



Value Creation of Caribbean firms

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Introduction



- ▶ Entrepreneurship impacts the economic growth of a nation
- ▶ Research has looked at demography as it affects entrepreneurship
- ▶ We examine the effect of history on a specific gender in the English and Spanish speaking Caribbean
- ▶ Slavery is a reality that has shaped the Caribbean
- ▶ In the Caribbean it is common for females to be the main breadwinners (Momsen, 1993)
- ▶ They tend to stick to lower level areas of employment (Kessler-Harris & Sacks, 1987)
- ▶ The level of entrepreneurship in Caribbean countries based on the language spoken is examined



Hypothesis development

- ▶ Spanish homes based on religion are more traditional (Browne, 2001)
- ▶ English homes were more likely to have males used for breeding and moved from plantation to plantation (Momsen, 1993)
- ▶ *H1: There will be more female in English speaking Caribbean countries than in French or Spanish speaking Caribbean countries and more in French speaking Caribbean countries than in Spanish speaking Caribbean countries*



Hypothesis Development



- ▶ French students less interested in the entrepreneurial lifestyle
- ▶ British students believed being an entrepreneur allows for less chance of good living (Martz JR, Biscaccianti, & Neil, 2005).
- ▶ Typical French person likes having free time
- ▶ British person has visual examples of successful entrepreneurs (Martz JR, Biscaccianti, & Neil, 2005).
- ▶ Spain is less entrepreneurial in nature than Britain based on Hofstede's dimensions of culture (Linan, Nabi, & Krueger, 2013)
- ▶ *H2: There will be more esteem of the entrepreneurial role in the English-speaking Caribbean countries than in French and Spanish speaking Caribbean countries.*



Hypothesis Development

- ▶ France is lacking in innovation in comparison other countries (Hamren, 2014)
- ▶ France has lower levels of entrepreneurial activity than other European countries and lags in competitiveness in comparison to Britain (World Economic Forum, 2012).
- ▶ *H3: Entrepreneurship in the French speaking Caribbean countries is at a lower level of innovation than in the Spanish or British speaking Caribbean countries.*



Hypothesis Development

- ▶ In some Latin American and Caribbean countries, it was noted that females are more likely to go into necessity based entrepreneurship as against opportunity based entrepreneurship (Tejersen & Amoros, 2010)
- ▶ When women start forms of entrepreneurship it is usually small scale and with no focus on a legacy (Amoros & Pizarro, 2007; Tejersen & Amoros, 2010).
- ▶ At the same time in developing countries such as the Caribbean, women do not have alternatives to entrepreneurship (Adom, 2015).
- ▶ *H4: Some framework factors encourage necessity based entrepreneurship and some encourage opportunity based entrepreneurship.*



Hypothesis Development



- ▶ Research on necessity based entrepreneurship shows that education has an impact on the scale of entrepreneurship (Adom, 2015).
- ▶ So it seems that education is an important requirement for opportunity based entrepreneurship.
- ▶ Prior knowledge of entrepreneurship increases entrepreneurship.
- ▶ Risk taking ability also plays a role on ability to engage in entrepreneurship. It is thus probable that prior knowledge of entrepreneurship and willingness to take risk will increase the proportion of opportunity based entrepreneurship versus necessity based entrepreneurship.
- ▶ *H5a: Opportunity based entrepreneurship increases with knowledge of entrepreneurship*
- ▶ *H5b: Opportunity based entrepreneurship increases with risk taking ability of the entrepreneur*



Methodology and results

- ▶ GEM Database
- ▶ Descriptive analysis with a bar chart.
- ▶ The countries of 246 (Barbados), 876 (Jamaica), 868 (Trinidad) are British and 809 (Dominican Republic), 787 (Puerto Rico) are Spanish. There was no collection for French colonized countries in this specific dataset. Jamaica was the highest of these countries with 23.4 percent and Trinidad was 6.3. Barbados was 3.6%. On the other hand the Dominican Republic was 8.3% and Puerto Rico was only .8%. So in comparing the British colonies with the Spanish ones, there are more entrepreneurs in the British colonies. This provides support for hypothesis 1.



Results



- In terms of hypothesis 2, a legacy dialog was conducted. The result showed that the esteem of entrepreneurship was highest in Jamaica, an English speaking country. For Barbados it was one of the lowest and for Trinidad it was average in comparison to the other countries in the sample. For the Dominican Republic the esteem of entrepreneurship is the second highest whereas for Puerto Rico it was also average. So there is partial support for hypothesis 2.
- For hypothesis 3, another legacy dialog was conducted. Based on the data low innovation is 1 and high innovation is 3. Interestingly enough Jamaica which has the highest level of entrepreneurship has a high incidence of low innovation. Jamaica and the other countries also had innovation at the level of 3. Puerto Rico notably had low levels of innovation at the low and high levels. So there is not full support for this hypothesis and in actuality there might not be any correlation between the country and the level of innovation.



Results

- ▶ In terms of hypothesis 4, chi squares were conducted based on the fact that the dependent variable of reason either opportunity or necessity based. The chi square was conducted using legacy dialog in SPSS. The results show us that that the framework does have an impact on whether or not one engages in necessity based entrepreneurship.
- ▶ For the final hypothesis a regression was conducted. Findings show significant positive impacts of lack of fear and knowledge of entrepreneurship on opportunity seeking entrepreneurship. This shows that when there is prior knowledge and interest in risk taking, the entrepreneur will engage in the more profitable form of entrepreneurship.



Discussion



- ▶ Lack of data on French Caribbean countries
- ▶ The findings on Spanish and British Caribbean countries show that there are more female entrepreneurs in British Caribbean countries in comparison to Spanish Caribbean countries. The esteem of entrepreneurship did not seem to be related to the country being Spanish or English speaking. The level of innovation also varied. It was noted though that the framework aspects show an impact on the choice of necessity versus opportunity based entrepreneurship. Finally, prior entrepreneurial knowledge and interest in risk taking increases the interest in opportunity based entrepreneurship.



THANK YOU FOR YOUR TIME!!

ANY QUESTIONS?