

**DISSERTATION DEFENSE:  
INDIVIDUAL AND  
CONTEXTUAL FACTORS  
AFFECTING HISPANIC AND  
LATINOS  
ENTREPRENEURIAL  
SUCCESS**

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# DEFINITIONS

- **Challenge:** A challenge is defined as “something that needs great mental or physical effort to be done successfully and therefore tests a person's ability” (Cambridge Dictionary, n.d.). Most challenges are viewed as environmental (Ramjar & Suresh, 2012) or push (Fairlie, 2018).
- **Hispanic and Latino:** It refers to a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race (U.S. Census, 2020).
- **HLOBs:** Hispanic and Latino-Owned businesses.
- **Entrepreneur:** An individual who starts a venture for profit (Mahar, Maitlo, Memon, & Mirani, 2021).
- **Passion:** is “a powerful feeling” (Cambridge Dictionary, n.d.) on this paper passion is referred to motivating factors that ignited an entrepreneur to start or grow a venture.
- **Post-launch:** This refers to a business stage past its start-up phase (Black, Canedo, Stone & Laszewski, 2014).
- **Success** is defined as “the achieving of the results wanted or hoped for” (Cambridge Dictionary, n.d.).

# THE PHENOMENON

- Hispanic and Latinos continue to be thriving economic forces in the United States. In, 2019 Hispanic and Latinos represented \$2.7 trillion of the United States' total economic output or the equivalent of the “seventh-largest economy in the world” (Blair, Noether, Saenz, and Segovia, 2022).
- Hispanic and Latino businesses have grown 34%, while other firms in the United States have only grown one percent in the last decade (Orozco, Oyer, Porras & Tareque, 2019).
- Yet, studies show that Hispanic and Latino-owned businesses (HLOBs) lag in business size, wealth, profitability, and sales (Blair et al., 2022; Fairlie, 2018; Orozco et al., 2019).

# RESEARCH QUESTIONS

RQ1: What individual and contextual factors enhance Hispanic-Latino entrepreneurial success?

RQ2: What characteristics do successful Hispanic and Latino entrepreneurs describe as beneficial to support their passion and values and overcome their challenges?

# IMPORTANCE OF THIS STUDY

- There are limited studies of Hispanic and Latino entrepreneurs at the post-launch stage of the business (Black et al., 2014).
- There is no research exploring an interdisciplinary approach to the Hispanic and Latino entrepreneurial experience (Duane-Ireland & Webb, 2007).
- Despite a wide agreement on factors that hinder Hispanic and Latino entrepreneurial growth, limited entrepreneurial success studies use the definition of the entrepreneur as a measurement of success in their context.
- Furthermore, there are no current success studies of entrepreneurs in Wisconsin.

# THEORETICAL BACKGROUND

## Entrepreneurial Theory

Entrepreneurship is a process (Baron & Henry, 2011).

Entrepreneur and its environment.

Entrepreneurial skills can be learned.

Entrepreneurship is interdisciplinary (Ireland & Weber, 2007; Frese & Rauch, 2000; Kerr, Kerr and Xu, 2011; Kuratko, 2011).

Psychology – Traits and Actions – Psychological capital -

Sociology – Environment – Social capital

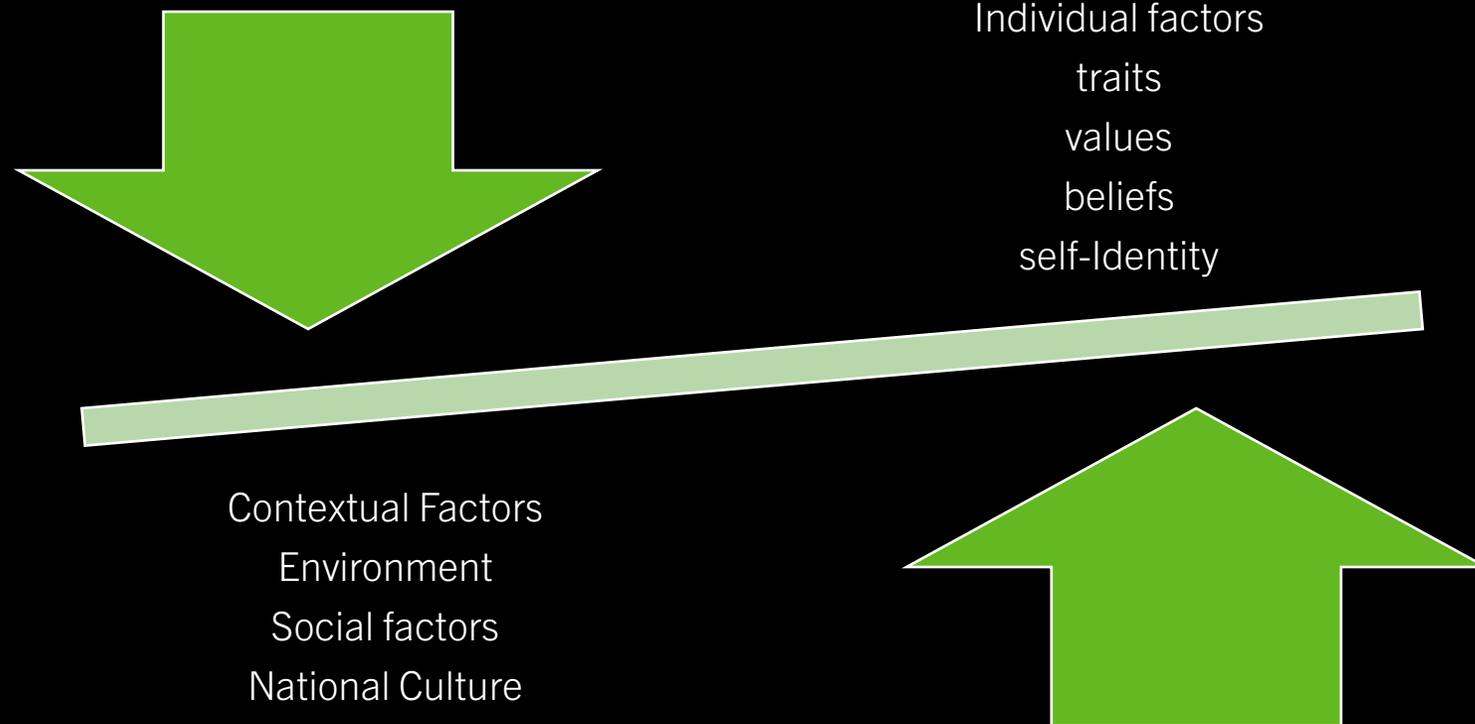
Anthropology – Culture

Economy – Managing scarce resources

## Culture Theory

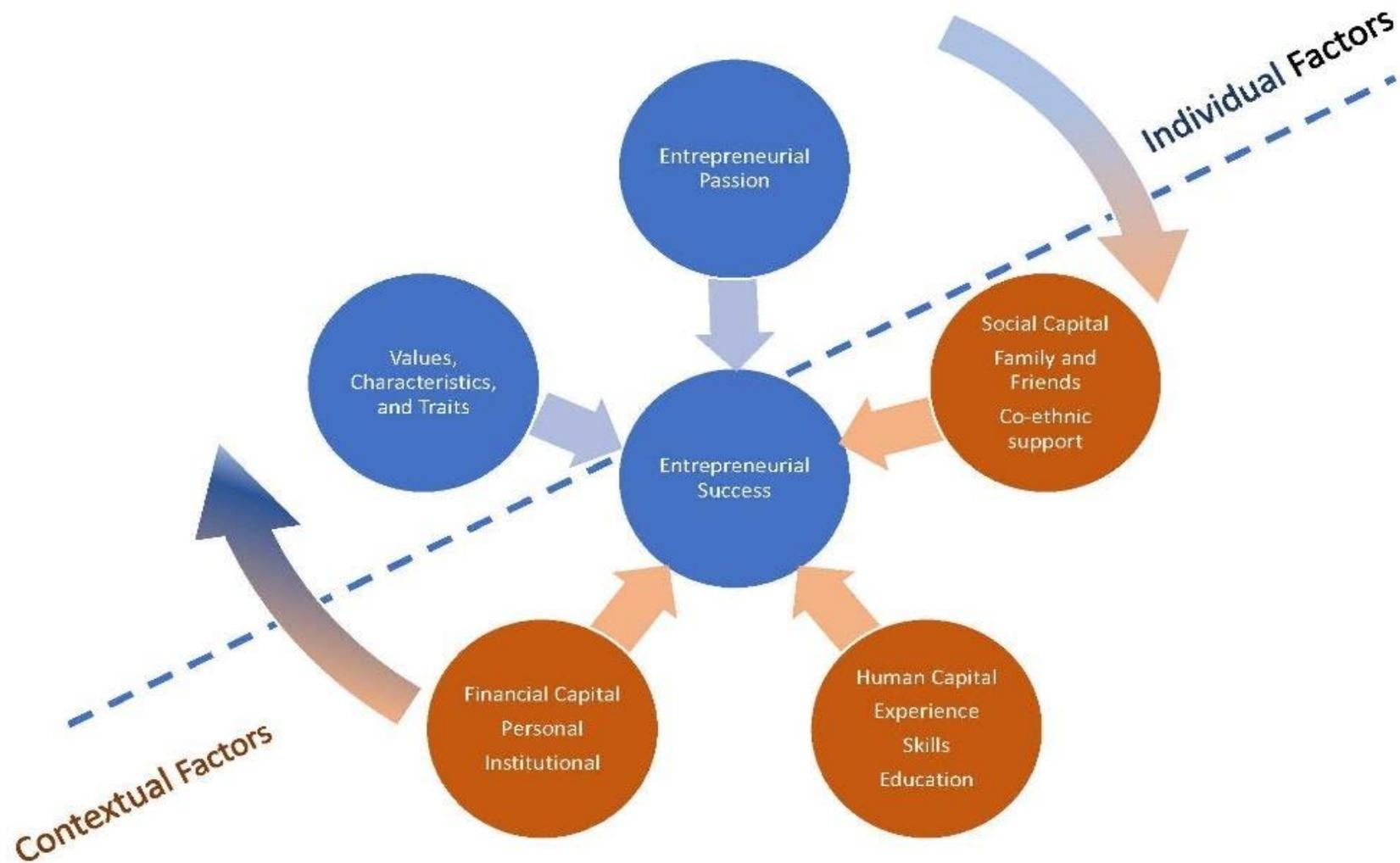
Individuals' values, group beliefs, and societal expectations affect managerial behaviors (Hofstede, 2011)

# BALANCING FORCES LITERATURE REVIEW FINDING



# LITERATURE REVIEW RESULTS

## CONCEPTUAL MODEL SOLER (2023)



# THE STUDY- WHY MIXED SEQUENTIAL

Entrepreneurial Success is multidimensional, mediated by culture, and requires multiple methods of study (Black et al., 2014; Chu & Katsioloudes, 2001; Gorgievski, Stephan & Wach. 2016)

Entrepreneurial Success is better understood from the perspective of the entrepreneur (Gorgievski et al., 2016).

“There is a need for a deeper exploration into the business mindset of this important sector in the U.S.” (Ingram-Spain & Muñoz, 2015, p. 2).

Entrepreneurial context and environment affect resource availability and entrepreneurial venture success growth ( Duane-Ireland & Webb, 2007; Welter, 2011).

# ABOUT THE STUDY

## QUALITATIVE INQUIRY PHENOMENOLOGICAL

- Sample: Purposive Convenience
- Format: 10 open-ended questions designed for saturation
- Tool: Semi-structured interviews
- Site: Conducted via Zoom by the Researcher
- Process: Videotaped, transcribed with software, scrubbed for accuracy against the interview taped.
- Deductive coding
- N=11

## QUANTITATIVE INQUIRY CHU AND KATSILOUDES (2001)

- Sample: Purposive Convenience
- Cross-Sectional Study
- Tool: Questionnaire – Factor study - Tested
- Likert Scale 1- 5
- Four constructs

### Motivation Factors

### Challenges

Success Factors – Social, Financial, Human,  
Individual

Perceptual Factor – Success- Family

N=17 pilot

# DEMOGRAPHICS – QUALITATIVE INQUIRY N-11

## Demographics of participants N=11

Gender	
Male	82%
female	27%

Industry	
Retailing	0%
Wholesaling	0%
Service	27%
Manufacturing	18%
Construction	36%
Trasportation	0%
Other: Restaurants	18%

Sales	
\$300,000 - \$1,000,000	73%
\$1,000,001- \$2,000,000	9%
\$2,000,001 - \$3,000,000	9%
\$3,000,001 +	9%

90% Foreign Born

Average number of employees	13
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Sources of Funding	
Family and Friends	
Personal Credit Cards	9%
Own savings or Own Capital	73%
Bank	9%
Other - Investor	9%

# MOTIVATIONS FINDINGS

Individual Factors  
P1/P3/P5/P6/P7/P10 = 54 %

Mixed factors P2/P4/P8/P9/P11  
= 45%

Theme	Participant	Frecuency
Financial advancement	P1/P2/P4/P6/P7/P8/P9	7
Business opportunity - financial	P7/P5	2
Personal satisfaction	P3/P11	2

# PASSIONS FINDINGS

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Themes	Frequency	
Freedom – time and control	P1/P3	2
Passion for Family	P1/P2/P3/P5/P6/P8/P9	7
Passion for type of work	P2/P3/P4/P9/P10/P11	6
Passion for serving clients	P1/P2/P3/P4/P9/P10/P11	7
Passion for supporting and growing employees	P1/P7/P11	3

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# VALUES AND CHARACTERISTICS FINDINGS

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THEME - MOST CITED CULTURAL VALUES	PARTICIPANTS	FREQUENCY
Hard work and do your best	P1/P3/P4/P10	4
Work Ethics (responsible, quality, integrity, honesty)	P1/P2/P3/P4/P7/P8/P10/P11	8
Familism	P1/P2/P5/P6/P7/P11	6
Respect and serve for others	P3/P4/P5/P7/P9	5

# CHALLENGES FINDINGS

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Theme	Participants	Frequency
Economy - Unforeseen factors - supply chain and Inflation	P1/P2/P7/P11	4
Finding the right labor force	P1/P3/P4/P6/P7/	5
Access to funding	P1/P3/P4/P5/P8/P9	7
Funding for labor	P2/P9	2
Access to more education	P4/P11	2
Perceptions of small minority businesses	P8/P10/P11	3

# FAMILY ROLE

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Type of Support	Participants	Frequency
Financial Capital	P1/P6/P7	3
Human Capital	P2/P3/P4/P6/P7/P8	6
Social Capital	P9	1
Individual - Encouragement / Advice	P1/P2/P3/P4/P5/P6/P6/P7/P8/P9/P11	10

# PERCEIVED SUCCESS

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Perceived success	Participants	Frequency
Successful	P2/P3/P5/P6/P7/P8/P9/P10/P11	8
Successful and wish more	P1/P4	2
Desire to grow more	P1/P2/P3/P4/P5/P6/P7/P8/P9/P10/P11	11
Need financial capital to grow	P1/P2/P3/P4/P5/P6/P7/P8/P9/P10/P11	11
Need human capital to grow	P2/P3/P4/P6/P8/P9/P10	7
Need social capital to grow	P8/P11	2

# ACCESS TO SOCIAL NETWORKS

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Social Network	Participants	Frequency
Chambers or Business Associations	P1/P2/P3/P4/P6/P8/P11	7
Other entrepreneurs	P10/P11	2
Accountants or other support professionals	P2/P3/P7	3
Schools or Universitoies	P1	1
Themes	Participants	Frequency
Learning Opportunities	P1/P3/P2/P4/P5/P7/P8/P11	8
Business Opportunities	P6/P9/P10/P11	4

**SUCCESS  
DEFINITION  
FINDINGS  
RAW DATA**

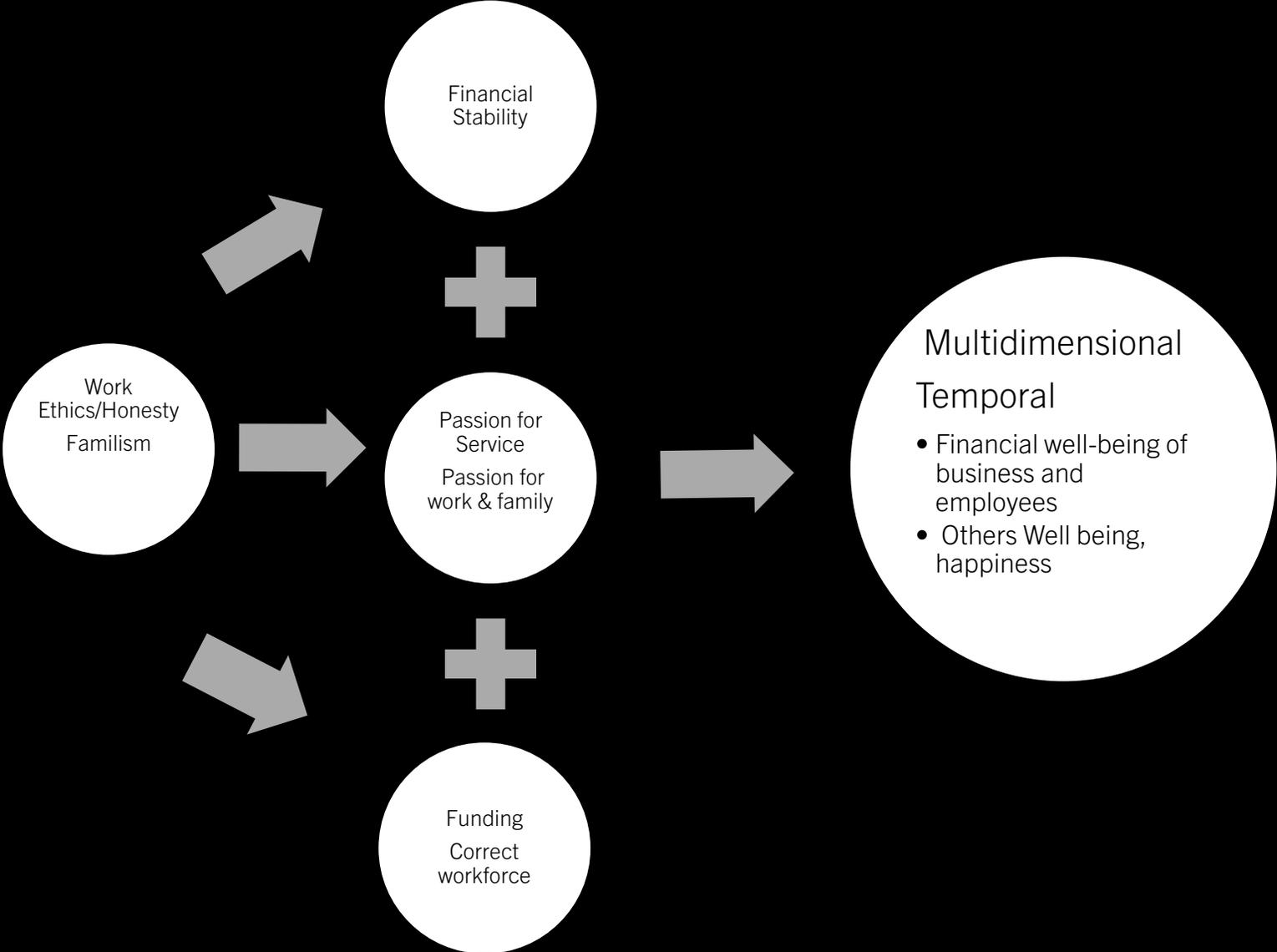
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- P1 I think it can vary. Success can be defined as a company that is self-sustaining, employes people and is seen by others as viable.
- P2 I feel sucessful because I am happy.
- P3 To see the results of the efforts of your team. Your family, your co-workers and those who support you.
- P4 Sometimes I feel successful and sometimes I do not. Wake up every day and know that you have a job you created and being personally satisfied.
- P5 Setting myself goals and achieve them. Family is everything.
- P6 I think being able to make your brand recognizable. Everyone knows..what we serve. Keep your employees continuously, grow your sales
- P7 You can say you are successful when you are actually doing what you like to do
- P8 It is very subjective. My needs are all met. My kids are healthy , Pay good wages, have a very happy staff.
- P9 It varies from individual to individual. Able to adapt to changes and grow in a healty way to achieve your goals
- P10 I think is about having time to fulfilling your financial your commitments with your people, that they are happy and the quality of time you spent with them.
- P11 Working on your dreams and have the tools and the people to support you.

# SUCCESS FINDINGS

Themes	Participants	Frequency
It is multidimensional/varies	P1/P7/P9/P10	4
Non-monetary	P2/P3/P6/P7/P8/P9/P11	7
Financial well-being	P1/P10/P11	2
Non-monetary factors mentioned		
Happiness	P2/P7/P10	3
Others well-being - others grow	P1/P2/P3/P6/P7/P8/P10	6
Personal satisfaction	P4/P5/P7	3

# SUMMARY OF RESULTS



## STUDY PART II

- Chu and Katsioludes (2001) Survey  
Ordinal data. Likert Scale 1-5. Perceptual 1-4.
- 15 entrepreneurs participated in a pilot
- 117 responses - 108 were fully completed
- Sample: Purposive  
Entrepreneur Founders in Wisconsin with sales over \$300,000 and at least one employee
- Deployment: Survey Monkey, Social Media, Some manual entry
- Assumptions: Individuals who were not the target sample exclude themselves, participants were honest with their answers
- Perform descriptive statistics analysis

# DEMOGRAPHICS

ANSWER CHOICES	RESPONSES	
\$300,000 - \$325,000	50.94%	54
\$325,001 - 1,000,000	33.02%	55
\$1,000,001 - 2,000,000	5.66%	6
\$2,000,001 - 3,000,000	1.89%	2
over \$3,000,001	8.49%	9
TOTAL		116

ANSWER CHOICES	RESPONSES	
male	62.04%	77
female	37.96%	41
other	0%	0
TOTAL		108

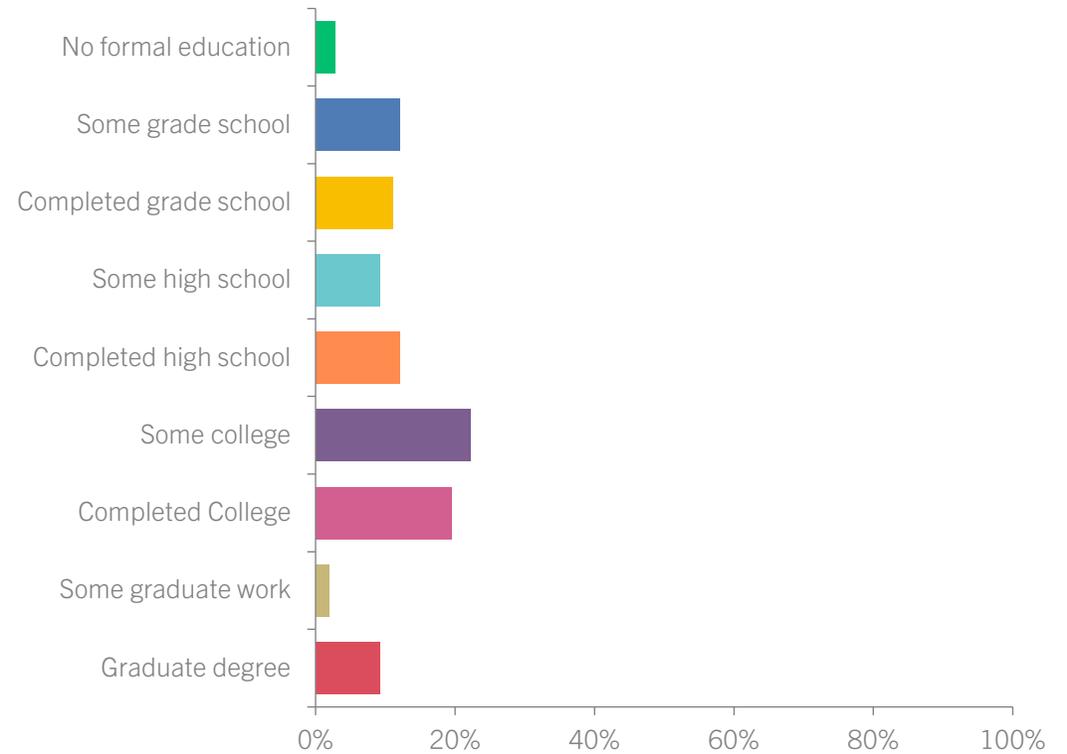
ANSWER CHOICES	RESPONSES	
Retailing	6.48%	7
Wholesaling	2.78%	3
Service	30.56%	33
Manufacturing	2.78%	3
Construction	24.07%	26
Transportation	0%	0
Other	33.33%	36

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# Q2: EDUCATION LEVEL ATTAINED

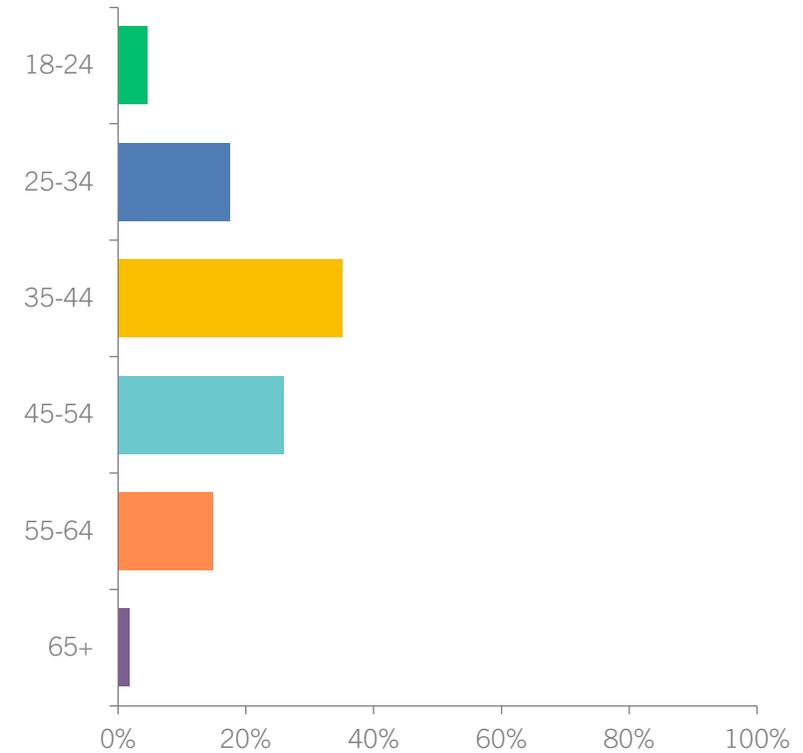
53.7 % college course level or above  
12.04% completed high school  
34.26 % less than high school

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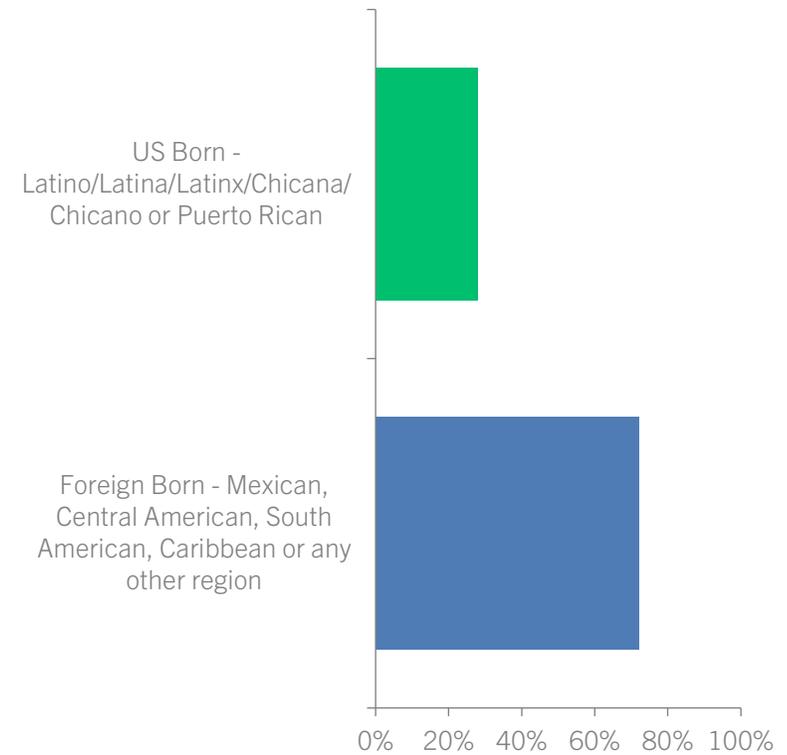
## Q3: AGE - EDAD

ANSWER CHOICES	RESPONSES
18-24	4.63% 5
25-34	17.59% 19
35-44	35.19% 38
45-54	25.93% 28
55-64	14.81% 16
65+	1.85% 2
TOTAL	108



# Q7: PLEASE SELECT ONE

ANSWER CHOICES	RESPONSES	
US Born	27.78%	30
Foreign Born	72.22%	78
TOTAL		108



# RELIABILITY OF SURVEY

Reliability Statistics		
Cronbach's Alpha	Cronbach's Alpha Based on Standardized Items	N of Items
.941	.949	43

# MOTIVATION FACTORS FINDINGS

Descriptive Statistics - Motivation Factors						
	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Increase Income	108	1.00	5.00	4.6389	.66217	.438
Maintain Freedom	108	1.00	5.00	4.5278	.84785	.719
For own satisfaction – happiness	108	1.00	5.00	4.5185	.86986	.757
Use past experience and training	108	1.00	5.00	4.5185	.83701	.701
Be closer to family	108	1.00	5.00	4.2963	.97883	.958
Be own boss	108	1.00	5.00	4.4074	.89690	.804
Always have a job	108	1.00	5.00	4.3148	.93377	.872
Prove I can do it	108	1.00	5.00	4.1389	1.05422	1.111
Business to pass on	108	1.00	5.00	4.1852	1.02445	1.049
Have fun	108	1.00	5.00	4.2870	.97684	.954
Provide jobs for family	108	1.00	5.00	4.0278	1.00892	1.018
Valid N (listwise)	108					

# CHALLENGES FACTORS FINDINGS

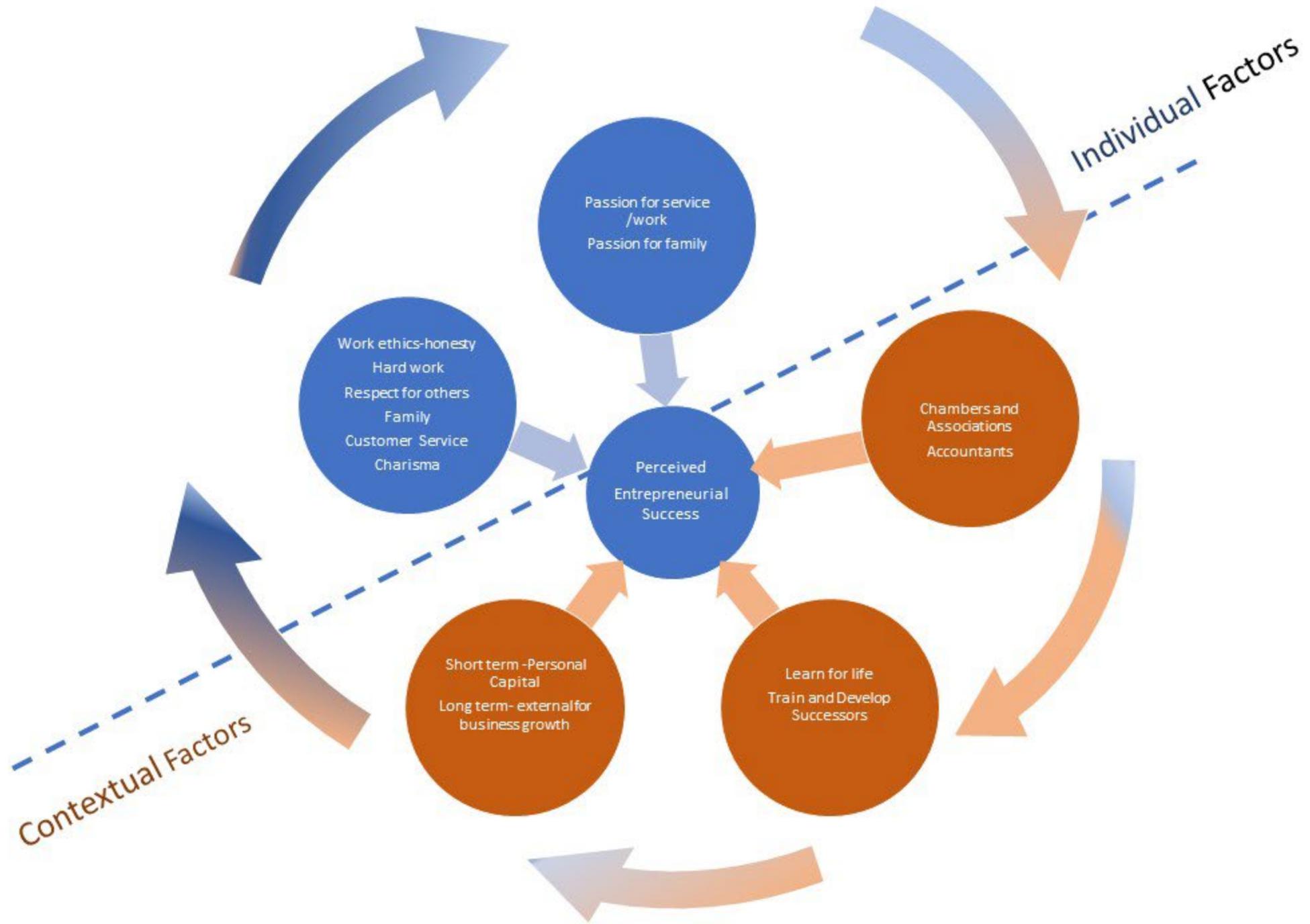
	Descriptive Statistics - Challenges					
	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Unreliable and undependable employees	108	1.00	5.00	3.8519	1.48396	2.202
Complex and confusing tax structure	108	1.00	5.00	3.3796	1.48335	2.200
Inability to maintain accounting records	108	1.00	5.00	3.3333	1.56480	2.449
Unable to obtain short-term capital	108	1.00	5.00	3.2500	1.52319	2.320
Unable to obtain long-term Capital	108	1.00	5.00	3.2407	1.53386	2.353
Weak economy	108	1.00	5.00	3.1852	1.61273	2.601
Lack of management Training	108	1.00	5.00	3.0278	1.53134	2.345
Lack of marketing knowledge	108	1.00	5.00	2.9444	1.55181	2.408
Poor road transportation	108	1.00	5.00	2.7315	1.60377	2.572
Unsafe location	108	1.00	5.00	2.7130	1.66352	2.767
Too much competition	108	1.00	5.00	2.5741	1.52979	2.340
Limited parking	108	1.00	5.00	2.5556	1.68741	2.847
Electricity	108	1.00	5.00	2.5093	1.68831	2.850
Business registration process	108	1.00	5.00	2.4167	1.60679	2.582
Foreign exchange	108	1.00	5.00	2.2778	1.62822	2.651
Valid N (listwise)	108					

# SUCCESS FACTORS FINDINGS

	Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation	Variance
Reputation for honesty	108	1.00	5.00	4.7685	.67818	.460
Good Customer Service	108	1.00	5.00	4.7130	.72410	.524
Charisma - Friendliness with clients	108	1.00	5.00	4.5556	.81267	.660
Hard work	108	1.00	5.00	4.5370	.80217	.643
Appropriate Training	108	1.00	5.00	4.5278	.76682	.588
Maintenance of Records Accounting	108	1.00	5.00	4.5278	.80255	.644
Good Managerial Skills	108	1.00	5.00	4.5000	.79131	.626
Good product/service at competitive price	108	1.00	5.00	4.4815	.88054	.775
Ability to Manage Personnel	108	1.00	5.00	4.4722	.80255	.644
Social Skills	108	1.00	5.00	4.4074	.78582	.618
Access to capital	108	1.00	5.00	4.3148	.90325	.816
Marketing Sales Skill	108	1.00	5.00	4.2778	.95539	.913
Previous Business Experience	108	1.00	5.00	4.0463	1.03567	1.073
Support from Family and Friends	108	1.00	5.00	4.0185	1.06763	1.140
Community Service	108	1.00	5.00	3.9352	1.07018	1.145
Position in Society	108	1.00	5.00	3.6389	1.19546	1.429
Political Involvement	108	1.00	5.00	3.0463	1.24843	1.559
Valid N (listwise)	108					

# CONCLUSIONS FOR WISCONSIN HISPANIC AND LATINO OWNED BUSINESS FOR THE SAMPLE STUDIED

- Entrepreneurs are more motivated by individual factors than contextual factors to start a business venture.
- Primary cultural values supporting their venture growth are honesty/work ethic, and charisma.
- Primary passions are passion for work and passion for customer service.
- Perceived entrepreneurial success is affected by nonmonetary factors including reputation for honesty, charisma, hard work, family, and employees-well being than financial factors such as access to capital, sales or profitability alone
- Entrepreneur access to financial capital affects access to human capital affects their ability to achieve long-term goals



# LIMITATIONS FOR THE STUDY AND OPPORTUNITIES FOR FUTURE STUDY

- Could not conduct Factor Analysis as only 109 responses were collected.
- Focused on small businesses in Wisconsin
- Conduct CFA Analysis
- The study found that perceptions about success factors change over time for entrepreneurs, thus pursuing a longitudinal study may bring interesting findings
- Include analysis of additional variables such as gender, generational and age differences

# IMPLICATIONS FOR LEADING, LEARNING AND SERVICE

1

Founder entrepreneurs are leaders forming culture in the organization. This study found the importance of Charisma and Reputation for Honesty as vital components of growing a successful enterprise.

This values are aligned with Bass (1985) transformational leadership theory and Greenleaf (1977) servant leadership theory.

2

Human skills are malleable. This study found that entrepreneurs understand it and believe in life-long learning for themselves. Success is a temporal status that requires planning, strategies and a committed team to execute it.

3

Passion for service and Passion for family and employee well-being was key for success in the 21<sup>st</sup> century. The study found that this marginalized group has a deep understanding of what service means and how it fits in their business model for success.

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# QUESTIONS

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