Entrepreneurship

Question 13: To whom or what do you attribute your success?

Category	Rate of response #	Rate of response %	Examples
Family	5	50%	“God, my dad, my experience, and my family—both nuclear and work.” “My parents—what they taught me: education, never give up, they lead by example.” “My dad, my wife, and me.” “My employees, they deliver the quality.” “My husband and God, He’s given all of this to honor and glorify Him. So, I try to do my best.”
Subcategories: -faith -employees			
Decisions	3	30%	“Self-expectations and making strategic decisions.” “Being totally involved.” “Determined and committed. Do whatever it takes.”
Subcategory: -become the enterprise			

Table 19

Themes and Categories from Interview Data: Question 14 for Entrepreneurship

Question 14: In terms of your cultural experience, would you say it helped or hindered your business experience?			
Category	Rate of response #	Rate of response %	Examples
Culture	0	100%	<p>“It helped; it actually grew as Hispanic products increased in popularity became more in demand.”</p> <p>“It may have actually limited me in coming home to be close to family, but it’s a trade-off. I have colleagues who’ve said I could have more do more elsewhere, but this is where my family is and where I learned early on I can do the most good where I am needed.”</p> <p>“I had to learn to stay connected to my culture to stay connected to my customers.”</p> <p>“Never a hindrance.”</p>
Subcategories: -positive -negative -sensitivity			

Table 20

Themes and Categories from Interview Data: Question 15 for Entrepreneurship

Question 15: As a business owner, are there any business functions that Hispanics or Latinos would benefit from with additional knowledge, education, or training?			
Category (Sub)	Rate of response #	Rate of response %	Examples
Education	6	60%	<p>“Training, formal knowledge, that’s why I went to get an MBA.”</p> <p>“Implementing formal knowledge.”</p> <p>“More business education.”</p> <p>“I wish I had gone to college.”</p> <p>“I would have wanted to have learned ways to access capital. It would have made start-up and managing cash flow much easier.”</p>
Culture (negative)	2	20%	<p>“Leadership skills and being more assertive.”</p> <p>“More sharing common knowledge and experiences.”</p>

Theoretical Model

To establish a theoretical model, multiple methods add validity to the data and credibility to the research findings. Data is analyzed and interpreted from different qualitative angles or perspectives. For this study, a multiple qualitative approach method, triangulation combined qualitative methods: ethnography, phenomenology, and critical theory. Ethnographic observation about respondents' external environment observed how cultural influence and experience impacted behavior. From a phenomenological perspective, the impact and perception of culture and experience led respondents to form realities (or perceptions of) based on actions. These two methods allowed for a third method, critical theory that took the resulting observations of the prior methods to determine if a new conclusion could be applied the greater environment. For this study, ethnography observed external factors, while phenomenology examined internal action while critical theory brought the experience of both to create a generalization. The triangulation model introduced in Chapter 1 was redesigned with analysis findings in Figure 6:

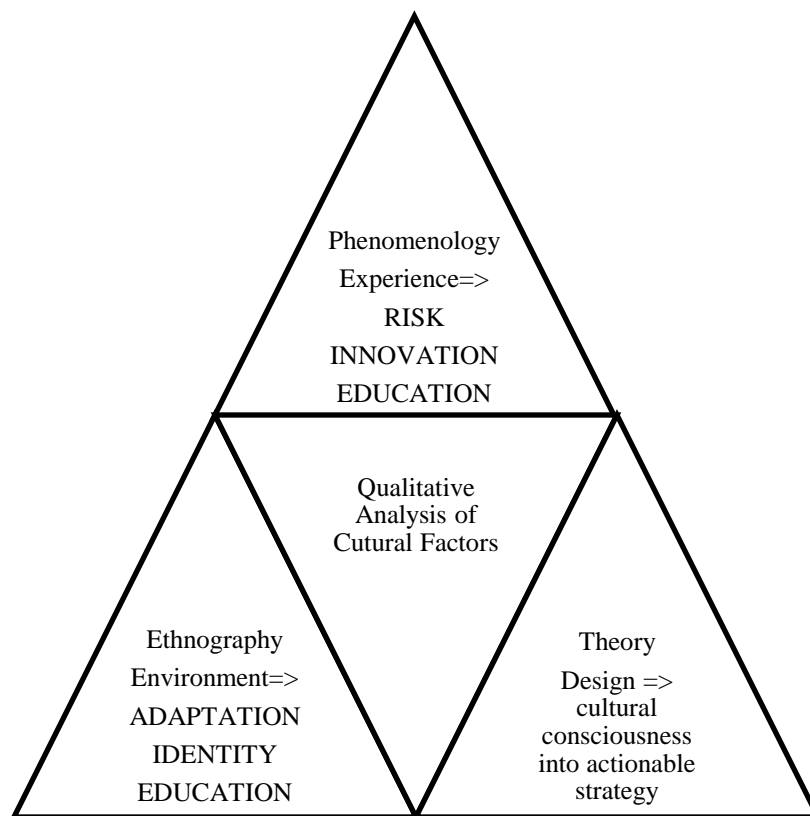


Figure 6. Triangulation of data for qualitative analysis of research findings: Data adapted from *Qualitative Research: A Guide to Design and Implementation*, (pp. 24-27) by S.B. Merriam, 2009, San Francisco CA: Josey-Bass. Copyright 2009 by John Wiley & Sons, Inc.

To develop theory, the existing theories of culture and entrepreneurship were applied to the themes that emerged from the research: Adaptation, Identity, and Education. These factors were key influencers on entrepreneurial experience. However, additional themes, Risk, Innovation, and Education (both the presence of and lack of access to) emerged from the respondents' culture and entrepreneur experience. This supports that certain entrepreneurial traits are inherent or at least collectively present because of cultural experience among this group of Latinos.

To summarize, the cultural components (factors) of Adaptation, Education, and Identity were drivers of innovation and some challenge management. The entrepreneurial components (factors) of Risk, Innovation along with, Education impacted (sometimes negatively) how entrepreneurs managed challenges and overcame obstacles. These same factors however, due to their positive

effect could be considered inherent to the culture as many respondents felt that risk and innovation were products of the Latino experience. What was lacking according to participants was access to resources and information. Respondents felt this hindered growth because of disparity in resource accessibility, knowledge, or necessary business skills and development, particularly in area of capital acquisition issues, long-range planning, growth and expansion, and increasing scale. This disparity is illustrated by the following model shown in Figure 7:

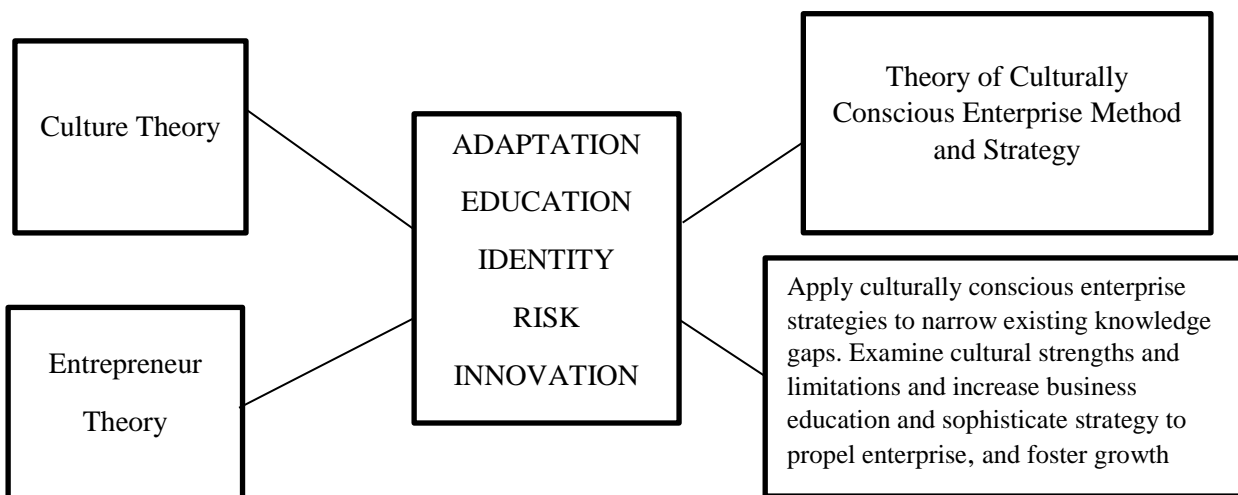


Figure 7. Theoretical Model: Adapted from *The Sequel and The Conclusion* (p.25) by M.K. Simon, 2011, Seattle WA: CreateSpace. Copyright 2011 by M.K. Simon.

However, what was not explicitly identified but rather implied was a different disparity: the desire to grow an enterprise combined with a myriad of ideas, thoughts, questions yet no specific path about how to take an already successful enterprise to a new level. While resources exist for the initial or start-up process of enterprise, there is still a missing link that prevents the high number of smaller enterprises to become part of an elite group of large, multi-million sized operations. It is not clear whether these obstacles exist within the entrepreneurs themselves or within the larger economic environment or some combination of the two.

Chapter 5: CONCLUSION, FINDINGS, RECOMMENDATIONS

Discussion

The purpose of this study was to identify key cultural factors that influenced Latino entrepreneurs. The study examined the cultural experiences which impacted entrepreneurs' decisions to create opportunities for themselves when perhaps none existed or to encourage them to seek a path they might not have necessarily considered. These traits and behaviors, some learned, some inherent, helped them mitigate challenges in often unknown or high-risk environments of economic self-sufficiency. This research sought to identify what behavioral influencers, including both conscious and often unconscious, led to success, yet still create challenges regarding future growth of existing successful enterprises. This study identified five key influencers that were cultural and entrepreneurial: Adaptation, Education, Identity, Risk, and Innovation. These factors implied that to some degree entrepreneurship is an "inherent" behavior for Latinos and a direct, resulting action of their common experience. However, the research also indicated that cultural influence creates behaviors that can potentially be self-sabotaging and must be examined, managed, and ultimately changed to foster Latino entrepreneurial growth and narrow Latino socioeconomic gaps.

For Latinos, these gaps are often the result of behavioral attitudes and cultural experience. For example, centuries of conquered, subservient attitudes created fear, distrust, and lack of knowledge (Sosa, 2006). Centuries later, these attitudes still influence behaviors that result in misinformation and ignorance of financial environments, including the basic functions of a financial marketplace, which limits Latinos' access to and knowledge of financial resources. The underrepresentation of Latinos in certain professional industries, like wealth management or financial services, when combined with subservient or distrustful attitudes potentially limits Latinos access to necessary resources (Grossman, 2007). The subservient, conquered attitudes

that Sosa (2006) references contribute to self-inflicted lack of confidence, and can lead to negative or restrictive attitudes about being a Latino in business rather than identifying and embracing the inherent strengths. For some Latinos in business represented in this study, high degrees of natural work ethic, for example, created work-life imbalance and sacrifice of self that hindered and prevent further growth and creativity. Many Latino entrepreneurs also lacked understanding of and need for long-range strategic planning and business transfer strategies (Grossman, 2007). Latinos have a strong attitude of faith and strong belief that life's events ultimately work for the best. A strong faith outlook combined with strength of determination to achieve despite obstacles can minimize the need for structure, planning, and discipline. A lack of formal strategic planning can prevent enterprise sustainability and improvement, and hinders ability to propel operations to a new level. Many of the same behavioral strengths that foster Latino entrepreneurial success could arguably also hinder growth as observed in this study and in the supporting the Tomas Rivera Policy Institute Study (Grossman, 2007) and Stanford Graduate School of Business (Chapa, Ott, Pompa, Porras, & Rivers, 2016) research.

Chapter 5 will examine and discuss the findings and implications of this study. This research will identify a theory that can serve as a basis for development of an approach to culturally conscious entrepreneurial education and process that is reflective, subjective, and objective.

Conclusion of Findings

The study identified Latino entrepreneurs who, when circumstances created a need for change, their cultural experience influenced development of tenacious, resilient and determined adaptation abilities. To build skill set, either through formal education or informal trial and error, a commitment to lifelong learning enabled entrepreneurs to create enterprises. This resulted in

enterprises that were flexible, could change with the environment and often stayed ahead of their non-Latino competitors. A Latino entrepreneur's loyalty and commitment to family and community inspired them to seek opportunities to give back to their local and extended communities. Latino entrepreneurs proved to be supportive of each other, proud of their common experience and reflected a strong cultural identity in their respective enterprises. The Latino entrepreneurs in this study proved to be natural entrepreneurs, and comfortable with taking high levels of risk to reach objectives. They also possessed a unique work ethic that created a workforce willing to do whatever it took to achieve their goal. These business owners had natural creative instincts and strong determination to create a path when sometimes none existed. However, there is a gap that remains between cultural influence and behaviors necessary to grow entrepreneurial success. This gap is supported by additional literature, specifically secondary data from a 2012 SBA survey and a 2016 Stanford University study (Chapa et al., 2016) on Latino entrepreneurs. According to SBA data, Hispanic-owned firms represent 12% of small businesses but only 4% of total small business revenue which the SBA indicates is a clear disparity versus non-minority small business (SBA, 2012). Results from this research parallel some of the results of previous studies conducted by the SBA (2012) and Stanford (Chapa et al., 2016) regarding capital acquisition, cash flow management, and strategic planning. The SBA (2012) and Stanford (Chapa et al., 2016) studies identified these as areas that create barriers to business expansion and growth for Latino entrepreneurs.

Two questions from this study's research instrument (see Appendix B) asked the study participants to reflect from a cultural and business perspective and identify any resources that they felt lacked in their own experiences. The most common response was education with a specific focus on business education and skills. Four respondents indicated that the resources

they lacked were formal higher education, while five respondents indicated it was confidence, assertion, or more self-assurance about business interaction and decisions. The remaining participants gave varying responses for lack of business skill ranging from formal business and practice skills to informal ideas for day-to-day operational issues. Among respondents with formal post-graduate and doctoral education levels, only two possessed graduate business degrees. One respondent, a mother/daughter owned business, indicated that it was the pursuit of an MBA by the daughter that enabled their organization to change its strategic business model and expand the business. They grew the operation from a single retail and production location to multiple retail storefronts and national product distribution. Both owners indicated this was a turning point in their operation and long-term growth and success.

Several participants were practicing professionals with post-graduate and doctoral studies in engineering, medicine, and business disciplines in financial services and marketing. However, a common challenge among even highly educated entrepreneurs was in areas of general business knowledge and skill. The participants indicated that the learning curve for a Latino entrepreneur was unique because they simply “didn’t know.” It can be concluded from the research that lack of long-term strategic planning was more common among older entrepreneurs or for enterprises that had been in business longer. These respondents expressed concerns related to lack of knowledge in business succession planning or transition planning. Many enterprises in this study had informal transition structures that might only include a generational transfer from a parent to child owner. Two respondents indicated they left corporate careers to work in their parents’ enterprises to eventually “take over.” Among older entrepreneurs, there was concern or “hope” that the next generation could continue to grow the operation. There were few formal transition plans for owner retirement or sale of a business. Some respondents had formal leadership

training and were highly active in community service and philanthropy. A few respondents had non-profits and almost all respondents participated in different levels of charity work.

The study identified five key cultural influencers or specific themes that impacted this group of entrepreneurs. The first factor identified was Adaptation: the ability, desire, determination, and faith to succeed when circumstances directed otherwise. To create opportunities often based on a need for survival or to take a negative life event such as a death, divorce, or job loss and turn it into a necessary economic endeavor. The second factor was Education: for Latinos, education is simply a necessity in some form. Whether formal or through life experience, continued learning, skill building, and intellectual pursuits provided a way up and out of any situation to a better outcome. Education was an expectation placed on future generations to pursue and obtain more than previous generations. This created not only a source of pride for Latino families but more importantly, it fostered socioeconomic progress. Pursuing educational opportunity was also a form of tribute and honor to previous generations that often because of circumstance or cultural norms were not afforded the same opportunities or access to education as the current generation. The third factor was Identity: a strong sense and pride of who one is and where one comes from. This also created a strong sense of loyalty and commitment to do better for oneself, and in turn, create opportunities, share success, and foster success in others as it had been afforded to these entrepreneurs. This sense of pride and responsibility to others was the result of experiencing the positive impact of sacrifices made by parents, family, or mentors. One respondent credited a business contact for the success of her firm. This respondent shared the story of the opportunity granted to her firm by an influential decision-maker who chose to create a strong relationship to a new generation of entrepreneurs to keep a long-running program moving forward into the 21st century. She credits this individual

and this first opportunity as the “spring board” to a 16-year corporate relationship that put her enterprise into motion.

Identity was the most complex of factors and included all things that represented Latino culture: language, food, music, art, family, faith, religion. As one respondent stated, Identity included anything that “represented the flavor and colored the Latino culture.” Other respondents referred to it as the richness of traditions large and small that make Latinos a unique, warm, and beautiful people reflected in everything from their fashion to their food. Identity also represented the authenticity of being Latino, a sense of pride and passion for family, community, and giving of true self. One respondent indicated that “if you are not sincere, clients will know it in the first five minutes in my office.” Another respondent stated his operation was focused on patient care and if it was not “genuine and present at every level of the organization, then the patients would know it.” For Latinos, business relationships and many other relationships are built on trust and integrity.

The fourth factor was Innovation, and while it is not actually a theme of culture but of entrepreneur theory, it indicated that Latinos were actual natural entrepreneurs. Like adaptation, it requires creativity, but it also requires the ability to create new ideas and apply them when new opportunities arise. One respondent used the example of killing a rattlesnake, a native danger to South Central Texas and Mexico. Killing a rattlesnake represents the ultimate enterprise: a community service, a food source, and a retail opportunity. This respondent stated that the killing of a rattlesnake can “(potentially) save your life, makes good tacos, a nice belt, and even some jewelry (out of the rattle).” Some enterprises capitalized on the popularity of Latino products to create niche markets, or capitalized on the flavor of the culture to change an existing enterprise, and to create a more unique product. This adoption of Latino culture was prevalent in

restaurants, and retail clothing, shoes, and accessories. One respondent, a contractor of swimming pools and spas, whose clientele is predominately non-Latino, shared how they introduced “Latino flair” to their business. He stated that it was his daughter’s idea to change their tile and color selections to introduce more Latino “flair” offering specialty tiles (such as Talavera) and more colorful paint options instead of the standard tile and paint colors that they had been using. She also suggested adding colored lights and music speakers to the designs to make designs more “festive.” Their designs became fashioned and more “resort-like” modeled after resorts in Mexico, like Cancun. These modifications changed the popularity of their products, increased business, and allowed them to increase prices in accord with their unique offerings. Some entrepreneurs focused their practices on the Latino community by offering unique services such as specializing in concert production for Mariachi artists, concerts, competitions, and promoting Mariachi music education throughout the United States.

The fifth cultural factor was Risk, which like innovation is an entrepreneurial theme. Again, it implies that Latinos are comfortable with risk at least in terms of entrepreneurship. Latinos have a strong sense of responsibility towards others, often placing family and community above self. This form of self-sacrifice indicates a willingness to take risk so that others don’t have to. For example, rather than have a family member lose a business due to age, retirement, divorce, Latinos will opt to leave a secure corporate employment to save a family business. Many Latinos who come from lower socioeconomic backgrounds feel comfortable with risk when there isn’t anything to lose because they have little to begin with. The other cultural element regarding risk is *faith*. Latinos have a strong sense of faith that isn’t necessarily religious but spiritual. Faith in self, faith that things will work out as they should or are destined, and of course, faith in a higher power where success or failure is the will of God. One respondent stated

that the biggest risk in business is failure, and that it is always an option, unlike the belief that “failure is not an option.” His response indicated that failure is always an option but one which simply cannot be allowed to happen. That also implies a strong sense of determination and tenacity that is also strong among Latino culture. Some would call it a type of stubbornness that for entrepreneurs is a strength. Risk-taking can also be detrimental to Latinos, and some respondents indicated that if they would have been afforded more knowledge or resources to start their businesses from a capital perspective, they would have done things differently. Some respondents indicated they had put literally all they had, risking all their assets to start their enterprises. Often all capital goes back into the enterprise which leaves little for development, retirement, inventory, or expansion plans, and this could potentially propel a business forward, prevent losses in an economic downturn, or lead to business disruptions. Most entrepreneurs do not have retirement plans for themselves or their employees and lack benefit, transition, and business transfer plans. Should a catastrophic event occur, illness or death of the owner or primary producer (especially among professional practices), or economic downturns, then an enterprise could be exposed to catastrophic risk. Some risk from this perspective is avoidable with proper business planning strategies, but few if any Latino businesses have them.

Many small businesses do not have formal (or even informal) risk assessment, financial planning, strategic plans, or business development planning structures. Long-range planning was also lacking among respondents as some indicated they had a desire to grow their operations but no time to focus on growth because they were “too busy running” the enterprise. They also indicated they lacked knowledge of how to grow the business, or lacked financial resources to invest in growth. Some respondents did not indicate an interest in growth as it was not considered an issue that they had “thought about;” although they agreed that to even consider a

growth strategy, they would need additional knowledge and access to additional capital resources. The same factors which are cultural and entrepreneurial strengths such as work ethic and willingness to take on all risk can also be potential weaknesses and are important for entrepreneurs to assess to develop strategies.

Implications

A 2016 survey and research study of Latino-owned business by Stanford University, identified that one of the greatest challenges to Latino-business was scale (Chapa et al., 2016). Most Latino-owned firms are small businesses as classified by the SBA with 50 employees or less. Census data from 2012 SBA Small Business survey indicates only 25% of Latino-owned businesses had 50+ employees. The Stanford study referred to firms with more than 50 employees or firms with revenues over \$1M as “scaled businesses” (Chapa et al., 2016). Their study also identified that this lack of scale represented an annual “opportunity gap” of over \$1.3 trillion (p. 6). This gap, as defined by the Stanford study, meant that since Latino-owned businesses were not equivalent in scale to non-Latino businesses, an economic shortfall of more than \$1 trillion was evident (Chapa et al., 2016). This not only created an opportunity to increase Latino business revenue but also a significant impact to annual U.S. economic output.

The Stanford survey categorized businesses in three areas to identify scale: revenues over \$1M, numbers of employees, and increase in employee count over a five-year period (Stanford, 2016). Growth in any of these areas of scale would create significant impact on the “opportunity gap” (p. 6). One observation of the sample group for the South Central Texas study was the mix of scale among the sample group which was comparable to that of the larger Stanford study with respect to firm size (revenue data for the South Central Texas study was not collected). The Stanford study compared the scaled firms (<25%) to the non-scaled firms (>75%) and identified

that 50% of Latino businesses are self-funded whether in initial or growth stage; however, to propel growth, a majority (over 2/3) of scaled firms used bank funding (Chapa et al., 2016). The respondents for the South Central Texas study stated that their funding was primarily self, family, and some partnering. These similarities would support the data of the Stanford study where the respondents of the South Central Texas study indicated a lack of knowledge or limited access to resources regarding growth strategies. Capital acquisition proved to be a key growth factor and necessary for scalability according to the Stanford (Chapa et al., 2016) data. This also supported the disparity in size (and scale) of Latino small businesses as indicated by SBA census data.

The Stanford study also identified that scaled firms are immigrant-owned with higher levels of education (Chapa et al., 2016). This is also reflected in the data of the respondents of the South Central Texas study where respondents indicated that education, whether formal, continuing, or skill development, was important as both a cultural and entrepreneurial factor. Finally, the third significant finding of the Stanford 2016 study which was also paralleled in the South Central Texas study was regarding geography and demography of marketplace. Latino businesses even in locations with majority Latino populations have diverse customer bases. In the South Central Texas study, the customer bases and industries represented in the study were not Latino specific. Even where products were Latino specific (like food or music) distribution was nationwide. What differentiated scaled businesses from non-scaled businesses was the degree to which they were integrated in their communities (Chapa et al., 2016). This differentiation was attributed to business networking or community support and philanthropic efforts.

The three major areas of scale impact in the Stanford (Chapa et al., 2016) study which were both supported by and significant to growth as reiterated by the South Central Texas study were as follows:

1. Increased financial knowledge regarding capital acquisition;
2. Higher education and continuing education (business, entrepreneurial); and
3. High degrees of community involvement and integration (business, at-large).

This increased scale (i.e. growth) could propel Latino businesses into larger enterprises and more importantly, impact both individual wealth and macro-level economies, thus narrowing the “opportunity gap” as defined in the Stanford (Chapa et al., 2016) study.

The impact on individual Latino-business owner wealth is also important to consider as a significant cultural influencer that includes risk. However, it is not a diversified risk but rather concentrated risk where all current and future wealth is dependent on the business. This was evident by responses regarding business transition, retirement planning, and catastrophic risk management. In wealth management, Latinos tend to lag non-Latinos in portfolio size by almost two decades of accumulation (Grossman, 2007). This wealth management statistic magnifies the importance of the growth of revenues and of increasing scale for the Latino business owner. It is a direct impact on their personal wealth and financial futures. There are some significant advantages, which include time and income level since Latino-business owners are younger than non-Latinos (SBA, 2012). Latino households also represent the majority growth segment of \$100k households. This implies that for Latinos, time and money is on their side; it is lack of strategy or access to financial knowledge resources that is lacking.

A University of Southern California study from the Tomas Rivera Policy Institute (Grossman, 2007), states that Latino entrepreneurs have different attitudes toward business than

non-Latinos. Latino entrepreneur perspectives are not focused on profit, scale, or merger/acquisition like many non-Latino entrepreneurs (Grossman, 2007). However, Latinos in the United States are becoming a “acculturation of merging tradition and American independence and ambition” (p. 9). The TRPI study categorizes the highest wealth category of Latinos to be the self-made Latino business owner (Grossman, 2007). The TRPI research indicates that these business owners are affluent, with \$1M net-worth, running large-scaled, long-term planned enterprises (Grossman, 2007). The profile of this affluent Latino is the same profile as the scaled business-owner of the 2016 Stanford study (Chapa et al., 2016). The differentiator is planning and access to resources. The TRPI research indicates that even affluent Latinos still look toward trusted Latino resources for advice (Grossman, 2007).

The implication of the TRPI (Grossman, 2007) research and the parallel findings in this sample population of South Central Texas entrepreneurs indicate that there is significant economic opportunity given the numbers of Latino small businesses. This creates opportunity for Latino-business owners, business advisors, business educators, and the financial and wealth management communities. The challenge is that tradition remains: Latinos support their communities, so the need for Latino small business advisors, business educators, business consultants, and financial and wealth management advisors is important to those industries. This opportunity also addresses two objectives: 1) it provides Latino business-owners with access to financial resources and services within their own community 2) it would create a need for future Latino business, financial, and wealth management professionals which remain highly underrepresented in the financial services industry.

Any impact to narrow a potential annual “opportunity gap” that is greater than \$1 trillion significantly impacts Latino businesses and Latino-held wealth (Chapa et al., 2016, p .6). The

impact on Latino wealth impacts Latino communities resulting in increased strength of an already significant economic force that could potentially impact policy. However, the work required to accomplish any increase to Latino business scale and narrow such a gap is a significant task.

These studies indicate a need for continuing education not just at the higher education level, but at the professional level. While small business development centers provide support on starting and growing businesses, higher level business strategies are necessary among the business community. It must be a combined effort among Latino business communities, professional education institutions, and the financial marketplace environment.

Recommendations

The impact of the educated business professional in corporate settings has been the focus of business in higher education. However, for a community whose population and economic strength comes from small-business environments, it is an opportunity to focus on entrepreneurial education at a professional level. This would allow established business professionals to work with business practitioners and scholars to narrow any knowledge gap that occurs in a business's lifecycle. As generations and demographics change over time, the small business landscape will also change. To prevent a widening knowledge gap, it is necessary to address the educational development needs of successful, established small business owners to position them to become large-scale enterprises.

For education and business communities. An entrepreneurial method and strategy that can be adopted for the Latino community, one that recognizes the strengths and limitations of the Latino experience, is an opportunity for solutions leading to significant economic power. This South Central Texas study supports entrepreneurial and wealth research. According to the

findings of this research and current literature, there is a potential yet to be fully developed in Latino entrepreneurship. Such potential cannot be developed without additional exchange of research and resources. In true Latino style, if growth and success are achieved at the higher levels of Latino society, then there is opportunity for all Latinos.

The findings of this study indicated a continued need for education and small business development. However, it must include more sophisticated strategies for established businesses to reach longer-term strategic goals. The business and education community have created small business programs for capital acquisition strategies at a start-up level, but financial institutions along with the business and education communities must incorporate growth strategies earlier on in the learning process. For established businesses, continuing education should include specific curriculums addressing more sophisticated long-term business planning, strategic planning, and strategies to increase scale. More sophisticated asset and risk management strategies would also be valuable.

Entrepreneurial education at the higher education level and specific business skill development among non-business disciplines is also lacking. Every professional in every industry is a business professional. Education to that end must incorporate some basic business and financial literacy as core educational components particularly among minority-serving institutions. For minority populations, it may be the first exposure to formal business and financial education. As corporate environments and the workforce evolve, entrepreneurial skills will be necessary for non-corporate employees; these skills will allow minority entrepreneurs to remain competitive in the business environment.

For the entrepreneur and Latino communities. For Latinos, cultural awareness is not enough to capitalize on inherent strengths to overcome centuries-old attitudes and beliefs. There

is a need to examine culture more closely and learn the value of acculturation. This is where becoming culturally conscious allows for not only self-awareness but also self-understanding leading to the development of a new perspective and understanding of one's past to look differently at one's future. As stated in the TRPI (Grossman, 2007) research, it is a cultural merger that combines tradition with independence and ambition. New perspectives and changing attitudes are what propel progress of business and of communities and are necessary steps to narrowing cultural and socioeconomic gaps within the community at large.

For researchers and policymakers. The theory developed in this study of *culturally conscious enterprise method and strategy* is an examination of specific cultural strengths and weaknesses born of experience. It furthers the study by taking these cultural strengths and applying them to specific business growth strategies and processes that propel enterprises forward while staying true to cultural strengths and identity of the organization. It is a higher level, more sophisticated approach to cultural awareness and enterprise method. It adheres to elements that make an enterprise what it is for the benefit of the organization and its stakeholders. It is a capacity to function with sophistication of a large-scale corporation yet not lose the organizational identity in the process.

A few of the Latino businesses examined in this study are ready to progress to the next level but all indications from respondent feedback assert that there is limited access to processes that will move them to the next level. Those processes are the needed opportunity that will allow for owners and communities to advance in the direction of growth. Given the demography of South Central Texas and its socioeconomic and policy environment, it is also a unique opportunity to significantly impact the national marketplace and perhaps public policy.

The development of *culturally conscious methods and strategy* will require further research examining geographic differences and opportunities that exist in different markets. The cultural differences that exist among Latino sub-groups such as country of origin, immigrant and U.S.-born Latinos, 1st generation and beyond 2nd generation Latinos create acculturation distinctions that can be significant and should be further studied. The development of culturally conscious business curriculums is also an opportunity for research and program development.

Final Thoughts

This study set out to identify cultural factors that influence entrepreneurs and in doing so identified that some of those factors while entrepreneurial in theory are inherent to Latinos. These factors were both positively influential and negatively limiting. This study concluded that Latino entrepreneurs are adaptive, with a strong sense of identity, and are risk-takers who recognize the value of knowledge and education. It is however, the ability to innovate that can determine the entrepreneur's capacity to move Latino businesses to a new level. By utilizing the strengths of their experience and learning how to manage risk associated with growth, Latino entrepreneurs can best position themselves to take their businesses to a new level. To accomplish this, they must continue to build their knowledge while maintaining the authenticity of their unique Latino experience.

The study concluded that Latinos are natural entrepreneurs but highly disproportionate when compared to non-Latinos in both numbers and business achievement level. Such disproportion creates a significant risk factor of economic lags when compared to other non-Latino groups. Through continued pursuit of knowledge of financial strategies and more sophisticated business methods combined with a unique commitment to community, Latino

entrepreneurs will reach the necessary “scale” to narrow the cultural, socioeconomic divide (Chapa et al, 2016).

It is important to note that the Latino entrepreneurial experience creates attitudes and strengths in overcoming challenges. This experience further influences innovation among the Latino entrepreneur community. It is through deeper understanding, embracing the entrepreneurial experience, and maintaining an authenticity to the Latino experience that this unique population will enjoy even greater business and economic success.

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Appendices

Appendix A-Informed Consent

INFORMED CONSENT**The Impact of Culture on Hispanic Entrepreneurs as Mediated by Motivation, Challenge, and Success**

University of the Incarnate Word

Thank you for your consideration in participating in this research study conducted by Valerie Ballesteros, doctoral candidate, under the supervision of Diana R. Garza, Ph.D. The purpose of this study is to identify key common cultural factors that influence Hispanic entrepreneurs by examining their motivations, challenges, and success as related to decisions that lead them to pursue self-employment and business ownership. Through this study, the examination of key cultural factors will provide useful insight to the phenomenon of above-average entrepreneurial growth rates that will not only further understanding but also provide key examples of successful business behaviors.

Should you agree to participate in this study, you will be scheduled for a 30 to 45-minute interview at your place of business or the offices of the local Hispanic Chamber of Commerce. The interview will consist of a series of open-ended questions regarding your cultural experience and your experience as a Hispanic business owner. Your participation will provide valuable insight into the impact of culture on successful business behavior and will be valuable for entrepreneurial educators and future researchers. It will also provide feedback and data for recommendations for economic and diversity policymakers.

The interview will be audio recorded for the researcher to review for study analysis. Your participation is strictly voluntary, and your responses will be confidential. You may choose to end the interview or skip response to any question should you feel uncomfortable. Your responses may be quoted in the research but will be done without any identifying information. All data responses, recordings, and notes will be secured in password protected files or in locked secure physical areas. Once the study is completed and final findings are reported in the researcher's dissertation, all responses, recordings and researcher's notes will be destroyed. Your participation and identity will remain confidential.

Your participation is strictly voluntary, without obligation, and revocable without any penalty or repercussion. You also have a right to the outcome of the study including access to the final dissertation after its final approval.

If you have any questions or concerns, please contact the researcher, Valerie Ballesteros, or her faculty supervisor, Dr. Diana R. Garza, as listed below:

Valerie Ballesteros, (361) 442-6100 (c) vballest@uiwtx.edu
 Diana R. Garza, Ph.D., (210) 829-2702 (o) dgarzaor@uiwtx.edu

The University of the Incarnate Word Institutional Review Board reviews and approves all research involving human subjects, and you may contact for more information regarding your rights as a research participant. The UIW IRB is in the Office of Research Development and may be reached at (210) 805-3036.

Thank you again for your consideration to participate. If you agree to proceed with the study, and you understand your role, rights, and participation, please sign and date below. Your signature will confirm that you are over the age of 18 as of the date of this form. A copy of this Informed Consent is provided for your records.

Printed Name

Participant Signature

Date

Appendix B-Instrument

INSTRUMENT

For culture:

16. The term “Hispanic/Latino” is a broad definition to describe the culture of origins of people from Spanish-speaking nations of the Americas, Spain, and Portugal. What does it mean to you to be a “Hispanic or Latino”?
17. Do you consider yourself to be Hispanic or Latino? How do you reflect this in your business?
18. What do you consider to be some of the most important (or valuable) characteristics (or traits) of being Hispanic or Latino?
19. What experiences growing up “Hispanic or Latino” influenced you as a business owner?
20. Over the last two decades, Hispanic-owned businesses have grown at a rate faster than other groups; what do you think has impacted or created such opportunity for growth?
21. How does being a Hispanic or Latino help or hinder those growth factors or opportunities in your opinion?
22. Looking back at your experience as a Hispanic in business, are there specific areas or skills you wished you had available to provide additional knowledge, education, or training?

For entrepreneurship:

23. Entrepreneurs are defined as innovators or change-makers. What is your definition of an entrepreneur?
24. What motivated or caused you to go into business for yourself?
25. What is the best part of being a business-owner? What is the most difficult?
26. What has been the biggest risk in owning and running your own operation?
27. What are some of the challenges (obstacles) you have experienced in your business over the years and how did you manage them?
28. To whom or to what do you attribute your success?
29. In terms of your cultural experience, would you say it helped you or hindered your business experience?
30. As a business owner, are there any business functions that Hispanics or Latinos would benefit from with additional knowledge, education, or training?

Appendix C-IRB Approval



July 11 2017

PI: Valerie Ballesteros

Protocol title: THE IMPACT OF CULTURE ON HISPANIC ENTREPRENEURS AS MEDIATED BY MOTIVATION, CHALLENGE, AND SUCCESS

Valerie:

Your request to conduct the study titled "THE IMPACT OF CULTURE ON HISPANIC ENTREPRENEURS AS MEDIATED BY MOTIVATION, CHALLENGE, AND SUCCESS" was approved by Exempt review on 07/11/2017. Your IRB approval number is 17-07-002. Any written communication with potential subjects or subjects must be approved and include the IRB approval number.

Please keep in mind these additional IRB requirements:

- This approval will expire **one year** from 07/11/2017.
- Request for continuing review must be completed for projects extending past one year. Use the **IRB Continuing Review Request form**.
- Changes in protocol procedures must be approved by the IRB prior to implementation except when necessary to eliminate apparent immediate hazards to the subjects. Use the **IRB Amendment Request form**.
- Any unanticipated problems involving risks to subjects or others must be reported immediately.

Approved protocols are filed by their number. Please refer to this number when communicating about this protocol.

Approval may be suspended or terminated if there is evidence of a) noncompliance with federal regulations or university policy or b) any aberration from the current, approved protocol.

Congratulations and best wishes for successful completion of your research. If you need any assistance, please contact the UIW IRB representative for your college/school or the Office of Research Development.

Sincerely,

Ana Wandless-Hagendorf, PhD, CPRA

Ana Wandless-Hagendorf, PhD, CPRA

Research Officer, Office of Research Development

University of the Incarnate Word

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