OPTIMISM AS A VALUE STRATEGY IN TIMES OF COVID-19 IN ENTREPRENEURS IN PERÚ, MÉXICO AND COLOMBIA

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ABSTRACT

Currently, there is diverse information referring to micro and small companies (Mipymes), but not the variables that are taken into account such as risk propensity, perseverance, and tolerance for ambiguity, entrepreneurial passion and optimism, together with this type of Business. Therefore, the objective of the research is focused on investigating the aforementioned variables that influence entrepreneurship and even more so in the time of Covid-19. As a methodology, a quantitative and exploratory research is established. As a result, there is an understanding of the Mipymes sector regarding the issue and optimism is also evidenced as the most important variable to achieve success in the business environment. It is concluded that this study contributes to the scientific literature regarding the relationship of the variables under study in the context of microenterprises and may also be useful to governments seeking to create programs to promote this business sector given its importance for development. Economic of the countries where the study was carried out.

Keywords: Entrepreneurial Passion, Perseverance, Risk Propensity, Tolerance For Ambiguity

INTRODUCTION

Being an entrepreneur is being a participant in business sustainability (Tajudin et al., 2021). The entrepreneur has various characteristics, such as a vision of the future, taking risks, confidence, optimism, perseverance, among others. However, the microenterprises created by these entrepreneurs have certain factors that limit their productivity, such as informality, low business management capacity, low access to financing and new markets. In Mexico, there are Centers called "Mexico Emprende Centers" where they provide support and service to entrepreneurs and companies according to their size. As for Colombia, creating companies is one more option in life, but undertaking here is also a bit difficult, because, of Colombian enterprises, in the first year of creation only 55% subsist, the second 41% and the third, 31%, this is because they are not fully capable of generating more employment, which prevents the growth of their enterprises. The arrival of the Covid-19 pandemic has affected the business world, according to the Global Entrepreneurship Monitor report, the predominant characteristic is the decrease in income, an example of this are the countries of Latin America and the Caribbean that have not exceeded 5 % in economic growth (Bosma et al., 2021). In addition, the consequences are not equitable, since 60%, 57% and 43% of micro, small and large companies respectively were

harmed (International Trade Center, 2021). This is due to the ability to adapt to the remote work, with the result that 46% of MSMEs decide to reinvent them. Micro enterprises refer to small productive, commercial or service rendering groups, with a reduced number of personnel of 2 to 9 workers; in addition, annual sales are taken into account. During the health crisis, Colombian micro businesses went from 77.8% to 92.4% in the third quarter of 2020 and first quarter of 2021 respectively; one of the most affected sectors being the services and manufacturing industry.

LITERATURE REVIEW

Entrepreneurial Passion: Entrepreneurial passion allows the creation and development of ventures (Newman et al., 2021). For Cardon, et al., (2013), it belongs to the heart of entrepreneurship. As well as years later the same author, in another research, includes positive emotions and an important and intense connection (Cardon, et al., 2017). Entrepreneurial passion is a trend of the efforts of entrepreneurs who feel in an intense way and where they will spend a great amount of time and energy. In this same study, he shows the impact that business passion has on persistence and the propensity to take risks, which leads to business professional success (Al Issa, 2021). Thus, entrepreneurial passion has a motivational effect to overcome obstacles and achieve planned objectives (Bignetti et al., 2021).

Risk Propensity: First, the risk will be defined, for this the authors such as Yusoff, et al., (2021) mention it in the following way, the risk is the probability that something adverse will occur that can affect a situation. These variable influences when taking risks. If decisions are risky, there will be a high-risk propensity and low risk perception (Salleh & Ibrahim, 2013). In addition, it is a psychological characteristic that those who are going to take risks to avoid or face them have (Zhang et al., 2020).

Perseverance: For Vilchez (2018), it is part of the entrepreneurial spirit, since they have constancy when undertaking or starting a project. Salisu, et al., (2020) explain that perseverance is related to business success. The term persistence and effort is also used when achieving the objectives. Added to this, (Mirvahedi et al., 2021) called it hard work and understands it as a characteristic of the entrepreneur, this variable influences the growth of enterprises.

Optimism: Optimism is defined as the positive expectations of a subject in uncertain circumstances, an optimistic person has less risk of suffering depression and anxiety (Scheier et al., 1994; Vos et al., 2021). In the business environment, it is related to occupational health, influencing the levels of stress and emotional exhaustion of the worker; causing consequences in his job performance (Atalaya, 2012; Özdemir & Kerse, 2020). In times of the Covid-19 pandemic, governments have influenced the optimism of their population, their values are related to the levels of acceptance of the different measures to combat the virus (Fragkaki et al., 2021).

Tolerance to Ambiguity: Tolerance to ambiguity is a key characteristic of those entrepreneurs who manage to position themselves in the growth phase of a business (Olson, 1987). The personality of the individual is related to risk tolerance, extroverts are the most likely to accept ambiguities (Caligiuri & Tarique, 2012; Jach & Smillie, 2019). Tolerance to ambiguity can be seen as a factor that prevents or promotes learning (Kamran, 2011). Applied to the business world, successful entrepreneurs are generally more tolerant of ambiguity due to their ability to propose different solutions to a problem.
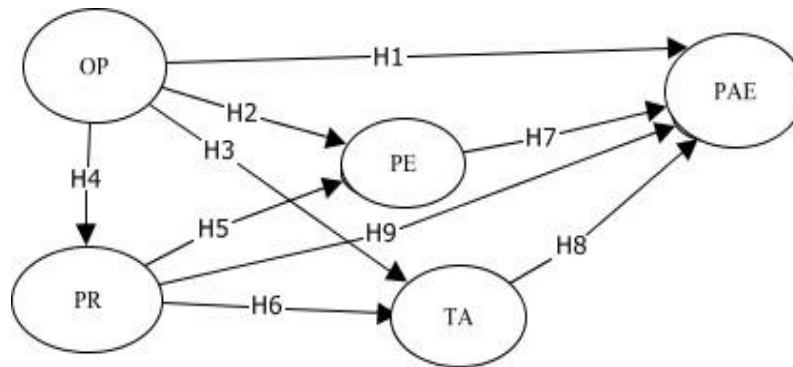
FIGURE 1
HYPOTHESIZED MODEL

Keys: OP=Optimism, PE=Perseverance, PR=Risk Propensity, TA=Tolerance for ambiguity, and PAE= Entrepreneurial passion.

METHODOLOGY

It is a quantitative investigation (Richardson, 1999). Exploratory, because the objective of the present study was to provide greater knowledge about the study variables and thus allow a better understanding of the subject. The participants were 394 entrepreneurs of the three study nationalities: Peru (31.2%), Mexico (43.1%) and Colombia (25.6%). The age was between 16 to 76 years (Mean=37.49 years, SD=11,927, Mode 45 years). Of which 175 men (44.4%) and 219 women (55.6%). Most of them were single (42.9%) and married (37.8%), 13.2% in common law, 4.6% divorced and 1.5% widowed. The majority stated that they started their business out of need (47.2%), 32.5% started the business because of an opportunity, 12.4% was a family business and 7.9% due to various personal motivations. Regarding the business sector, 52.8% are dedicated to commerce, 28.7% to service, 10.9% to production and 7.6% have not yet decided in which sector to undertake. Regarding the monthly profits generated by the business, 46.7% indicated that it generates up to 2 minimum wages, 22.3% from 3 to 4 minimum wages, 21.3% from 5 to 10 minimum wages.

To measure the variables, the following scales were adapted: Perseverance, a 5-item scale of (Barriopedro et al., 2018) was used; To measure risk propensity (5 items) and tolerance to ambiguity (5 items) the scales of (Cui et al., 2021) were used, to measure optimism the 5-item scale proposed by (Özdemir & Kerse, 2020) was used) and to measure entrepreneurial passion, the scale proposed by (Cardon et al., 2013) was adapted. The measurement instrument consisted of a total of 19 items that were presented on a 5-point Likert scale, where 1 was totally in disagreement and 5 totally in agreement. The data collection was carried out through a virtual questionnaire hosted on Google, which was shared through WhatsApp, therefore, a non-probability sampling was carried out for convenience. Before answering the questionnaire, the participants were informed about the objective of the research, obtaining their voluntary participation and confirmed their participation in the same form to access the form. Data analysis was performed using the SPSS-24 and AMOS-24 statistical software. With which it was possible to validate the measurement model and contrast the respective hypotheses.

RESULTS AND DISCUSSION

Reliability and validity of the measurement scales: The reliability of the measurement scales was examined using the composite reliability index (IFC) and the mean variance extracted (AVE). Acceptable values are those that exceed the minimum thresholds of 0.6 in IFC and 0.5 in AVE (Hair et al., 2010). Likewise, the content validity, in its convergent perspective, was evaluated by verifying that all standardized lambda parameters were significant and greater than 0.5 (Bollen, 1989). Discriminant validity was determined by comparing the square root of the AVE of each construct with the covariance between it and any other in the model, verifying that the shared variance between a concept and its measures was higher than the shared variance between constructs (Fornell & Larcker, 1981).

In this sense, to verify the reliability and convergent validity of the measurement scales, the Confirmatory Factor Analysis (CFA) technique was used (Table 1).

	Lambda stand	robust t-value	p value	IFC	AVE	Alfa de Cronbach
Table 1 EVALUATION OF THE MEASUREMENT OF THE FIRST ORDER FACTORS						
PR				0.801	0.576	0.794
PR1	0.69	14.229	***			
PR2	0.868	18.714	***			
PR3	0.706	14.606	***			
TA				0.745	0.597	0.733
TA1	0.854	17.056	***			
TA2	0.682	13.586	***			
OP				0.921	0.702	0.918
OP1	0.817	19.414	***			
OP2	0.886	22.095	***			
OP3	0.734	16.607	***			
OP4	0.86	21.035	***			
OP5	0.885	22.046	***			
PE				0.927	0.762	0.927
PE1	0.9	22.735	***			
PE2	0.919	23.56	***			
PE3	0.848	20.638	***			
PE4	0.821	19.612	***			
PAE				0.948	0.785	0.947
PAE1	0.864	21.384	***			
PAE2	0.925	24.034	***			
PAE3	0.884	22.214	***			
PAE4	0.916	23.584	***			
PAE5	0.838	20.369	***			
Goodness of fit measures: $\chi2/gl=2.626$; CFI=0.963, SRMR=0.034, RMSEA=0.064 KEY: PR=Risk propensity, TA=Tolerance to ambiguity, OP=Optimism, PE=Perseverance, PAE=Entrepreneurial passion, IFC=Composite reliability index; AVE=Mean variance extracted, *** $p<0.0001$, ** $p<0.001$; * $p<0.05$.						

The quality of the fit of the measurement model was evaluated using: Chi-square on degree of freedom ($\chi2/gl$), Comparative Fit Index (CFI), Standardized Root Mean Square Residual (SRMR) and Root Mean Square Error of Approximation (RMSEA) (Hu & Bentler, 1999). Table 2 shows the summary statistics where the reliability and validity of the scales are collected as considered in the conceptual model and it is observed that the proposed factorial structures reveal satisfactory adjustment indices: $\chi2/gl=2.626$; CFI=0.963, SRMR=0.034, RMSEA=0.064. It should be noted that it was necessary to make adjustments to the measurement scales eliminating the items of the respective original measurements to achieve an adequate adjustment of the measurement models. The discriminant validity of the model was also confirmed (Table 3), the possibility that there is variance of the common method is examined post-hot (a) using the one- factor Harman test, and (b) controlling the effects of a factor of unmeasured latent methods - unmeasured latent methods factor approach. The results obtained from the above-mentioned techniques reveal that the variance of the common method is not a problem in this investigation.

Table 2
DISCRIMINANT VALIDITY OF THE MEASUREMENT MODEL

Variable	CR	AVE	PR	TA	OP	PE	PAE
PR	0,801	0.576	0,759				
TA	0,745	0.597	0,444 ***	0,772			
OP	0,921	0,702	0,462 ***	0,625 ***	0,838		
PE	0,927	0,762	0,512 ***	0,604 ***	0,701 ***	0,873	
PAE	0,948	0,785	0,469 ***	0,693 ***	0,739 ***	0,769 ***	0,886
KEY: PR=Risk propensity, TA=Tolerance to ambiguity, OP=Optimism, PE=Perseverance, PAE=Entrepreneurial passion, IFC=Composite reliability index; AVE=Mean variance extracted, *** p<0.0001, ** p<0.001; * p<0.05.							

Note: In italics, on the diagonal, the square root of the AVE is shown. The figures below the diagonal represent the correlations. For the calculation of the correlation coefficients, the mean of the scores of the indicators of each of the latent variables is used. Hypothesis Links in the model Hypothesis contrast.

Table 3
CONTRAST OF THE RELATIONSHIP MODEL

Hypothesis	Links in the model			Estimate	t-value strong	p-value	Hypothesis contrast
H1	OP	→	PAE	0.257	4.509	***	Aceptada
H2	OP	→	PE	0.557	11.356	***	Aceptada
H3	OP	→	TA	0.587	8.976	***	Aceptada
H4	OP	→	PR	0.475	7.755	***	Aceptada
H5	PR	→	PE	0.223	4.824	***	Aceptada
H6	PR	→	TA	0.223	3.424	***	Aceptada
H7	PE	→	PAE	0.43	7.77	***	Aceptada
H8	TA	→	PAE	0.24	4.674	***	Aceptada
H9	PR	→	PAE	0.005	0.124	0.901	Rechazada

Key: OP=Optimism, PE=Perseverance, PR=Risk Propensity, TA=Tolerance for ambiguity, and PAE=Entrepreneurial passion. *** p<0.0001, ** p<0.001; * p<0.05.

Table 4
GOODNESS OF FIT OF THE PROPOSED MODEL

Measure	Estimate	Threshold	Interpretation
Chi-cuadrado (χ2)	385.84	--	--
grado de libertad (gl)	143	--	--
χ2/gl	2.698	Between 1 and 3	Excellent
CFI	0.961	>0.95	Excellent
SRMR	0.039	<0.08	Excellent
RMSEA	0.066	<0.06	Acceptable

Gaskin & Lim (2016). "Model Fit Measures", AMOS Plugin. Gaskination's StatWiki

The estimation of the proposed theoretical model was carried out by means of a system of structural equations using the AMOS 24 statistical package. Table 4 shows the results of the estimation. In this sense, the quality of the fit for the structural model can be described as excellent: $\chi2/gl=2.698$; CFI=0.961, SRMR=0.039, RMSEA=0.066. The empirical results reveal the direct and positive effect that optimism exerts on entrepreneurial passion (H1; 0.257 and robust t-value=4.509), on perseverance (H2; 0.557 and robust t-value=11.356), on tolerance to ambiguity (H3; 0.587 and robust t-value=8.976) and risk propensity (H4; 0.475 and robust t-value=7.755). The hypotheses that directly and positively relate risk propensity with perseverance (H5; 0.223 and robust t-value=4.824) and with tolerance to ambiguity (H6; 0.223 and robust t-value=3.424) are also confirmed. Data analysis also reveals how entrepreneurial passion is directly and positively affected by perseverance (H7; 0.430 and robust t-value=7.770) and tolerance for ambiguity (H6; 0.240 and robust t-value=4.674). Finally, it is evident that the propensity to risk in the face of entrepreneurial passion is the only hypothesis not accepted or rejected in the study (H9; 0.005 and robust t-value=0.124).

CONCLUSION AND RECOMMENDATIONS

Latin American countries are restoring their economy as a result of Covid-19, and central governments have provided subsidies, credits, and other incentives for their citizens and companies in order to reduce the effects of the pandemic, and optimism is also synthesized. The most important characteristic for an entrepreneur to achieve success in his business development. It is also concluded that entrepreneurial passion is the result of the interaction between the following variables: optimism, perseverance and tolerance to ambiguity. It is necessary to build a culture of entrepreneurship based on the capacities of each country to be competitive and generate better articulations in products and services that are relevant and generate value. In this study, optimism is the basis of success for business development, therefore, it is recommended to generate actions that allow entrepreneurs to improve their levels of positivism in the face of the difficulties that are evidenced daily in the development of an organization.

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