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Modeling Perception Entrepreneurship in the Covid-19 Era

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Abstract

Purpose. The objective of this study is to study the literature related to social entrepreneurship published from 2020 to 2023 in order to model its theoretical dimensions in factors.

Theoretical framework. Based on the theory of social entrepreneurship, which maintains that in the face of economic crises, communities disseminate information for economic cooperation, its opportunity dimensions are modeled: economic, political, social, financial, and environmental.

Method. An exploratory, cross-sectional, psychometric and correlational study was carried out with a sample of 100 microentrepreneurs from a town in central Mexico selected for their participation in the local entrepreneurship and development system called magical towns.

Practical and social implications. The established factorial model will make it possible to delimit local microfinancing policies for microenterprises.

Originality. The value of the study lies in establishing the validity and reliability of an instrument that measures social entrepreneurship in the face of the pandemic.

Keywords: entrepreneurship; finance; sales; environmental

Introduction

Before the COVID-19 era, social entrepreneurship has focused on the incidence of the State on micro-enterprises through micro-financing. In contrast, social entrepreneurship generated from micro-enterprises supposes the emergence of cooperative societies (Bacq & Lumpkin, 2021). The emergence of the Bottom-Up model (from the bottom up) is due to the increase in opportunities derived from anti-COVID-19 policies (Sharma et al., 2022). As the social distancing and confinement intensified, the underlying opportunities as a factor of economic reactivation in micro-enterprises.

Precisely, the observation of economic, political, social, financial and environmental opportunities allows us to anticipate risk exposure scenarios, anti-COVID-19 measures and cooperative strategies in micro-enterprises (Martínez & Bañón, 2020). Therefore, the study of the expected opportunities suggests an analysis of the perceptions of risk and utility of the pandemic (Ratten, 2020). In this sense, the risk aversion or propensity depending on the prolongation of the pandemic, as well as anti-pandemic policies and anti-COVID-19 measures, is revealing.

Social entrepreneurship emerged from the aversion to risks that the pro-government anti-OVID-19 communication fostered (Apostolopoulos et al., 2021). The dissemination of preventive campaigns for distancing and confinement of people generated expectations of risk aversion (Meahjohn & Persad, 2020). In other words, the micro-enterprises generated distancing and confinement strategies in accordance with the epidemiological traffic light (Zahra, 2021). The red color caused the online sale and the mandatory use of anti-pandemic devices in the labeling, packaging, storage, transfer and distribution of products and services (Liguori & Winkler, 2020). The green color established the relaxation of preventive measures.

However, the emergence of online sales led to perceptions of stigma for those who are attributed greater contact with people. In this way, the operational personnel had to wear suits and clothing according to the expectations of the consumers (Shepherd, 2020). The micro-enterprises that carried out the official recommendations generated greater opportunities (Afshan, Shahid & Tunio, 2021). Instead, micro-enterprises that operated in overcrowded sites were stigmatized as sources of contagion (Brown, Rocha & Cowling, 2020). Even the micro-enterprises that contracted cleaning and sanitation services were stigmatized as high-risk services. In fact, the micro-enterprises that advertised on socio-digital networks and maintained contact with their customers through WhatsApp reported more sales than their vending counterparts.

The stigma on social entrepreneurship derived from the pandemic slowed down the initiatives, but once the immunization of people intensified, the prejudice towards the operational staff or the sales force vanished (Liñán & Jaén, 2022). In this scenario, inflation contributed to the selectivity of products and services mediated by stigma, but the microenterprises that

offered payment alternatives diversified their client portfolio (Maritz et al., 2020). Confidence towards sales and distribution points reflected the learning of micro-enterprises in the pandemic scenario.

In the scenario of COVID-19, anti-pandemic policies, as well as preventive strategies such as the use of anti-coronavirus devices, micro-enterprises emerged as bearers of opportunities that this paper set out to observe (Ketchen & Craighead, 2020). In this order of events, the literature reported stigma as the inhibiting factor of social entrepreneurship in micro-enterprises, but it was immunization and social trust that boosted retail sales.

However, the literature indicates that the reactivation of the local economy is due to the synergy between the local public administration and microenterprises through micro financing policies without considering cooperative relationships. Therefore, it is necessary to ask if there are significant differences between the theoretical structure of entrepreneurship reported in the literature with respect to the observations of the present work in a town in central Mexico?

The hypothesis to be contrasted indicates that social entrepreneurship was promoted by State microfinancing, but without the self-organization of microenterprises it had to be reduced to its minimum expression (Islam et al., 2020). It means then that the opportunities generated by the companies indicate the emergence of a social enterprise that complements the anti-pandemic policies in terms of financing for the local economic reactivation (Davidsson, Recker & von Briel, 2021). In other words, as the pandemic intensified, bottom-up entrepreneurship intensified along with official microfinancing (Albert et al., 2023). Once the State managed to control and mitigate the pandemic, the epidemiological traffic light allowed the emergence of opportunities that microenterprises had already explored (Vasilić, Popović-Pantić & Semenčenko, 2020). In this sense, anti-COVID-19 strategies and preventive measures reduced aversion to contagion risks and encouraged a propensity for risks that distinguished micro-enterprises from others with a higher volume or from themselves with respect to the health crisis.

Method

Design. A non-experimental, cross-sectional and exploratory study was carried out.

Sample. A non-probabilistic selection of 100 microentrepreneurs was made, considering their main activity oriented to the commercialization of coffee and derivatives such as sweets, drinks and bread, as well as their access to microfinance registered in the municipal register.

Instrument. The used and scala of p erception de via tion of e mprendimiento Garcia *et to the*. , (2016) which includes 20 items related to the perception of economic opportunity (eg the promotion of magical towns will attract investment to Xilitla); perception of social opportunity (eg I will receive support from my family by selling coffee sweets); perception of environmental opportunity (eg coffee will be sold in winter due to the local cold); perception of financing opportunity (eg the sale of coffee will be financed by the local government) and the perception of sales opportunity (eg coffee is a priority need for tourists). Each item is answered with one of five options ranging from 0, not at all probable, to 5, for very probable.

Procedure. The Delphi technique was used to homogenize the meanings of the words included in the reagents. Anonymity and confidentiality were guaranteed in writing where they were also informed that the results of the study would not affect their economic, political, social or community status. The surveys were applied in establishments for the commercialization of coffee and derived products. The information was processed in the Statistical Package for Social Sciences and analysis of momentum structuras. The mean, standard deviation, Cronbach's alpha, chi square, factorial weights, betas, goodness of fit and residual were estimated.

Results

The internal consistency of the overall scale (alpha 0.724) and specific subscales (economy alpha 0.718; financing alpha 0.796; sales Alpha 0.771; social alpha 0.701; environmental alpha 0.703) reached alpha values Cronbach above 0.700 (see Table 1).

R	M	SD	A	F1	F2	F3	F4	F5
			0.718					
1	4.24	1.03	0.793	0.401				
2	4.14	1.25	0.704	0.524				
3	4.93	1.47	0.771	0.621				
4	4.31	1.25	0.771	0.501				
			0.794					
5	4.30	1,82	0.704		0.402			
6	4.23	1.47	0.754		0.542			
7	4.81	1.36	0.782		0.512			
8	4,26	1.26	0.791		0.405			
			0.771					
9	4.39	1.58	0.732			0.521		
10	4.40	1.12	0.714			0.578		
11	4.18	1.32	0.798			0.442		
12	4.27	1.46	0.713			0.642		
			0.701					
13	1.02	1.05	0.724				0.406	
14	1.27	1.47	0.741				0.443	
15	1.48	1.35	0.782				0.543	
16	1.59	1.44	0.762				0.476	
			0.703					
17	1.04	1.01	0.780					0.531
18	1.92	1.03	0.732					0.543
19	1.46	1.05	0.714					0.480
20	1.22	1.06	0.746					0.421

Table 1: Description, reliability and validity of the instrument

Extraction method: main components. sphericity and adequacy ⌈KMO = 0.796; $\chi 2$ = 346.456 (23gl) p = 0.000⌋. F1 = perception of economic opportunity (32 % of the total variance explained), F2 = perception of financial opportunity (22 % of the total variance explained), F3 = perception of sales opportunity (16 % of the total variance explained), F4 = perception of social opportunity (10 % of the total variance explained), F5 = perception of environmental opportunity (3 % of the total variance explained). Each item is answered with one of five options ranging from 0 = "not likely" to 5

= "very likely. Each alpha value corresponding to each item is excluding its internal consistency weight.

Regarding the adequacy and sphericity ⌈KMO = 0.796; $\chi 2$ = 346.456 (23gl) p = 0.000⌋ and hese reached minimum values necessary for the factorial analysis of principal components with rotation varimax and set correlates items from values higher than 0.300.

Figure 1 most five factors related to economy (32 % of the total explained variance), financing (22 % of the total explained variance), sale (16 % of the total explained variance), social (10 % of the total explained variance) and environmental (3 % of the total variance explained).

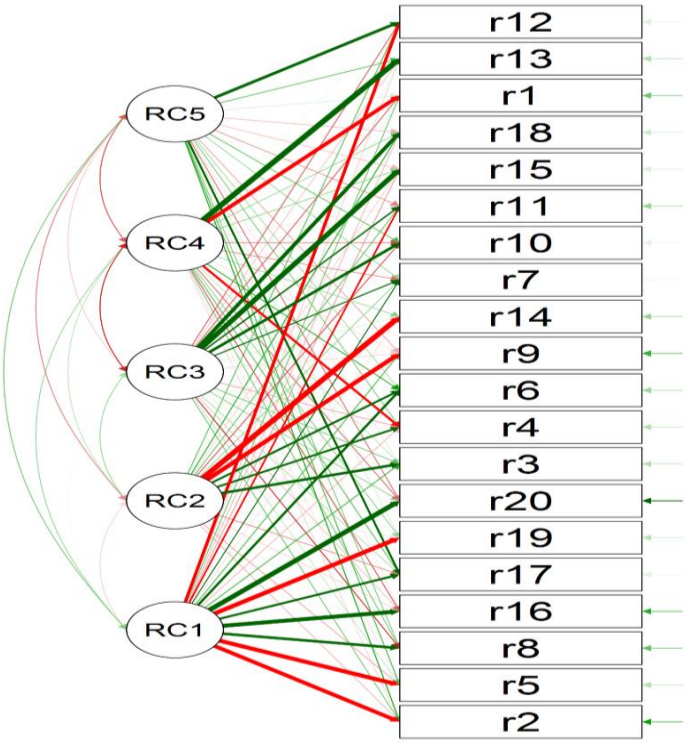

Figure 1: Exploratory factor model of entrepreneurship in the COVID-19 era

Source: Elaborated with data study. RC1 = Economic opportunism, RC2 = Political opportunism, RC3 = Social opportunism, RC4 = Financial opportunism, RC5 = Environmental opportunism

The dependency relationships between the established factors and the emerging construct indicate that it is the social opportunity perception factor that reflects the entrepreneurship perception construct (β = 0.47), followed by the perception of economic opportunity (β = 0 .30) and the perception of environmental opportunity (β = 0.16). The goodness of fit and residual values confirms the acceptance of the null hypothesis regarding the fit of the theoretical dimensions with respect to the empirical dimensions of the perception of entrepreneurship ⌈$\chi 2$ = 1.335 (5gl) p = 0.935; GFI = 0.982; AGFI = 0.947; RMSEA = 0.000⌋.

Discussion

The contribution of this study to the state of the art lies in the establishment of a factorial model to explain the emergence of entrepreneurship in the face of COVID-19 in a town in central Mexico. The results warn that the microfinancing policies for the reactivation of the local economy were complemented by the opportunities generated by the health crisis. In this sense, the opportunity area of the study is located in the observation of entrepreneurial micro-enterprises without financing, but inserted in the cooperative dynamics of the locality (Polas & Raju, 2021). The implications of the findings of this study for anti-COVID-19 policies consisting of distancing, confinement, immunization, financing are: a) the surveyed micro-enterprises intensified their cooperative networks as the pandemic increased; b) anti-pandemic strategies and preventive measures imply a biosecurity that microenterprises followed and also extended to their cooperative networks, generating greater opportunities; c) official risk communication stigmatized microenterprises considered high risk due to their interaction in the distribution and sale of products and services, but once the immunization was carried out, confidence returned.

The literature consulted warns that stigma and inflation slowed down entrepreneurship initiatives and limited the generation of opportunities (Purbasari, Muttaqin & Sari, 2021). In the present work it is appreciated that the anti-pandemic policies and the proposals of micro companies were integrated into an entrepreneurship system that diversified its cooperative networks. Consequently, distancing and confinement encouraged stigma towards the most active micro-enterprises, but immunization contributed to the return of trust between the parties involved. In this way, the study town diversified its products and services by moving them from a face-to-face to a virtual setting.

The state of the art indicates that the intensification of the pandemic determined the suspension of formal economic activity and transferred trade to an informal setting (Ruiz-Rosa et al., 2020). In the present work it is noted that informal cooperation is complemented by the micro financing of companies that make up local cooperatives. In other words, the opportunities generated in the face of the pandemic suggest an ecosystem of stigmas and opportunities that co-existed as the pandemic progressed and was contained or mitigated. Therefore, the suggested lines of research refer to the impact of biosafety on leadership and innovation. Once the pandemic has been contained and reduced to a controllable scenario, biosafety as a risk prevention protocol will impact leadership and new initiatives within organizations. Therefore, it is necessary to investigate the modification of social entrepreneurship in a post-pandemic biosafety scenario.

Conclusion

The objective of the study was to explore the dimensions of entrepreneurship in order to be able to contrast the theoretical model reported in the literature with respect to a sample of micro-entrepreneurs from a town in Mexico. The results show that the differences are not significant. Therefore, the

hypothesis is not rejected. It recommended the extension of the model towards the collateral variables to the entrepreneurship as the stigma to the micro businesses with more interaction in the distribution and retail sale. In addition, the trust between the parties involved as a result of immunization and micro-financing will contribute to strengthening the model.

Findings: The results show the prevalence of the five factors that explained 83% of the total variance.

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