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# **A PROSPECTIVE APPROACH TO THE MODERATING ELEMENTS OF ENTREPRENEURIAL INTENTION IN PEOPLE WITH DISABILITIES<sup>1</sup>**

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## **ABSTRACT**

*This article analyses the phenomenon of entrepreneurship of people with organic, physical and sensory disabilities from a point of view which is essentially prospective. Such study is related to a series of moderating elements such as personal, economic and social aspects and follows a research methodology based on the implementation of a nationwide survey which involved 224 respondents, no matter whether or not they had entrepreneurial experience when they were interviewed. The result of this study manifest that elements such as ownership, seniority in the sector, number of employees, and not only personal, professional and economic motivations, but also status as a motivation are key factors to understand entrepreneurship.*

**Keywords:** Stimuli of the Environment, Business Experience, Training, Profitability of the Business.

## **INTRODUCTION**

Studying entrepreneurship and the factors related to it is becoming relevant due to the difficult economic situation of the post-crisis economies and especially the Spanish one. When starting up a business, entrepreneurial initiatives are a form of self-employment motivated by "need" rather than by "opportunity" (Santos, 2014, Muñoz & Santos, 2016, Corujo, 2017).

According to a sociological approach, human behaviour in general—and entrepreneurs in particular—are understood, as the result of combining aspects of social environment and personal characteristics (Ortiz & Millán, 2010). This explains that working conditions, the need for improvement at work and obtaining social recognition, are factors that promote entrepreneurship, as well as family background, experience or prior learning experience (Evans & Lighton, 1989, Moriano, 2005).

More recent studies on entrepreneurship by Olaz & Ortiz (2016; 2016b) and Ortiz & Olaz (2016a; 2016b) can be mentioned. Such studies analyse how entrepreneurial initiative—in this case concerning women—is connected to a series of individual and social competences, such as

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those related to self-knowledge, self-evaluation, emotional awareness and last but not least, the ability to manage either or both conflicts and teamwork.

Concerning scientific production on entrepreneurship in the context of people with disabilities, the subject is treated transversally according to different disciplines (Sociology, Psychology, Medicine, etc.), but no recognized speciality has managed to assert itself. Since the late eighties, Sociology accounts for a remarkable scientific production and in Spain, it is worth mentioning the studies by Jiménez (2007); Casado (1991); Jiménez & Huete (2003); Rodríguez (2002); Rodríguez & Pérez (2004); De Lorenzo (2003); Zarco & García (2004); Pérez Bueno (2004); Fernández (2005); Bascones (2006); Romañach (2002) and Romañach & Palacios (2007).

Nevertheless, this production is far less extent than the one generated on this subject in the Anglo-Saxon research tradition, which bases on the hypothesis which leads to the conception of disability as a social construction that stigmatizes people with some kind of limitation of their physical or psychic abilities. It should not be forgotten that disability is a multidimensional phenomenon that affects persons from a biological, psychological and social perspective. Among those perspectives, the social dimension has been less studied than most of them (Vázquez Ferreira, 2008). However, it is clear that both biological and psychological factors are determined by social factors, hence the opportunity for studies aimed at actions that promote the normalization and full integration of people with disabilities in the environments in which they interact.

## METHODOLOGY

This article uses data which result of a survey, whose technical sheet appears referenced in the Article of Barba-Sánchez published in this review. Such survey was developed by the University of Murcia within the framework of the Project "*Disability and entrepreneurship. Competence Analysis*" (CSO2016-75818-R), funded by the National Plan R+D+I and conducted between November and December 2018 on a sample of residents in Spain with physical, sensory and organic disabilities.

To define the profile of the entrepreneur, in this article the possibility of launching a business has been considered an independent variable. The dependent variables are "*starting-up a business model*", "*self-confidence in the own capabilities*", "*training*", "*professional experience*", "*economic resources*", "*business profitability*", "*stimuli of the immediate environment*" (family, friends and associations), "*institutional support*", "*type of activity*", "*relationship between property and management*", "*the company's seniority*", "*number of employees*", "*motivations for entrepreneurship*" and, last but not least, "*elements that favour giving up the entrepreneurial initiative and abandoning the business*".

In this article, different techniques, such as the Pearson's Chi-squared test, the Likelihood Ratio and the Linear by linear Association, have been used for the statistical analysis.

## RESULTS AND DISCUSSIONS

According to the expectations for the future of people with either of the three, organic, physical and sensorial disabilities, prospective entrepreneurship in the medium term (1 year) is depicted in a moderately optimistic light: Only 22.2% of a meager group of people whose entrepreneurship is currently in progress (12.1% of the total sample), consider that the possibility of launching a prospective business will improve in this period; 38.0% of those who intend to do

so (18.8% of the total sample) are optimistic about the future; finally, only 23.5% of those who do not intend to launch any business consider that the future will be favourable either due to lack of interest or due to the difficulties inherent to their disability.

These precautions can be caused, not only by the environmental conditions, but also by aspects related to the most personal resources of the individual, such as lack of self-confidence and confidence in the own abilities; lack of training (Chi-square: 0.079) (Table 1) and previous business experience preventing from starting a business (Chi-square: 0.068). When these variables are introduced in the study, on average only 28.5% consider that the possibilities to develop an entrepreneurial activity will be better, 54.0% equal and 11.1% worse. Such a certainly discouraging scenario reveals the weight of the psycho-social aspects when developing an entrepreneurial process.

	<b>Chi-square</b>
lack of training	0.079
Lack of Business Experience	0.068
Reasons for developing entrepreneurship (increasing personal income; obtaining greater personal independence and achieving a personal challenge).	0.082
Abandon of the entrepreneurial activity (lack of profitability; problems to obtain funding and personal reasons).	0.027

There are also other type of associated factors. The factor we would like to mention first as key element that can prevent from starting a business and therefore limit entrepreneurship is lack of economic resources. Secondly, we also would like to mention those factors related to doubts about the profitability of the business model. Regarding the first factor, its importance only represents a short 10.3%. Concerning the second factor, doubts in relation to profitability, it should be mentioned that only 9.4% consider it in the same way, what indicates the extent to which this element is not determinant in relation to the whole of the sample. Consequently, the question of entrepreneurial initiative should not be reduced by an analyse that only focuses on economics.

Among those factors that would help understand the absence of entrepreneurial initiative, a third clarifying factor, we would also like to mention, is lack of stimuli from the immediate environment (family, friends and associations), together with institutional support from either or both the State Administration and the Autonomous Administration. As to this issue, of the respondents agree so that results are mostly concentrated in an average area in which the possibilities of launching a business within a period of time not longer than a year, will remain similar or equal to the current and, with an average of 5,1%; this type of stimuli neither hinders nor favours entrepreneurship.

Despite of those limitations of the sampling design, which were already indicated in the methodological section, these aspects shed light on the fact that entrepreneurial expectations are based on aspects of personal kind rather than on aspects of economic and environmental kind.

Hereafter, we would like to turn to another point, namely that related to the activities towards which entrepreneurs are predominantly oriented. Fact is that 78.3% of them are oriented towards the service sector. To a lesser proportion (21.7%), they would start up a business with moderate optimism within a period of time not longer than a year focusing on industry-construction. As for entrepreneurial optimism, 21.1% of respondents' answers are related to the

industrial sector, whereas according to the answers of the other respondents, 79.9% of them agree to focus on the service sector.

Of the two majority options related to the ownership and management of the business, the individually owned ones represent 41.4% while the ones with shared ownership represent 44.3%. Concerning the possibilities of developing a business a year ahead the greatest optimism is concentrated on shared projects (20.0%) according to an appreciation scale of better, equal or worse.

The company's seniority is also another element to be taken into account in relation to the perception of optimism. When the project is to be developed, the sample reveals that 32.4% of the prospective entrepreneurs believe that the possibility of starting the project will improve. In the group of entrepreneurs with short-term companies (from 3 to 42 months), 33.3% consider that the possibility will not get better nor worse, whereas entrepreneurs with a longer duration than 42 months, represent 21.7% of surveyed people.

According to the number of people of the company without including owners, we observe that in the case that there are no employees (71.4% of the total number of people consulted), for a improvement of the business prospects regarding the entrepreneurial initiative amounts to 68.2%, while such improvement only amounts 9.1% in the case of companies with more than 3 employees.

As for the reason for having decided to launch a business or being on the brink of doing so, starting a business out of necessity (53.4%) is more usual than doing it out of opportunity (38.1%). When an entrepreneurial activity within the period of time of one year is started up out of necessity, the reasoning is that chances of launching a business are in the present as good as they will be in the future, as indicated in 54.0% of the cases. In the segment related to entrepreneurship by opportunity, however, 70% of prospective entrepreneurs believe that the situation will get worse.

According to the interviewees and their statements, the most important reasons for them to develop entrepreneurship (Chi-square: 0.082) are: increasing personal income (33.9%), obtaining greater personal independence (30.5%) and achieving a personal challenge (27.1%). According to of them, all prospective entrepreneurs share the perception that the entrepreneurial action will be the same within a year. Even though each reasons have different percentages of representation (57.5%, 58.3% and 50% respectively).

Respondents were also asked questions about giving up the entrepreneurial activity (Chi-square: 0.027). Among the responses, lack of profitability stands out (47.5%). Nevertheless, we would also like to mention two other important reasons such as problems to obtain funding (11.9%) and personal reasons (7.6%). According to the moderated tone that characterizes this scheme, it is estimated that the perception of undertaking within the period of a year will remain the same (51.8%, 50% and 66.7%).

## CONCLUSION

Lastly, we would like to conclude this study, that is based on the results of the statistical analysis, highlighting that it allows us to advance in the idea that, for people with disabilities, optimism becomes a key element for them to developed entrepreneurial project. However, in order that optimism is considered that way, it is necessary, first of all, to neutralize the possible reasons for abandonment, such as, poor profitability of the project and difficulties of access to funding, as respectively indicated by 47.5% and 11.9% of the interviewed persons. Furthermore,

it is also necessary to have guarantees that entrepreneurs who starting up a business out of necessity (58.4%) are more supported than those who do it out of opportunity (41.6%). We would also like to add to these issues, the fact that business experience should be enriched adequately thanks to greater and better training.

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