Entrepreneurial Education and Latina Business Owner Preferences: Do Gender and Race Matter?

Preduzetničko obrazovanje i postavke preduzetnika u Latinskoj Americi: Da li pol i rasa imaju uticaja?

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ABSTRACT

The objective of this study is to contribute to the understanding of the Latina entrepreneur and the role that training plays in their personal knowledge, skills, and attitude development. We propose to assess the types of training selected by Latina entrepreneurs in order to begin to identify potential explanations for entrepreneurial performance. Thus, in this paper, we explore the role that gender and minority ethnicity might play on the nature of entrepreneurial training sought and engaged in by business owners of entrepreneurial ventures. Specifically, we compare Latino business owners to non-Latino entrepreneurs and Latina to Latino male entrepreneurs in order to examine whether or not there is an influence of the race/ethnicity of business owners on their selection of business training category. Further, we explore the impact of gender on the choice of business training category. We differentiate training preference as affective (relational) and cognitive (operational). Our findings suggest that there are may be ethnic and gender differences in the type of training preference.

KEY WORDS: entrepreneurship, gender, Latino entrepreneurs, minority entrepreneurs, ethnic entrepreneurs, entrepreneurial training
The Latino\(^1\) population has experienced a substantial growth to 43% during 2000 through 2010 representing over half of the total U.S. population growth (U.S. Census Bureau, 2010). This phenomenon has captured the attention of both researcher and educator. Between 2000 through 2008, Latino self employment nearly doubled from 5.6 to 10.3% (Small Business Administration, 2009). With business ownership growth at 44%, Latino enterprises collectively generated $345.2 billion in sales in 2007, up 55.5% from 2002 (U.S. Census Bureau, 2007). In similar ways, the share of women business ownership is growing in all business sectors with women owning 29% of the nation’s businesses and receipts of $1 trillion (U.S. Department of Commerce, 2007; U.S. Census Bureau, 2007). Latino-owned businesses have impressive new business venture start-up rates. Despite this fact, they continue to experience faster business closing rates than non-Latino owners. (U.S. Census Bureau, 2010). This is in keeping with research that finds minority\(^2\) entrepreneurs have lower rates of success, on a number of measures, than non-minority entrepreneurs (Phillip Kollinger and Maria Minniti, 2006).

For Latinas\(^3\), specifically, the growth in the number of ventures started is also showing a similar increased trend (Andrea E. Smith-Hunter and Carol Venezio, 2006). Indicators of performance also point to a lack of equality for female business owners such as Latinas as they experience lower annual sales, annual salaries, and firm survival rates than male owners (U.S. Department of Commerce, 2010; Barbara J. Robles and Hector Cordero-Guzman, 2007; Patricia G. Green, Myrna M. Hart, Elizabeth J. Gatewood, Candida G. Brush, and Nancy M. Carter, 2003). And yet, we still have not generated actionable knowledge on how to effectively address the lack of business sustainability for Latina entrepreneurs.

Entrepreneurship research has empirically demonstrated that various factors influence firm performance including the entrepreneur’s demographics, psychological traits, behavioral characteristics as well as managerial and technical skills (Donald F. Kuratko, 2005; Alicia M. Robb, 2002). These antecedents to firm performance are particularly relevant to

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\(^1\) For the purposes of this research, the term Latino refers to individuals who identify themselves as having a Hispanic ethnicity such as Puerto Rican, Cuban, Mexican and Latin American.

\(^2\) The terms minority and ethnic entrepreneurs are used interchangeably.

\(^3\) Latina refers to a woman of Hispanic ethnicity.
the minority business owners who enter entrepreneurship with a different view and experience in all of these critical areas. For example, research finds minority and female owners have little pre-business ownership experience (Smith-Hunter and Venezio, 2006; Soyeon Shim and Mary Ann Eastlick, 1998). According to James C. Hayton (2003), an area that could contribute to entrepreneurial success is human capital development. As such, attending training workshops and seminars is one approach to further developing this type of capital (Timothy Mescon, 1987). In fact, the growth in educational and training programs devoted to entrepreneurial development has been substantial (Kuratko, 2005); and therefore, relevant for further exploration in the role it plays for ventures owned by Latinas.

The human resource development and training literature identifies that the nature of education and training is influenced by the learning needs and stages of the entrepreneurial venture development (Gary Gorman, Dennis Hanlon, and Wayne King, 1997), subject matter and pedagogical approach (Gorman, Hanlon, and King 1997), as well as culture (Thomas Garavan and Barra O’Cinneide, 1994). Given that women and minority entrepreneurs confront different obstacles than male and non-minority entrepreneurs face (Patricia G. Green et al., 2003; Radha Chaganti and Patricia Greene, 2002) and hold differing cultural and social beliefs, these diverse entrepreneurs might therefore, prefer different training and entrepreneurial skills development.

Despite the popularity of entrepreneurial education, research indicates that little uniformity exists (Collette Henry, Frances Hill, and Claire Leitch, 2005). Furthermore, the distinctive categorizations of the various skills required for entrepreneurial development have ranged from business operations (i.e. technical and business management) to more interpersonal and personal orientations (Wayne H. Stewart, Warren E. Watson, JoAnn C. Carland, and James W. Carland, 1999; Robert D. Hisrich and Michael P. Peters, 1998). In this study, we focus on training interventions that fall into one of two categories: affective or cognitive. “Affective learning” relates to learning that is focused on changes in values, attitudes, reactions, motivations, and self-efficacy (Stephen P. Brown, Eli Jones, and Thomas W. Leigh, 2005; Kurt Kraiger, Kevin J. Ford, and Eduardo Salas, 1993). “Cognitive learning” refers to the understanding of task relevant information which includes knowledge about specific facts and skills (Kurt Kraiger et al., 1993).
We propose to assess the types of training selected by Latina entrepreneurs in order to begin to identify potential explanations for entrepreneurial performance. Thus, in this paper, we explore the role that gender and a minority entrepreneur’s ethnicity might play on the nature of entrepreneurial training sought and engaged in by these business owners. Specifically, we compare Latino business owners to non-Latino entrepreneurs and Latino male to Latina entrepreneurs in order to examine whether or not there is an: 1) influence of the race/ethnicity of business owners on their selection of business training category; and 2) impact of gender on the choice of business training category (Figure 1).

**Figure 1: The Influence of Race/Ethnicity and Gender on Entrepreneur Training Preference**

**Ethnic and Female Entrepreneurship**

Academic research has explored the phenomena and motivation of minority entrepreneurs such as black business owners whose entrepreneurial venture start ups increased by 45.4% between 1997 and 2002 in the United States (Linda F. Edelman, Candida G. Brush, Tatiana S. Manolova, and Patricia G. Green, 2010). However, these patterns of start-up growth are contradicted by the record business failure and lack of sustainability by these same minority entrepreneurs as they often experienced the lowest survival rates (Alicia M. Robb, 2002). Similarly, women owned firms have increased dramatically in the United States, yet remain smaller than those owned by men and constrained in financial capital access and industry diversity (Du Rietz and Henrekson, 2000). With
the continued expected growth in the Latino population and business ownership in the future, very little research has been directed to understanding this minority business owner, particularly the Latina. Research on minority and ethnic entrepreneurs overall has been minimal and inadequate to fully explain this phenomenon. Minorities in the self employment sector are important to our economy and thus should important to the research agenda (Marc Cowling and Mark Taylor, 2001). Radha Chaganti and Patricia Greene (2002) contribute to our knowledge about this minority entrepreneurship sector and report that they face similar barriers to entry and challenges that other small business owners do. However, research also indicates that both minority and female entrepreneurs suffer from some issues more intensely than others, due in part to their lower education levels, higher levels of unemployment, and more limited access to resources.

These challenges are further complicated for female minority entrepreneurs. Not only does the impact of culture play a significant role in predicting performance of Latina entrepreneurs (Anisya S. Thomas and Stephen L. Mueller, 2000), but the implications to the economy are even more crucial. These business owners face different obstacles than their male counterparts as they face incremental family responsibilities, cultural and social stigmas, and limitations in access to financial and social capital which can impact their business growth substantially (Susan Coleman, 2007; Richard DeMartino and Robert Barbato, 2002; David Deakins, 1996). Additionally, women owners may have a different social orientation where they tend to be more focused on relationships while seeing the business environment as an interconnected system of relations that include family, community and business (Candida G. Brush, 1992). Social norms for Latinos favor more exclusive social networks that often separate them from access to resources, information, and capital sources (Andrea E. Smith Hunter, 2006; Shim and Eastlick, 1998; Candida G. Brush, 1992). On top of this, experiencing discrimination further constrains their entrepreneurial performance. This study recognizes that limited research exists on the minority female entrepreneur, even less on Latina entrepreneurs. With the phenomenal growth of Latino businesses in the U.S., the relevance of this change agent is magnified. The objective of this study is to contribute to the understanding of the Latina entrepreneur and the role that training plays in their personal knowledge, skills, and attitude development.
Entrepreneurial Training and Development

Training and education plays an important role in building entrepreneurial capacity (Paul D. Hannon, 2006; Henry, Hill and Leitch, 2005; Kuratko, 2005). Its effects might be expected to vary depending on the nature of the target audience (Gorman et al., 1997). Entrepreneurial education and training has been identified as being beneficial for both individual and firm performance (Herman Aguinis and Kurt Kraiger, 2009; Phyllis Tharenou, Alan M. Saks, and Cella Moore, 2007; Paul J. Taylor, Darlene F. Russ-Eft, and Daniel W.I. Chan, 2005) with the intent of preparing people for success in entrepreneurial careers. Training areas that are especially useful for business owners include building innovation within the firm, investor relations, capacity to handle uncertainty, and human resources (Alex F. DeNoble, Dong Jung, and Sanford B. Ehrlich, 1999). The nature of a skill impacts the proclivity of the entrepreneur (Norris F. Krueger, Michael D. Reilly, and Alan L. Carsrud, 2000; Norris F. Krueger, and Deborah V. Brazeal, 1994). For example, the development of particular skills such as risk taking, innovativeness, change management, and leadership differentiates an entrepreneur from a general manager (Robert D. Hirsch and Michael P. Peters, 1998).

Drawing from the Small and Medium Enterprise (SME) literature and considering the skill sets needed by entrepreneurs, we identified the following two typologies of training and learning practices – Affective and Cognitive (Paula Kyro, 2008). Based on Brown, Jones, and Leigh (2005) and Kurt Kraiger et al., (1993), our definition of “Affective learning” relates to values, attitudes, reactions, motivations, and self efficacy. For the purposes of this study, we have posited that interpersonal and relational-oriented learning would include workshops and seminars that cover topics such as motivating employees and interactional skills such as interviewing. We refer to the second type as “Cognitive learning” which refers to the understanding of task relevant information that is grounded in facts and skill-based learning (Kurt Kraiger, 2003). Implying a more impersonal and operational nature, the applicable types of training items offered in these workshops and seminars include of the more operational and task based topics of business financing and legal compliance.

Relevant to our discussion of entrepreneurship training, trait-focused theories contend that individual characteristics differentiate entrepreneurs from non-entrepreneurs and also, distinguish successful from unsuccessful
owners. For the purposes of our study, several are relevant including emotional stability (Orvis F. Collins and David G. Moore, 1964), risk aversion (Stewart and Roth, 2001), entrepreneurial proclivity (Wayne H. Stewart et al, 1999), and achievement orientation (David C. McClelland, 1965). Along these lines, we argue that observable individual differences, specifically gender and race, could have implications for the type of training and education sought. Thus, given the importance of knowledge transfer in the measurement of training effectiveness (Brian D. Blume, Kevin J. Ford, Timothy T. Baldwin, and Jason L. Huang, 2009), we acknowledge that attention to the nature of the entrepreneurial training and whether it is affective/relational or cognitive/operational is critical. Further, the training’s compatibility with the subject of the training – women and minorities – is also important to training transfer and eventual venture performance. We now turn our attention to the preferences for training by Latina business owners and how they might vary according to the individual characteristics of gender and race.

Training Preferences of Latina Entrepreneurs

Education plays a major role in entrepreneurial development (Kuratko, 2005). Students can be taught to identify a business opportunity, cultivate the skills and knowledge for more effective venture start up, and learn to expand individual levels of innovation and capacity to run their businesses (Dawn R. DeTienne and Gaylen N. Chandler, 2004). Research in Latino entrepreneurship has been limited (Shim and Eastlick, 1998; Armando R. Triana, Harold P. Welsch, and Earl C. Young, 1984); however, findings confirm that Latinos differ in culture, values and traditions from the non-Latino mainstream. This study focuses on the specific training mechanism of business workshops and seminars aimed to acquire knowledge, skills and values through entrepreneurial education. The study further investigates: a) the preference of business owners for both affective (relational) and cognitive (decision making, skill specific) training; and, b) whether there are preference differences in training due to race/ethnicity and gender since differences may be influenced by factors including socialization, education, business skills, and situation (Smith-Hunter and Venezio, 2006; Anisya S. Thomas and Stephen L. Mueller, 2000).
With regard to race/ethnicity, we propose that Latino business owners will engage in different training than non-Latino entrepreneurs based on the rationale of several theoretical perspectives. First, cultural differences distinguish the individualistic culture of the non-Latino entrepreneur from the more collectivistic culture of the Latino business owner (Geert Hofstede, 1986). For example, several literature studies in Marilyn Young (2002) have identified a significant difference between minority and non-minority entrepreneurs on traits such as conformity, dependence, and benevolence—values commonly associated with collectivism. Being socialized as a collectivist, Latino business owners will likely be more attracted to modes of training focused on how to build a sense of community in the workplace and get employees fully engaged.

Further, minority entrepreneurial values have been associated with risk aversion (Thomas and Mueller, 2000; Holt, 1997) suggesting that the value for relationship focused goals such as a fair workplace may be more valued than operational goals (i.e.: finance). This assertion is supported by the studies in Young (2002), which also identified a difference between minority and non-minority entrepreneurs on tests of achievement, aggression, openness to innovation, and indebtedness—all of which are associated with a greater degree of risk-taking and for which non-minorities tend to score higher. Thus, we expect operational training would be more attractive to Non-Latino owners. Its focus is to teach and offer suggestions on how to enhance firm profitability, obtain loans for venture growth and manage firm leverage while still looking attractive to potential stakeholders.

**Hypothesis 1a:** Latino business owners will have a stronger preference for affective/relational-oriented training than non-Latino business owners.

**Hypothesis 1b:** Latina business owners will have a stronger preference for affective/relational-oriented training than non-Latina business owners.

**Hypothesis 2a:** Non-Latino business owners will have a stronger preference for cognitive/operational training than Latino business owners.

**Hypothesis 2b:** Non-Latina business owners will have a stronger preference for cognitive/operational training than Latina business owners.
When it comes to gender, women entrepreneurs have experienced competitive disadvantages from a lack of business training, financial skills and confidence about prospective performance (Cowling and Taylor, 2001; Candida G. Brush, 1992). Further, the patriarchal natured culture of the Latino population may create a difference in roles and socialization for women and men (Shim and Eastlick, 1998), which contributed to the female business owner’s approach to business entry.

Besides differences in educational levels and access to resources, women and men differ in their reasons for self employment. Because Latinas are more highly attuned with feminine values such as helping others and developing high quality relationships (Hofstede, 1986), it may be that they are motivated to start a business because they want to achieve work-life balance and personal satisfaction (Robert W. Fairlie and Alicia M. Robb, 2008). Interestingly, research has found that entrepreneurs who possess feminine traits prefer to achieve socio-emotional goals, such as making a contribution to society, over status and prestige (Kimberly Eddleston and Gary N. Powell, 2008). Combined with a collectivist and family-oriented nature (Hofstede, 1986), it is reasonable, therefore, to expect that Latina business owners would be more attracted to relational oriented training where the focus is on skills that help build stronger interpersonal relationships. For instance, seminars on human resources, more so than operational training, could inform Latinas about how to establish an employee-friendly work environment.

In contrast, we would anticipate that Latino males, who are higher in the masculine values of competition and being aggressive (Hofstede, 1986), may be more motivated to become self-employed for financial gains such as achieving higher firm profits. In fact, research finds that entrepreneurs who possess masculine traits are more satisfied with their careers when they obtain status-based rewards such as making a lot of money or leading a rapidly growing or well-known business (Eddleston and Powell, 2008). As a result, Latino male business owners may prefer cognitive/operational oriented training that can help them meet their status-based goals and financial objectives—more so than affective/relational training could. For example, in training workshops related to finance, Latino males may become more attracted to strategies for expanding their businesses via obtaining debt financing. In essence, because of differences in intrinsic and extrinsic motivations and values, Latina and Latino male entrepreneurs may desire different forms of training.
Findings from Kellye Jones and Raydel Tullous’ (2002) work on the behaviors of pre-venture entrepreneurs suggests that Latino business owner’s firm success is impacted by the lack of business education, training or managerial experience. Additionally, it was found that Latino males differed from females in behaviors. Specifically, Latino males needed less assistance in finance and accounting (Jones and Tullous, 2002) than Latinas who seem to need more outside assistance overall due to the lack of business education and work experience. Further, Sue Birley, Carolie Moss, and Peter Saunders (1987) showed significant differences in training needed between male and female entrepreneurs. The socialization process in the Latino culture and value system reinforces that women rely more on direct and indirect relationships with family and friends (Barbara J. Robles and Hector Cordero-Guzman, 2007). Thus:

**Hypothesis 3**: Latina business owners will have a stronger preference for affective/relational oriented training than Latino male business owners.

**Hypothesis 4**: Latino (male) business owners will have stronger preference for cognitive/operational oriented training than Latina business owners.

**Methods**

The original sample consisted of 121 business founders/owners/managers who attended a series of business development workshops in the southwest community of Chicago which were offered to entrepreneurial businesses by a business development agency. The participants were 66% Latino and 49% female with most business owners between 30-50 years of age (71%). The sample was reduced as the study had to restrict subjects who provided both gender and ethnicity data on the surveys as well as those who answered the items related to training preferences. This study is focused exclusively on the entrepreneur founder/owner; therefore, data from all firms that represented banks or other institutions, organizations or community agencies were eliminated resulting in a final sample of N=76.

Business owners were solicited by the agency through mailed invitations to workshops in both English and Spanish. The agency conducted follow up calls to owners, and flyers and newspapers were distributed in the targeted Chicago community. Surveys were administered
on site at the workshop and available on-line in English and Spanish. Translators were available on site to address any questions from participants.

**Preference for training:** The dependent variable for this study was the entrepreneur’s preference for training. The training preference index was established by answers to two questions: “Have you previously attended any workshops or information sessions in any of the following topic areas?” and “Which of the following topics would you like to know more about?” Essentially this index represents not only what training participants have already attended (past), but also what they believe to be important to business development (future). The types of training preference was further designated as “affective” or “cognitive” based on three inter-raters’ evaluation of 19 training items from the survey (see Table 1). Items were identified as either affective (i.e., relational/interpersonal) or cognitive (i.e., operational/task-based) in nature. Inter-rater reliability was very acceptable at 0.90. There were only two items where consensus and discussion were required. For each subject, the affective and cognitive training preference variables consisted of a cumulative of the number of training items selected in that category with a total count ranging from 1 to 19. A greater count in one particular category indicated a greater preference for that type of training. That is, if a subject indicated desire for 4 affective and 7 cognitive–based training interventions, the subject would be said to have a greater preference for cognitive-based training seminars and information sessions.

**Gender:** The independent variables were set up as dichotomous data with gender being code as 1=female and 0=male.

**Race/ethnicity:** Business owners self-reported their race/ethnicity on the questionnaire and this was subsequently coded as 1=Latino and 0=non-Latino.
Table 1: Items Assessing the Affective and Cognitive Training Preferences of Entrepreneurs

<table>
<thead>
<tr>
<th>Affective Learning Training Items</th>
<th>Cognitive Learning Training Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interviewing</td>
<td>Business permits, licensing</td>
</tr>
<tr>
<td>Diversity</td>
<td>Unemployment laws</td>
</tr>
<tr>
<td>Motivating Employees</td>
<td>EEO</td>
</tr>
<tr>
<td>Selection/Hiring</td>
<td>Health and Safety</td>
</tr>
<tr>
<td>Performance Problems</td>
<td>Accident Reduction</td>
</tr>
<tr>
<td>Training</td>
<td>Finance</td>
</tr>
<tr>
<td></td>
<td>Attaining Business Loans</td>
</tr>
<tr>
<td></td>
<td>Employment Law</td>
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<tr>
<td></td>
<td>Compensation Law</td>
</tr>
<tr>
<td></td>
<td>Payroll/Benefits</td>
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<tr>
<td></td>
<td>OSHA</td>
</tr>
<tr>
<td></td>
<td>Starting a business</td>
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<td></td>
<td>Marketing and advertising</td>
</tr>
</tbody>
</table>

Analysis

Data was entered into SPSS software to conduct one-way ANOVA analyses in the evaluation of the variables’ means. Groups were compared as follows:

Latino male and Latina entrepreneurs; Latino (all) and non-Latino (all other ethnicities combined); and Latina and non-Latina. The data was checked to see if it conformed to assumptions of normality. In situations where the analysis found the Levene test of homogeneity to be significant, thus indicating that there was a violation in the assumptions for conducting ANOVA analysis, the remedy was to confirm where we had skewed variables, log transform the applicable dependent variables, and re-run the analysis. This process eliminated the concerns about the ANOVA assumptions and the original relationships were confirmed. The results of the analysis are found in Table 2.
Table 2: Results of Preferences for Affective & Cognitive Training: Ethnicity & Gender

<table>
<thead>
<tr>
<th></th>
<th>Affective</th>
<th>Cognitive</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td>Mean</td>
</tr>
<tr>
<td>H1a</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latino</td>
<td>23</td>
<td>0.82</td>
</tr>
<tr>
<td>Non Latino</td>
<td>21</td>
<td>1.25</td>
</tr>
<tr>
<td>H1b</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latina</td>
<td>17</td>
<td>1.1</td>
</tr>
<tr>
<td>Non Latina</td>
<td>14</td>
<td>3.1</td>
</tr>
<tr>
<td>H3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Latina (female)</td>
<td>16</td>
<td>1.0</td>
</tr>
<tr>
<td>Latino (male)</td>
<td>29</td>
<td>1.8</td>
</tr>
</tbody>
</table>

Note: *p<.05

Results

Hypothesis 1a suggested that Latino business owners will have a stronger preference for affective/relational-oriented training than non-Latino business owners and was not supported. The mean for affective-related training for the non-Latino (x=1.25) business owners exceeded that of the Latino business owners (x=0.82) and is statistically significant (p=.049). Hypothesis 1b suggested that Latina entrepreneurs would have a greater preference for affective training than non-Latina owners would. The means indicated that non-Latina female business owners have a stronger preference for affective training (x=3.1) versus Latina (x=1.18) and this difference is significant (p=.031).

Hypothesis 2a indicated that non-Latino business owners will have a stronger preference for cognitive/operational training than Latino business owners and was not fully supported. The mean for Non-Latino business owners’ preference for cognitive oriented training (x=1.6) is slightly greater than for Latino business owners (x=1.3), however, the closeness in level and the statistical insignificance suggests no differences between the
two groups. Hypothesis 2b looked at differences between non-Latinas and Latinas and we expected that non-Latinas would prefer cognitive training more so than Latina owners would. The means showed that cognitive training preference for non-Latina female business owners (x=6.1) is stronger than Latina business owners (x=4.3) though this difference was not found to be statistically significant.

Hypothesis 3 stated that Latina business owners will have a stronger preference for affective/relational oriented training than Latino male business owners. While the Latino (male) business owner mean (1.8) for affective training is slightly greater than Latino (female) business owner mean (1.0), the slight difference and the statistical insignificance between the groups suggests that their preference may be similar.

Finally, Hypothesis 4 suggests that Latino male business owners will have stronger preference for cognitive/operational oriented training than Latina business owners. For cognitive training preference, the close mean values between Latino male business owners and Latina business owners at 4.8 and 4.0, respectively, as well as the statistical insignificant value ($p=.576$), suggests a similar level of preference for cognitive training by both Latinas and Latino males.

**Discussion**

The demand for entrepreneurial education has experienced unprecedented growth in universities and other centers of training (Kuratko, 2005). To date, research on entrepreneurial education and training has for the most part been fragmented, exploratory and descriptive in nature (Garavan and O’Cinneide, 1984). Further, studies examining the training and development of minority and female business owners are especially sparse. Financial needs and information search patterns have been examined (Jones and Tullous, 2002). They are limited by the narrow sample comprised primarily of Latino males. These gaps in the SME literature represent exciting and important opportunities for future research. Thus, this study set out to answer whether differences in ethnicity and gender impact the preferences for both affective and cognitive entrepreneurial training and education of Latina business owner. The answer our results suggest is both *yes and no*. In some cases, we found influences of race/ethnicity and gender and in others we did not or found opposing views to what we expected.
Preferences for Affective-based Training

We did find that preferences for entrepreneurial education and training differed by the cultural values and social norms of business owners. Specifically, non-Latinos reported a stronger preference for affective training than Latino business owners. Likewise, non-Latina female business owners had a stronger preference for affective training than Latina female owners. These findings show differences in ethnicity but in the opposing direction expected. Based on the social norms and research to date on both the ethnic and Latina entrepreneur, we expected to see an affinity and preference toward more relational oriented training when compared to the non-Latino business owners. These findings support the need for additional research - especially with regard to the expected effects of race/ethnicity. Future research in these areas would help us better understand the motivations and needs of both the Latina and Latino male business owner for future human capital building and training interventions. The rapidly increasing market share in the business community of the Latino entrepreneurial venture creates a timely opportunity to better understand this entrepreneurial stakeholder.

However, there was no significant difference in the preference for affective-based training between Latina and Latino male entrepreneurs. Perhaps our results suggest that there are no differences in gender on preferences for training or that the effect of race/ethnicity is more pronounced than the effect of gender. That is, for both men and women, being Latino has a greater salience in its impact on preferences for entrepreneurial education and training. Another potential explanation for this unexpected finding is that when it comes to the development of human capital, it does not appear that Latinas disproportionately focus on affective-based training interventions compared to Latino males. This may reflect the fact that both Latinas and Latino males alike have been found to have lower human capital than other entrepreneurs, Even though the training is affective in nature, Latino males just like Latinas recognize the value for their ventures. Finally, this finding could also reflect the tendency for Latino male owned-businesses to have larger businesses – as measured by number of employees (Shim and Eastlick, 1998) – than Latinas. Thus, Latino males may see a greater need to attend affective-based training interventions that help them to handle business-related challenges such as dealing with employee performance problems as well as to develop skills
such as motivating workers, than would be expected based on gender preferences alone.

**Preferences for Cognitive-based Training**

Non-Latino business owners did not prefer cognitive-based training interventions more so than Latino owners. Non-Latinas did prefer cognitive-based training more so than Latina owners. These findings may be explained in that while highly educated, Latinos have little overall business experience and generally do not have parents who themselves were business owners (Shim and Eastlick, 1998) but they tend to start businesses disproportionately by themselves and not partner with others (Smith-Hunter and Venezio, 2006). Latino owners tend to lack financial assets and have little start-up capital (Smith-Hunter and Venezio, 2006). Despite cultural preferences, Latino owners attended cognitive-oriented training at similar levels as non-Latino owners signaling a recognized need for these competencies (ie: finance and operations).

Consistent with gender differences in values and socialization, Latino males reported slightly stronger preference for cognitive-based training interventions than did Latinas. This finding is in line with research conducted by Armando Triana and his colleagues (1984) who reported that among a sample comprised primarily of Latino male entrepreneurs, they seek most of their information from professional sources such as bankers, lawyers and accountants for a variety of business problems such as general management, operations, and financial – mostly cognitive in nature.

While this finding was not statistically significant, given the limitation of our small sample size, further investigation of this relationship is suggested with a larger data set as insignificant F statistics are not necessarily indicators of insignificant relationships (Ronald Christensen, 2003). That is, the direction of the means could potentially support a gendered view of entrepreneurship in that women and male entrepreneurs may be motivated by different factors and experience different challenges (Eddleston and Powell, 2008; Attilia Bruni, Silvia Gherardi, and Barbara Poggio, 2004). Thus, one important implication could be the subsequent impact of preference for training on firm performance. There is some evidence that ventures owned by Latino men outperform those owned by Latinas, when performance is measured by annual sales (Shim and Eastlick, 1998). There is likewise evidence to
suggest some advantages to attending more cognitive-based training. For example, business sustainability, employment growth and sales tend to be higher for entrepreneurs who contact and attend training put on by the Small Business Development Corporation (SBDC) than for entrepreneurs who do not (James J. Chrisman, 2000). Thus, Latinas should be made aware of this and encouraged to make the time to attend more cognitive-based training. Their time is scarce but, it could payoff for Latina entrepreneurs.

Collectively, these results extend previous research on the training and information seeking behaviors of Latino entrepreneurs (Armando R. Triana, Harold P. Welsch, and Earl C. Young, 1984), particularly Latinas, because it indicates that there are differences by ethnicity and potentially gender in terms of training preferences.

Implications

What does it all mean? There is a lot that we still need to learn about the Latino entrepreneur/business owner since research is still very limited (Robles and Cordero-Guzman, 2007; Timothy S. Mescon, 1987; Armando R. Triana et al, 1984) and certainly limited in scope. There has likewise been minimal comprehensive research on ethnic female entrepreneurship, particularly on Latinas. While our sample was limited in size, the fact that we found differences but, sometimes counterintuitive findings, suggests there is much that needs to be looked at still in determining and documenting the profile of the Latina as well as the Latino male entrepreneur. As well, the number of Latino-owned firms is growing at such a fast rate. It does not appear to be slowing down. Theoretical and empirical arguments suggest the success of most nascent or emerging entrepreneurial ventures depend on the entrepreneur’s access to business-related information and resources (Monica G. Gavino and Rowena Ortiz-Walters, 2011). These factors support the relevance and importance of our research and its practical implications for Latina entrepreneurs and training/business advisors. In this research we have established a profile of how Latina business owners engage in training – whether they prefer cognitive or affective-based training. It seems Latino males prefer cognitive training more so than Latinas. But as time is limited, especially for sole proprietors of whom many Latino ventures tend to be organized as, this research also could help Latina business owners to develop more
effective means for gathering information – meaning that Latinas need to attend more cognitive-based training.

The traditional perspective that has been used in research to date might suggest and emphasize cultural and gender differences. However, looking into the 21st century, it appears that Latinas are more educated and better off financially than ever before and that Latino entrepreneurs and managers/professionals might differ. Macro research is still relying on the cultural profile of the Latino professional to inform research on Latino business owners. Thus, a more contemporary view might be more applicable to the study of human capital for Latino entrepreneurs and could suggest and emphasize that our results may be driven as much by need as cultural and gender preferences. At this juncture it appears fruitful to examine multiple conceptual frameworks to see what theoretical lenses really apply and describe or predict the behaviors, attitudes and motivations of Latina entrepreneurs. For example, theories on ethnic identity could prove to be a useful lens. Specifically, Shim and Eastlick (1998) found that some Latinos identify with a Latino culture orientation but others identified with an Anglo/American identity while still others described themselves as bicultural. Collectively these findings also could suggest a need for future research that juxtaposes a cultural difference perspective with a disadvantaged/need perspective and argument. This could better inform us of preferences for training, designing training for diverse samples of entrepreneurs, and provide a better understanding of what types of training would benefit Latina entrepreneurs the most.

Limitations

This study contributes to the conversation and better understanding of this important change agent in the entrepreneurial landscape. However, there are limitations to the study data. While the ANOVA technique is robust and allows us to compare the means of groups and make inferences about the population means even with unequal group sizes, the overall small size of subjects who actually provided data for the training questions was small and potentially contributed to insufficient power to detect differences between group means. This study was also limited in that we examined business owners only from one community in one geographic region – so we do not yet know how Latinas in this community differ from Latinas in other geographic regions. Finally, our sample was comprised of
owners mostly in the service sector and whose businesses where primarily set up as sole proprietorships so we cannot generalize to other industries or ventures organized by other legal structural means. These limitations notwithstanding, we have begun to provide a reasonable base and rationale for studying Latinas and their preferences for entrepreneurial education and training.

**Future Research**

Information has been said to play an important role in opportunity recognition—the ability of an entrepreneur to identify opportunities for viable new ventures, products and services. But what type of, and how much, information matters for opportunity recognition? One study indicates that entrepreneurs, who attend professional forums such as conventions, conferences, seminars or workshops, are more alert to new business opportunities (Ozgen, 2007). Our study focused on training interventions that provide access to information that is cognitive and affective in nature. As so little is known regarding Latina entrepreneurs and opportunity recognition, future research could focus on whether either or both of these types of information support Latina business owners in recognizing opportunities related to new technologies and markets that allow them to successfully start and maintain enterprises in different industries.

Another question to ask relates to who provides the training and whether issues of diversity matter? Based on the well known theoretical lens of relational demography, would we find that Latinas prefer both types of training similarly or affected more if the trainers are also of the same race/ethnicity or are there unknown advantages to having these interventions provided by trainers that are of a different race/ethnicity? Would a team training approach with a combination of similar and dissimilar trainers be even more suitable? There are so many questions still unanswered.

Another applicable avenue for research would be to examine whether preferences for training and the specific type of training intervention attended (i.e. marketing, HR, OSHA, business start-up) positively or negatively impacts entrepreneurial self-efficacy for Latina owners. This represents another area that has not yet been explored. The goal is to get
them to start, effectively manage, grow and sustain business ventures, which should all be facilitated by increased entrepreneurial self-efficacy.

Summary

As research on entrepreneurial education and training has generally been fragmented, one of the first contributions we make is to integrate the entrepreneurship literature with that of the gender and diversity literatures. We thereby begin to expand and more explicitly connect the homological network of the SME field. Second, the study of entrepreneurial education and training has also traditionally been exploratory. We make advancements here by formulating hypotheses based on psychological theories of individual differences in entrepreneurial traits and conceptual frameworks that highlight differences in values and motivations based on individuals’ cultural backgrounds. By using theory to guide us, we enhance our ability to make better predictions and identify if and how Latina entrepreneurs differ from other business owners when it comes to training. Finally, this research has been descriptive in nature negating our ability to make informed recommendations for entrepreneurial training. We move beyond description to empirically examine differences in preferences for training between Latino and non-Latino business owners. We likewise quantify differences between female and male Latino business owners. By doing this, we contribute to scholarly knowledge on minority and female training and, more generally, the selection of training methods based on unique individual characteristics of entrepreneurs. This could be used as a model for future research and effort could be spent on exploring in more detail the effectiveness of entrepreneurial training versus traditional university education that is the foundation of most business school programs.

References


A P S T R A K T

Cilj ove studije je je da doprinese razumevanju pojma „Latinoamerički preduzetnik“ i uloge koju ima obuka u sticanju njegovog znanja, veština i razvoja stavova. U radu analiziramo i dajemo procenu vrste obuke koju bira Latinoamerički preduzetnik, kako bi naučio da identifikuje šta mu je sve potrebno za postizanje preduzetničkih rezultata. Takođe, u ovom radu istražujemo posvećenost vlasnika

KLJUČNE REČI: preduzetništvo, pol, Latinoamerički preduzetnici, preduzetništvo manjina, preduzetnička obuka

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