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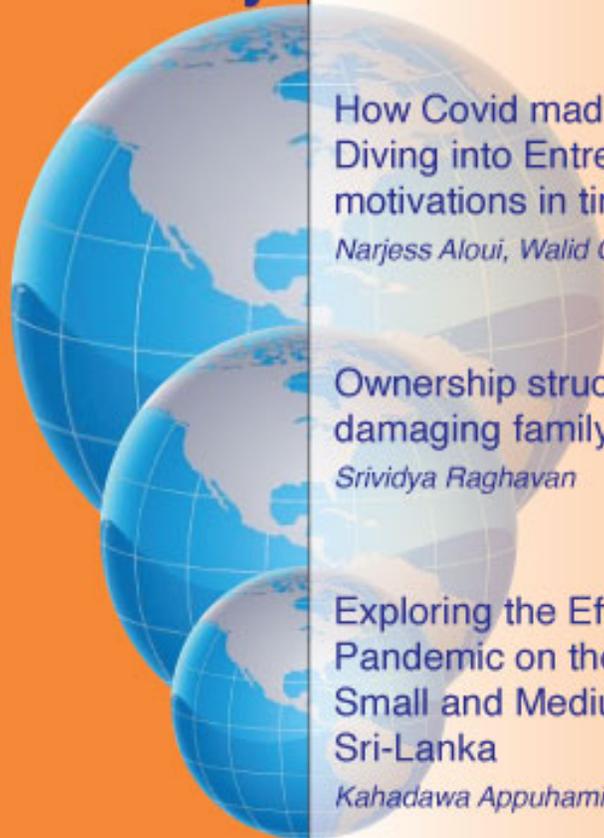
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The Role of Accelerators in Growing Higher Education Institution Centred Entrepreneurship Ecosystems: A Novel Framework for Preferred Outcomes

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Abstract

There is heightened interest in how entrepreneurship and entrepreneurs worldwide are capturing, creating and delivering value in innovative products and services. There are a variety of systems, structures and processes that are being employed, experimented with, in order to achieve preferred outcomes but these are not documented or archived. For long, the traditional pillars of higher education institutions have moderated systems, processes and strategies under the recognised pillars of teaching, learning and assessment; governance and leadership; research and skills development, the traditional way.

The entrepreneurship ecosystem landscape has created traction for accelerators and incubators and the accelerator phenomena have emerged as an independent but distinct form of intervention accelerating the creation of new ventures. This study examines the integration of traditional pillars of Higher Education Institutions (HEIs) and Entrepreneurship Ecosystems (EEs) moderated by the Accelerator mechanisms resulting in exclusive outcomes such as superior performance, macro-economic benefits and accelerated creation of new ventures.

The study proposes a conceptual insight based distinct framework to illustrate interactions between Higher Education Institution Entrepreneurship Ecosystems (HEIEEs) and Accelerator mechanisms leading to preferred outcomes. Further, the paper demonstrates the dynamics of an HEI based accelerator funnel which is integrated into the curriculum and value enhanced by course credits which students of Higher Education Institutions can earn irrespective of the program he or she is enrolled in. Finally, the study outlines the components of an accelerator program and progression through the accelerator funnel stages towards new venture creation, growth and scale up. The developed framework is found to be aligned positively to the outcomes envisaged by the Higher Education Institution and its entrepreneurship ecosystem and attempts to close the gaps evident in HEIs functioning in resource limited environments.

The framework recommends Entrepreneurship Ecosystem established HEI – Accelerator dynamics that can accelerate venture creation in the area that they operate in and bring in macro-economic benefits. The application of the suggested framework can positively impact the deficiencies of a regular environment and ultimately benefit society by providing new opportunities to explore for entrepreneurs, educators, students and researchers alike.

Introduction

As early as the early 20th century, economists such as Schumpeter were identifying entrepreneurs, entrepreneurial activity and entrepreneurship as change agents. Joseph Schumpeter used the phrase creative destruction to describe this change to explain the propensity of entrepreneurs to recognise opportunities, develop entire markets from scratch for products and services that people did not need. Risk taking ability, among other entrepreneurial orientation (EO) elements is a way of life for those who live in an environment of change and disruption. The Covid-19 pandemic brought out these characteristics and perspectives about entrepreneurs to everyone's view much more starkly and bluntly than ever before.

It is in this context that entrepreneurs require to re-assert their dominance by emphasizing the insights gained from Austrian Economics. Uncertainty, value creation and consumer

sovereignty are the focus of Austrian Economics (Bylund, P., 2021). Their argument is that value of products and services controls the price and cost is a choice.

Entrepreneurship is about creating the future which is the origin for entrepreneurial profits and loss generated by the uncertainty of such a future (Bylund, P., 2021). For Entrepreneurs, ‘creative destruction’ is being a monopolist in that they remove the old and create something new. Entrepreneurial actions and entrepreneurial intentions are practical outcomes of entrepreneurial ecosystems. Entrepreneurial ecosystems become effective and efficient with appropriate infrastructural support, services and facilities. Within higher education institutions, there is greater interest in the development of Entrepreneurship Ecosystems. Development in this area is of course based on a deeper understanding of the role played by regional institutions including academic institution in the creation and development of new ventures (Autio et al., 2014, Autio, E. and Thomas, L.D.W. 2022).

Entrepreneurship Ecosystems

The entrepreneurship future that is envisioned has its antecedents in how entrepreneurial action, as well as entrepreneurial intentions have been demonstrated amidst global challenges (Fetters et al., 2010) as well as the significance of its contributions (Daniel et al., 2018) since the beginning of the twenty first century. The term ‘entrepreneurship ecosystem’ is relatively new term in entrepreneurship research. To understand the real

value of the term it is necessary to look at the two parts distinctly. Entrepreneurship is defined in a myriad way depending on contexts and events. A contemporary definition in the context of this research exemplifies entrepreneurship as the ability to discover, select, process, interpret and use the necessary data to take decision in an uncertain world and then to exploit market opportunities' (Ferrante, F.,2005).

An entrepreneur proactively pursues opportunities, gathers resources, executes plans and gathers rewards (Sahlman & Stevenson,1991). The field of ecology has generated the term 'ecosystem' which was first used in an article titled "the Use and Abuse of Vegetational Concepts and terms" (Tansley,1935, Brush, 2014). But it was James F Moore in 1993 who introduced the term 'ecosystem' to the business domain. Song, (2019) enumerated on different types of ecosystems such as business, knowledge, innovation, entrepreneurial, digital and organisational. According to Song, (2019) an ecosystem is defined as a symbiotic organisation integrating living agencies as well as physical environments and includes everything that encourages its co-existence, co-dependence and co-evolution Song, (2019).

Moore, (2006) believed that a variety of stakeholders interacting with each other makes business development a reality. Entrepreneurship Ecosystem therefore has an 'eco'

connotation that indicates the impact of the environment on the future of entrepreneurial ventures (Florida and Kennedy, 1988).

The 'systems' part exemplifies the business environment as a complex system of parts that is constantly evolving and is also dynamic (Stam, 2015). Lastly when the three parts are conjoined to form 'entrepreneurship ecosystem' which is enumerated as a complex adaptive system and is made up of a rich matrix of inter relationships (Roundy, 2016). Isenberg,(2011), Liguor,et al, (2019) expanded on the core domains of Entrepreneurship Ecosystems as being policy, markets, finance, culture, supports and human capital. According to Spiegel, (2017), Entrepreneurship Ecosystems integrate material, cultural and social attributes.

Isenberg,(2016), Roundy,et al, (2018) argue that Entrepreneurship Ecosystems are characterised by self -governance and significantly emphasise the role of people, institutions, policies and resources that promote transformation of ideas into products, processes and services. Audretsch & Link, (2019), O'Connor, A., Audretsch, D., (2022) emphasise that Entrepreneurship Ecosystems bring together customers, suppliers, venture capitalists, researchers, universities and governments. Spigel, (2015) stated that Entrepreneurship Ecosystems are combinations of social, political, economic and cultural elements within a region that support the development and growth of innovative startups and encourage nascent entrepreneurs and other actors to take risks of starting, funding

and otherwise assisting high-risk ventures. Entrepreneurship Ecosystems when supported by support services, educational institutions and appropriate infrastructure can encourage entrepreneurial activity (Hochberg, 2016). Ratten V,(2010) emphasised the role of Entrepreneurship Ecosystems in exploiting and leveraging new opportunities through the efforts of all stakeholders of the system. Start-ups rely on Business model innovation and search for new opportunities that determine their direction as well as their position in the market.

Higher Education Institution (HEI) Centred Entrepreneurship Ecosystems

The essence of an effective, efficient and performing Higher Education Institution or University lies in the three pillars of such institutions which are exemplified as:

1. Teaching, Learning and assessment systems and processes,
2. Governance, Leadership and Engagement systems and Processes and
3. Research, Publication and Skills Development Systems and processes.

When these elements interact with Entrepreneurship Ecosystems dimensions – Entrepreneurship Academic Programs, Start Up support, Intellectual property and Legal support, New product R&D support, Product / Market Fit support, Mentoring and networking support and Funding support, the dynamics that such an interaction creates moderated by Accelerator systems propels the institution to enhance its performance at three distinct levels- institution, student community and society.

Fetters, M., Greene, P. G., & Rice, M. P. (Eds.). (2010), Green et al., (2010) described a HEI based Entrepreneurship Ecosystem as multidimensional enterprises that support entrepreneurship development through a variety of initiatives related to teaching, research and outreach. Universities and HEIs can be Entrepreneurship Ecosystems and platforms for entrepreneurial activities. Gibb, (2002), Pittaway et al., (2018) enquired about the requirements of factors and elements for HEIs based Entrepreneurship Ecosystems to be successful. The contemporary understanding of the distinctive resources and conditions that impact HEIs to be entrepreneurial are teaching, learning, evaluation, governance and research. Siegal and Wright, (2015) stated that teaching, learning and evaluation that focusses on education demonstrated high volumes of student entrepreneurship activity. According to Etzkowitz et al., (2000), Vanevenhoven,(2013), HEIs play a critically important role in determining present and future generations of innovations and entrepreneurs. Shih et al.,(2017) enumerated on the importance of entrepreneurship as a critical entity of the university curriculum across the world. Encouraging an entrepreneur's mindset among students, educating them about the start-ups as a viable career choice and improving business skills are important outcomes of entrepreneurship education in HEIs Gibb, A., & Haskins, G. (2013) (Gibb,2005). Siegel and Wright (2015) have suggested that besides entrepreneurship education, research and technology transfers incubators, accelerators and science parks, entrepreneurship

education, Centers of entrepreneurship, involvement of academia as well as inhouse entrepreneurs, entrepreneurship activities and mentoring programs are visible transformations in HEI based Entrepreneurship Ecosystems. It must also be noted that most studies in entrepreneurship education do not consider the local entrepreneurship ecosystem (Pittaway et al.,2019). Systemic issues including the planning and execution of entrepreneurship programs, educational infrastructure, social context of learning and how these dimensions contribute to an HEI based Entrepreneurship Ecosystems are overlooked (Pittaway and Cope, 2007, Pittaway and Hannon, 2008).

It is important to consider how an HEI can become more entrepreneurial by consciously building an entrepreneurial culture and how such a system can enhance the entrepreneurial ecosystem within the outlying environmental limitations (Belitski and Heron, 2017). In this context, Carvalho et al., (2010), Audretsch and Link, (2017) considered HEIs to be not only an important supporting element of Entrepreneurship Ecosystems but also become one itself. Many HEIs, globally, have dynamic Entrepreneurship Centres dedicated to creating and sustaining Entrepreneurship Ecosystems (Torrance,2013, Schmidt and Molkentin,2015). These Entrepreneurship Ecosystems as exemplified by Audretsch and Link, (2017) do enhance entrepreneurial action in students as well as promote cooperation between HEIs and industry in

generating increasing number of start-ups across sectors. HEIs based Entrepreneurship Ecosystems can therefore support economic resurgence and employment creation.

HEIs Entrepreneurship Ecosystem components include higher education policies, leadership policies, course governing policies, Incubation- Accelerator Centres, research policies, faculty who inspire new mindsets and collaboration with governmental agencies as well as industry (Suryanto, (2019) on distinguishing between framework conditionalities and systemic conditionalities. The framework conditions represent the system part of a HEIs based EE and include historical and cultural narratives, institutional inhibitors or enablers, attitudes towards entrepreneurship, conditions for ideation and developing start-ups, entrepreneurial efforts under conditions of limitations (Stam, 2015., Spigel, 2015., Audretsch et al., (2011)., Autio et al.,2014). Systematic conditions represent current attributes, characteristics that impact ecosystem functions, which is always in change and adaptation mode (Stam,2015). Systemic conditions which are considered to be the ‘eco’ part, include human capital- entrepreneurs, investors, mentors, deal creators, social capital, support networks, new technology and content.

Accelerators

An entrepreneurial ecosystem needs the right kind of learning application and practice infrastructure as also avenues for research. Accelerators are critical subsystems in the

entrepreneurship ecosystem architecture since they exclusively provide training, mentoring and network support for ideators and entrepreneurs. Accelerators can decisively impact the effectiveness of Entrepreneurship Ecosystems. Accelerators are central to HEI based Entrepreneurship Ecosystems in that they catalyse ideas and start-up development. Brown et al., (2019) stated the main goal of accelerators to be stimulating start up activity by providing seed capital, identifying investment opportunities and finding customers. Accelerators have five significant distinctive features- seed funding, mentoring and network support, cohort-based selection and exit process, core courses and deliverables and experience of practice tools and focussed projects (Bliemel, Mclarthy & Marni, 2016). The impact of Accelerators on the sustenance of HEIs EEs and encouraging persuading student and faculty stakeholders to innovate, ideate and create entrepreneurial possibilities is an exciting narrative in these VUCA times (Wright, M., & Drori, I. 2018).

The boundary lines of an accelerator as distinctive and differentiated from an incubator is still evolving (Cohen,2013., Cohen & Hochberg, 2014., Dempwolf et al.,2014). An Accelerator is defined as a “fixed term, cohort-based program, including mentorship and educational components, that culminate in a public pitch event or demo-day” (Cohen,2013). Dempwolf, Auer & Fabiani D. M. (2014) made changes improvements to the basic definition and defined accelerator programs as business entities that make seed-

stage investments in promising companies in exchange for equity as part of a fixed term, cohort-based program, including mentorship and educational components, that culminate in a public pitch event or demo day.

There is a need for Accelerator Programs and systems within HEI based Entrepreneurship Ecosystems in order to enable bringing together the strength of resources of HEI based Entrepreneurship Ecosystems to connect with innovation internally as well as externally to drive exponential growth.

Mishra and Zachary (2014), acknowledge that entrepreneurship is conceptualised as a process of value creation in an uncertain environment. They posit a unified theory based on this conceptualisation, namely, the Entrepreneurial Value Creation Theory. The theory postulates on entrepreneurial reward and its pursuit in two stages. Formulation and Monetisation are two aspects of the desire amongst individuals to pursue entrepreneurial activities. Nascent processes meant to develop entrepreneurial competencies constitute the entrepreneurial stage while Monetisation, which is the second stage is about funding and acquisition. Firstly, for aspiring entrepreneurs, the transition from Formulation to Monetisation is fraught with failures because of their inability to develop entrepreneurial competencies. Secondly even if entrepreneurs are ready to progress to monetisation stage, they may not be able to convince investors on the viability of their ideas or start-ups. This is where accelerators come in. Accelerators emerge to fill the gap between

formulation and monetisation stages by making available mentoring and networking resources alongwith competency training and development process to aspiring entrepreneurs (Colombo & Grilli, 2011., Baum & Silverman, 2004). Therefore, expanding on Cohen's, (2013) definition, utilising the Entrepreneurial Venture Creation Theory based stages of formulation and monetisation, an accelerator can be re-defined as a cohort based, fixed term, formulation and monetisation program that invests in and supports ideation and early stage start-ups accelerate development and growth of then ventures through effective mentoring and networking processes.

Accelerator Programs in Higher Education Institutions

Exponential organisations achieve success in VUCA times by leveraging new techniques and accelerate new technologies. HEIs need to find new ways to connect their strengths and resources with innovation in order to disrupt markets, to drive exponential growth and prevent the onset of becoming irrelevant HEIs. Accelerators leverage their unique competencies to bridge the gap between innovation and HEIs based entrepreneurial ecosystems. Accelerators moderate a new environment where there are possibilities of spotting viable ideas and start-up efforts as well as protecting them. HEI Accelerators can provide better access to innovation of ideation processes, cheaper and faster incubation systems and economic benefits through rapid acceleration and scale up by encouraging an entrepreneurial spirit and culture within.

HEI Accelerators are defined as fixed and cohort based structural programs which are symbiotically connected to the academic curriculum. HEI Accelerator programs are focussed on mentoring and networking processes leading to development of skills and competencies as well as an educational experience through valued experiential learning (Torrance et al., 2013). Morris et al.,(2013) enumerate that HEI accelerator programs signify innovative aspects in HEI based entrepreneurship ecosystems and achieve multiple objectives: application and practice based experiential education, new technology adoption and transfer, and support business continuity and creation. Therefore, it is necessary to build a fresh framework that would engage active elements of HEIs based EEs with HEI Accelerators to bring about/ achieve predefined outcomes.

Theoretical Framework for HEI Entrepreneurship Ecosystem, Accelerator, Outcome Dynamics

According to Breznitz M. S., Zhang Q. (2019), HEI entrepreneurship ecosystems are qualitatively enhanced by effective Accelerator programs leading to significant competitiveness, creation of start-ups, job creation, locality development and better funding and availability of resources. HEIs have started adopting new frameworks for innovation and commercialisation because of the evidence of positive impact from accelerator creator and activity. Entrepreneurial thinking HEIs have emerged as a result

of HEI based accelerator programs (Szcukiewicz, K., & Makowiec, M. (2021), Klofsten, M, Fayolle,A, Guerro,M., Mian, S., Urbano D Wright, M,(2018)). Accelerators, therefore, catalyse the development of entrepreneurship ecosystems in HEIs which in turn, according to Bergmann, T., & Utikal, H. (2021) improve sustainability of outcomes such as survival of nascent start-ups, economic goals and social as well as ecological aims. Accelerators can be seen to demonstrate better engagement with HEIs stakeholders especially students, by making available focussed exposure to the experience and practice of entrepreneurship, and providing the tools and infrastructure for creation of start-ups. A framework that supports this symbiotic relationship between HEI ecosystems, HEI Accelerator Programs and resultant outcomes in a logical progression (Miles, M.P.,de Vries.,Harrison,G.,Bliemel, M.,de Klesk.,Si, Kasouf, C.J.,(2017). Consequently, an Entrepreneurship Ecosystem- Accelerator Program – Outcomes for Higher Education Institutions (HEIs) framework is developed and discussed as shown in (Figure 1A & 1B).

Fig 1A: HEI Entrepreneurship Ecosystem - Hybrid Accelerator Specialisation & University Credits - Outcomes Framework

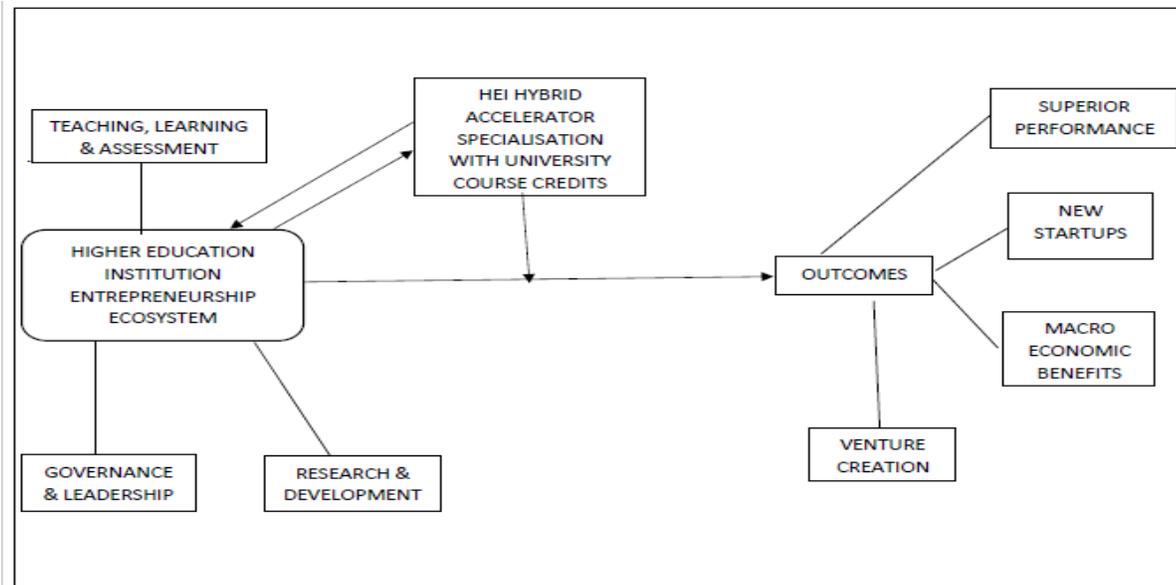
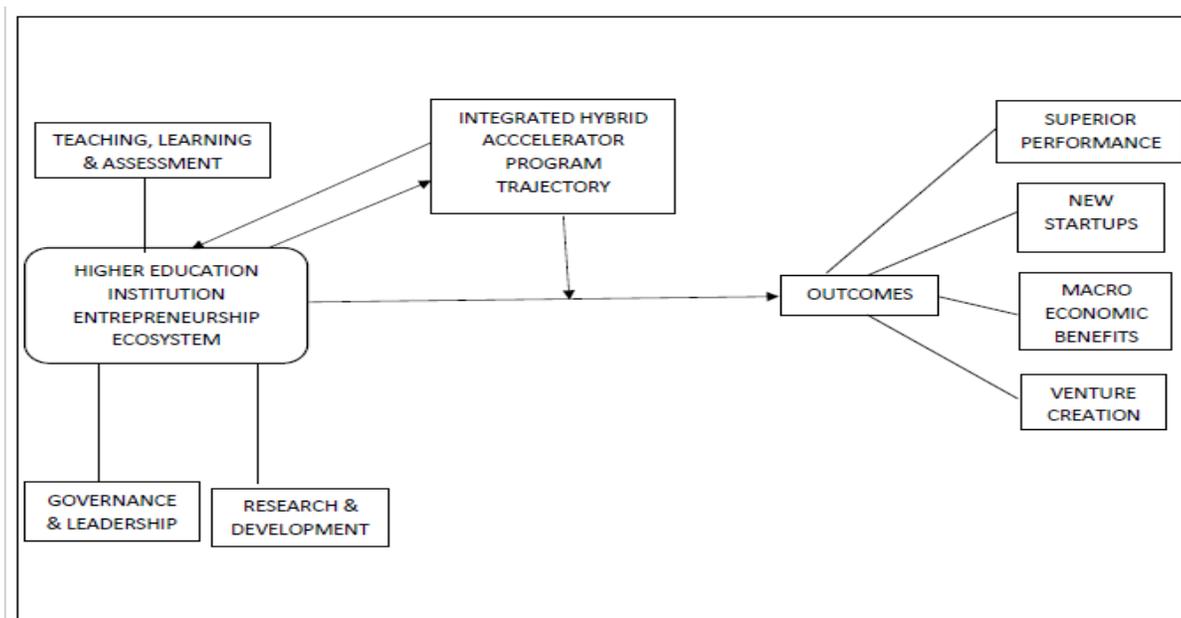


Fig 1B: HEI Entrepreneurship Ecosystem – Integrated Accelerator Program Funnel Trajectory & Outcomes Framework



This paper posits a new framework enumerated in two parts. The framework posited in Fig. 1A and 1B have three main components aligned to the structure, functions and processes of a regular Higher Education Institution or University. The primary pillars of a HEI namely Teaching, Learning and Assessment, Governance and Leadership and Research and Development interact and collaborate to bring about preferred academic outcomes. The proposed frameworks Fig. 1A & 1B demonstrate the interaction between

the HEI components when impacted by a vibrant Entrepreneurship ecosystem as exemplified in Fig. 2A and a HEI integrated accelerator program as demonstrated in Fig.2B & 2C leading to an entirely unique set of outcomes – Superior performance, start-ups, macro-economic benefits and new venture creation that will finally benefit society. These outcomes are expected to enhance performance and quality of HEI as well as leverage wealth creation and employment generation significantly.

Performance with respect to HEIs implies academic and administrative activities, processes and tasks and the resulting outcomes. In the same context superior performance as demonstrated in both the proposed frameworks means performance measured above and beyond expected benchmarks that significantly benefits the larger community. Start-ups are termed to be small but innovative firms in the early stages of business, financed by their founders and that seek to attract funding early on or even later. They entail high amount of risk and vulnerability but their focus on innovation in products or services can also be a significant success factor. Outcomes that lead to start-ups generating out of HEI entrepreneurship ecosystems moderated by active accelerator systems are made possible through the interaction between them in the proposed framework.

Higher Education Institutions and Universities have deeply impacted the regions and surrounding areas where they operate through not just knowledge dissemination but also through skills and competency development and innovation. HEIs influence growth and bring macro-economic benefits in the region through increased availability of qualified and employable human capital, creativity and innovation, start-up creation and new venture growth and scaleup.

Higher education Institutions play a critical role in developing entrepreneurial mindsets amongst students and important stakeholders. Having a vibrant entrepreneurship ecosystem on campus induces not only new venture creation but also venture growth and scale up through valuation and equity stakes as well as internal funding, mentorship and networking support.

The Higher Education Institution is tiered at three distinct but interconnected levels. Teaching, Learning and Assessment forms a critical tier in a HEI or University System. Governance and Leadership also exemplifies a critical aspect of the HEI or University processes. Lastly Research and Development is an equally important part of the HEI or University mechanism.

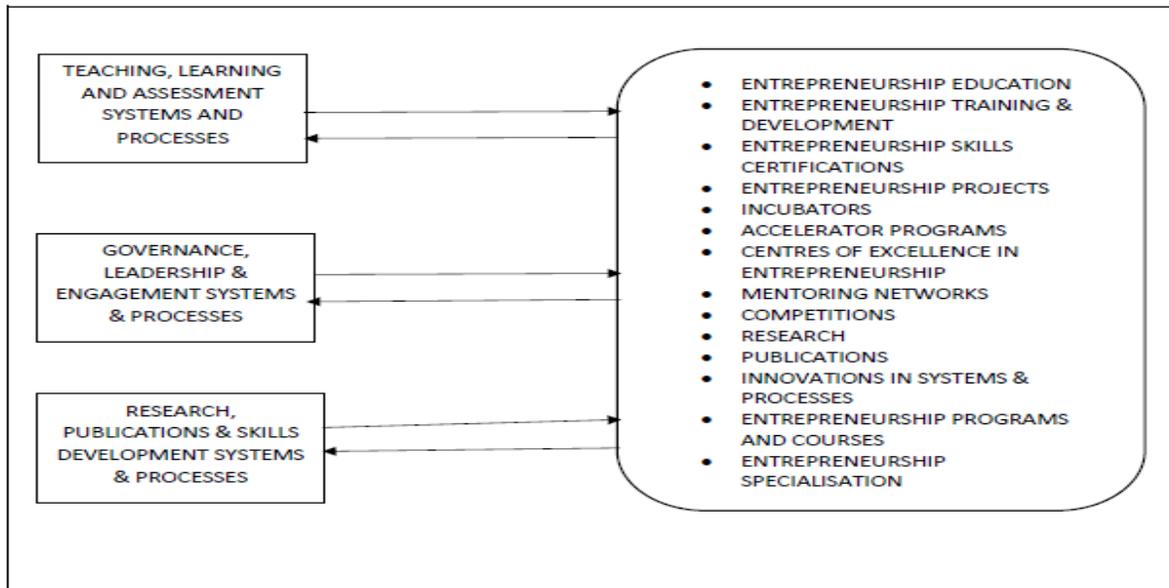
Teaching is operationally defined as the act of imparting knowledge or skill while learning is defined operationally as a multi-dimensional and multi-phase phenomenon occurring when individuals attempt to solve what they view as a problem. Learning for an individual is understood to emphasise the individual's disequilibrium–equilibrium stages in the context of what happens in the mind. This is characteristic of all that are inferred from the products, and intellectual and psychological needs that result from these stages of disequilibrium–equilibrium. Assessment can be understood operationally as the systematic collection, review, and use of information from oral and written examinations conducted internally and externally for quality improvement, planning, and decision-making.

HEI Entrepreneurship Ecosystems are centres of entrepreneurial activity due to creative and innovative practices (Kuckertz,2019). HEI EEs foster entrepreneurship by encouraging interaction and collaboration amongst all stakeholders. The HEI Structural elements include Teaching Learning and Assessment, Governance and Leadership and Research and Development which are integrated into the EE framework through the fundamental and structural elements which are fundamental as well as structural in their orientation. Fundamental elements include- cultural and social contexts, Governmental policies and Markets. Structural elements include- HR Capital, financial capital and Research and Development(R&D) initiatives. An HEI EE will contain not just an

integration of HEI elements with the EE elements but the relationship is established and sustained through the continuous interaction and collaboration between these elements through Entrepreneurship education and Courses, Entrepreneurship projects, E-Training and Skills Development, Tools and Practice based certifications, Incubators and Centres of Entrepreneurship, Competitions, Policy Support and Infrastructure support.

The three pillars of a higher education institution are best served by entrepreneurship ecosystem elements thus cyclically also contributing to the sustenance of a vibrant innovation and entrepreneurship ecosystem. Creative pursuits and innovative practices within these pillars are bolstered and strengthened by pushing for interventions of the EE elements, (Figure 2A).

Figure 2A: Higher Education Institution Entrepreneurship Ecosystem Framework



Higher Education Institution Hybrid Accelerator Program Frameworks

The proposed framework for Accelerators in two parts – (Fig 2B - HEI Hybrid Accelerator Specialisation – Course Credit Framework) and (Fig 2C: HEI Based Accelerator Funnel and Trajectory Framework) is integrated into HEI Institutional Framework. Both frameworks look at explaining where accelerators fit into the HEI Entrepreneurship Ecosystem and new start-up creation funnels thereby creating value for HEIs and their Ecosystems. The frameworks also exemplify the accelerator funnel characteristics as well as the trajectory followed by aspiring entrepreneurs.

Fig 2B: HEI Hybrid Accelerator Specialisation – Course Credit Framework



HEI HYBRID ACCELERATOR SPECIALISATION
WITH UNIVERSITY COURSE CREDITS

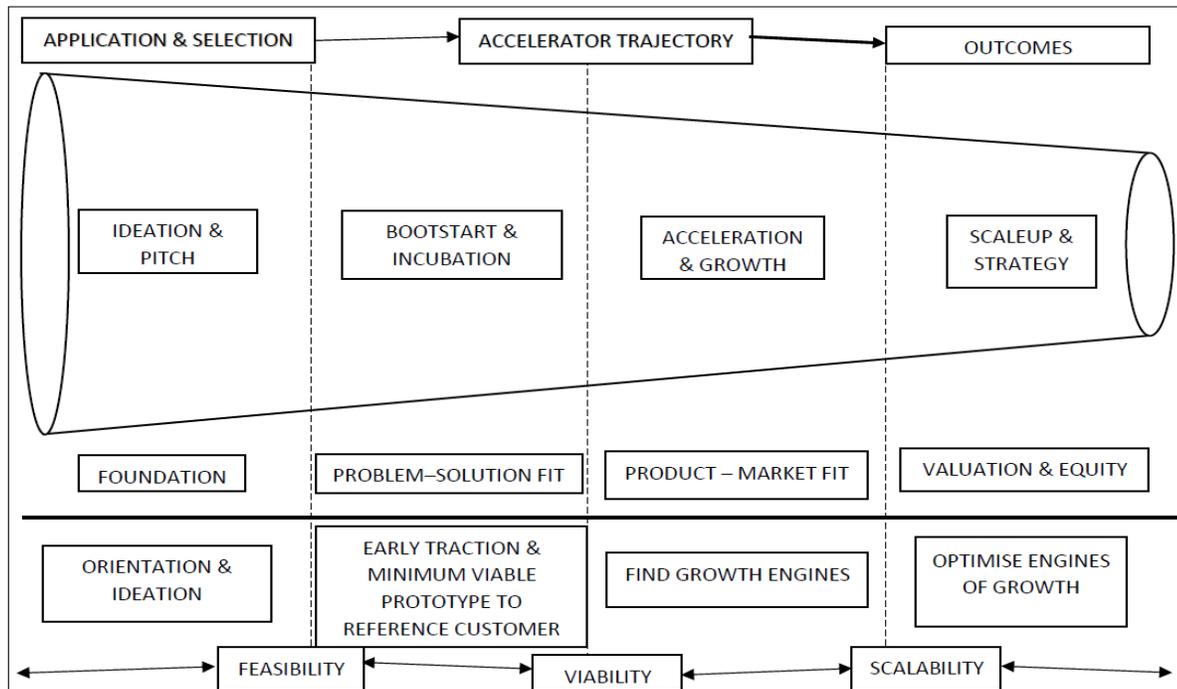
Sl. No.	Stream	Name of the Course	Credits	Total
1.	ACCELERATOR SPECIFIC ELECTIVE	IDEATION, CREATIVITY AND INNOVATION FOR STARTUPS	3	100
2.	ACCELERATOR SPECIFIC ELECTIVE	MARKETING FINANCE AND BUSINESS MODELS FOR NEW VENTURES	3	100
3.	ACCELERATOR SPECIFIC ELECTIVE	PROTOTYPING, TESTING AND LEGAL ASPECTS IN ENTREPRENEURSHIP	3	100
4.	ACCELERATOR SPECIFIC ELECTIVE	ENTREPRENEURSHIP GROWTH STRATEGIES	3	100
5.	ACCELERATOR SPECIFIC ELECTIVE	SCALING, PERFORMANCE MEASURES AND DEVELOPMENT STRATEGIES	3	100

The developed framework is unique in that the Accelerator program (Fig 2B) is made available as a specialisation with university courses and credits enabling all students of a University / Higher Education System become active aspiring entrepreneurs earning university credits as well as graduating with a degree and a start up in their hands. Since the Accelerator is integrated into the HEI Entrepreneurship Ecosystem framework it is proposed that a certain number of credits be offered for each stage. This will enable students and applicants to earn credits that can be added to the credits that they earn from the courses they are enrolled in. In the Higher Education Institution Accelerator Model, it is proposed that Credit points can be awarded. One credit is considered equivalent to 15

Contact Hours. Each course of the Accelerator Program will have a certain number of credits to offer for each Accelerator specific Elective. Each Accelerator Specific Elective will comprise Core Sprints and Deliverables, Practice and Experience Tools and Project components. Electives are proposed to be designated under the title of Minor Specialisation and can be offered across all degree and post degree programs of a University and HEIs.

The Accelerator Program is also made available to all inside and outside HEIs through a dynamic Hybrid Accelerator funnel model (Fig 2C) that builds on the practicality of incubator systems and takes aspiring entrepreneurs through different stages of the dynamic funnel including ideation, incubation, acceleration and scaleup. stage.

Fig 2C: HEI Based Accelerator Funnel and Trajectory Framework



The proposed accelerator funnel characteristics involve complex dimensions that flow from the wider end of the funnel beginning with examining the feasibility of the idea involving ideation, concept validation, product or service development and Beta minimum viable product (MVP). The Viability Dimension of the proposed Accelerator Funnel includes Product launch, market validation, and revenue generation. The narrow end of the funnel which is the conclusion point of the Accelerator funnel exemplifies scaling and exponential growth.

The four stages of the accelerator funnel include:

- Ideation, Incubation, Acceleration and Scale up will have four and design elements critical elements
- Design and Development Projects involving core courses and design elements carrying HEI course credits.
- Deliverables involving applications carrying course credits
- Tools involving practice and experience in the focus area and
- Projects involving research, data collection, prototyping, testing and information processing and pitching processes.

An applicant will have the opportunity to earn credits from the Accelerator Program as well as from the undergraduate, graduate, post graduate, certificate level programs and fulfil their aspirations of a qualification and their own venture.

They become employers and drivers of the economy. HEIs can be confident of creating a movement that enhances the quality of life for all stakeholders. The accelerator program will permeate all aspects of the HEI Entrepreneurship Ecosystem framework and become the self-sustaining core of an HEI.

Outcomes Induced By HEI-Entrepreneurship Ecosystem- Accelerator Interaction

Accelerator Programs can induce remarkable outcomes which are the result of strong dynamics of a vibrant Higher Education Institution based Entrepreneurship Ecosystem. Such ecosystems have strong motivations propelled by a desire to create an entrepreneurial movement, a churning in the traditional HEI model that influences all stakeholders to embrace the entrepreneurial mindset to generate such outcomes as value creation, job creation, macro-economic job benefits, new start-ups and improved business performance. The new framework thus brings together the strengths and opportunities of a strong higher education institutional entrepreneurship ecosystem and a vibrant, practical university course credit based accelerator program to generate entrepreneurial outcomes.

Discussion

An excellent launchpad for the youth working through their academics in HEIs is to integrate creativity, innovation and entrepreneurial mindset formation into the curriculum. To do that, HEIs with viable Accelerator Programs must be able to persuade students about opportunities in entrepreneurship domain. HEI Entrepreneurship Ecosystem based Accelerator Programs should attract students to participate and enter the funnel because this is the only place where they can actually practice and experience entrepreneurial skills and competencies safely. As much as entrepreneurial ecosystems in HEIs are important, accelerators are found to have radically impacted the dynamics of

HEI processes and outcomes. Although, HEI accelerators are also observed to have struggled at times in various forms. Many HEI accelerators have had to deal with sustaining coordination and collaborating with start-ups who have exited the program successfully. Sustaining interest as well as involvement of participants during the program is also challenging as well as dealing with quality issues in ideas, design, prototyping, feasibility, testing and other related areas. In this context it is also important to mention that accelerators in HEI environments are viewed as platforms to learn rather than to experience or practice. The primary incentives for being part of an accelerator program are legal and funding support possibilities which is where most of entrepreneurs and start-ups make costly mistakes. Along with mentoring and networking support HEI accelerator programs can be critical to sustaining entrepreneurial ecosystems. Further, HEI accelerators can be launchpads for millennial aspirations that transcend HEI education and qualification.

The reasons why accelerators suffer are lack of awareness, competition and insufficient funding or equity. Lack of marketing or promotional efforts can also be limiting factors for HEI accelerator systems. The proposed framework for HEI based Accelerator Programs exemplify the following stages:

Stage -Ideation consisting of core design and development projects and deliverables, practice and experience tools and project.

Stage 2 - Incubation

Stage 3 - Acceleration

Stage 4 - Growth and Scale Up

It is emphasised that the Accelerator Program should be integrated into the HEI curriculum and should be offered as a minor specialisation with accelerator specific elective courses offered across programs at the Undergraduate and Postgraduate levels. Course credits are assigned to these accelerator electives which can be earned in lieu of courses offered in educational programs by completing the accelerator specific electives.

Accelerators that act as an Integrating platform for innovations and entrepreneurial ecosystems provide a radically dynamic environment for creative possibilities and a safe place for ideas to become realities. Accelerators provide better positions for innovations economically for predefined and instantaneous outcomes. The dynamic components and integrated parts of a HEI accelerator includes.

Selection: a rigorous multilevel selection process that influences the deal flow quality rather than quantity. Quantity band scalability of ideas, validated business models and adaptability of ventures are important considerations.

Deal: The deal establishes agreement and contractual relationship between aspiring entrepreneurs and the accelerator. Deals can mean commitment to share resources, bootstrapping and seed funding opportunities, loans, valuation and equity aspects or non-equity arrangements.

Acceleration: The acceleration program ensures aspiring entrepreneurs, early stage start-ups and validated business models gain access to mentorship, investor and entrepreneur networks, practice and experience tools, HEI based core courses, university course credits, legal and IPR assistance, team building support, advisory board strategy formulation and implementation, KPI and measures to determine progression, communication, design thinking, skills development, and opportunities to build experience.

Demo Days & Pitching Sessions: Mentor, Investor and entrepreneur interactions and meet ups happen during demo days & pitching sessions that also signify progression made and assessment measures. Entrepreneurs have an opportunity then to share their entrepreneurial journeys and to demonstrate their innovations.

Alumni Connect: Accelerators continue to interact and collaborate with graduating entrepreneurs as well as with their start-ups for valuation increments and further rounds

of funding possibilities. Entrepreneur Alumni also return as mentors for new cohorts. An HEI based Accelerator Program is visualised to have certain goals which are achieved through the dynamics of the exemplified mechanisms as enumerated previously. These goals can be stated as:

1. Offer the mechanism of a HEI Entrepreneurship Ecosystem Accelerator Program for all students, alumni and all stakeholders of educational institutions.
2. Determine and demonstrate support for creativity, innovation and business models through mentorship and course-based projects and skills development.
3. Establish interaction and collaboration between aspiring entrepreneurs, mentors, investors and entrepreneur networks.
4. Provide opportunities for individuals to come together, develop ideas, promote practice and experience to help launch their start-ups.
5. Assess and measure progression using KRAs and KPIs
6. Determine valuation schematics and equity offerings for successful graduating start-ups.

Return On Learning (ROL)

Building on this framework for higher educational institutions (HEIs), what is highlighted is the return on learning (ROL) through their current conceptualisation in order to develop a future research agenda, which would entail improvements in the

quality of dynamics of both the HEI Entrepreneurship Ecosystem as well as that of the HEI Acceleration System and also point out some shortcomings or limitations ROLs from the framework (HEI Entrepreneurship Ecosystem - Accelerator Outcome Framework).

1. The contemporary HEI primary structural pillars of Teaching Learning and Evaluation, Governance and Leadership and Research and Development are best served and strengthened by entrepreneurship ecosystem fundamental and structural elements.
2. In the VUCA context, an integration of HEI systems with entrepreneurship ecosystems is significant in that it conceptualises employment generation, wealth creation, value creation and entrepreneurial mindset as well as entrepreneurial intentions amongst all stake holders.
3. Entrepreneurship ecosystem dynamics exemplify entrepreneurial environment for entrepreneurial thinking in Higher Education Institutions where customers sovereignty and value creation through entrepreneurial action is permanent.
4. The impact of entrepreneurship ecosystems on HEI is characterised by self-governance and emphasise the role of people, institutions, policies and resources that demonstrate transformation of ideas into innovative products, processes and services.

5. HEIs progress beyond from being providers of education to being creators of start-ups and viable business entities that generate employment, wealth and contribute to the economy through the dynamics of a self- sustaining entrepreneurship ecosystem.
6. HEIs and integrated EEs do enhance entrepreneurial action in the creation of new ventures by promoting entrepreneurial intentions as well as entrepreneurial mindsets among stakeholders. Sustaining them is found to be wanting due to lack of support mechanisms that can persuade aspiring entrepreneurs to continue pursuing the fulfilment of objectives.
7. Accelerators can be critical infrastructure for EEs for the right kind of practice and experience by providing training, mentoring and investor networks support for ideators and aspiring entrepreneurs. Accelerators impacting HEI EEs is an exciting narrative to be explored through their adoption and implementation.
8. The new framework proposes HEI EE based accelerators that are unique in their structure as well as processes. These accelerators are well connected to the academic curriculum and provide avenues for achieving course credits towards completion of their qualifications as well as experiencing the accelerator funnel through its distinct stages of ideation, incubation, acceleration and scaleup
9. An HEI based accelerator within a dynamic entrepreneurship ecosystem will provide mentoring, investor and practice tools-based support to all those who enter

the funnel to enable them to graduate not only with an academic qualification but also a start-up in their hands.

10. Course credits and specialisation status for the courses and experience tools that form the bedrock of an HEI based accelerator program which further enhances the impact of HEI EEs on outcomes such as creation of start-ups, value creation, economic benefits, survival growth, funding and resources.
11. A symbiotic relationship between HEI structural pillars, entrepreneurship ecosystem and accelerators lead to preferred outcomes as proposed in the conceptual framework.

Future Research Agenda and Limitations

The Higher Education Institution Entrepreneurship Ecosystem Hybrid Accelerator moderated proposed framework recommends bringing together disparate elements that sustain entrepreneurship activity in highly dynamic environments. The frameworks (Fig. 1A & 1B) and the supporting systems including the HEI Entrepreneurship Ecosystem (Fig. 2A), HEI Hybrid Accelerator Specialisation Course Credit based system (Fig. 2B), and the HEI Accelerator Funnel and Trajectory System (Fig. 2C) can significantly demonstrate enhanced performance, derive macro-economic benefits and accelerate new venture creation and start-ups amongst stakeholders.

The complex nature of entrepreneurship ecosystems and their increasing relevance to HEIs has hardly been researched primarily also due to the absence of such integrated ecosystems worldwide. HEI Entrepreneurship Ecosystems should be seen as systems that have evolved drastically in recent time and therefore they are less focussed upon. The recent pandemic has brought into the limelight, new disruptive, uncertain dynamics that make it imperative for Higher Education Institutions to have Accelerator moderated entrepreneurship ecosystems in order to generate opportunities and create preferred outcomes in the future. Accelerators have actually evolved from the earlier incubator models but have yet to be explored in the context HEI ecosystem dynamics. While accelerator programs do fit in independently into the start-up creation assembly line, how they can be leveraged to create entrepreneurship movements in Higher education Institutions is largely unexplored or even envisaged.

HEIs do not necessarily view venture creation to be an important objective. Therefore, this study was limited in its scope in finding HEIs that were open to the idea of building on such frameworks as proposed here.

A new framework is proposed for the creation of a new Higher Education Institutions (HEIs) based Entrepreneurship Ecosystem which is proactively influenced by distinct forms of accelerator mechanisms such as academic credits and funnel stages, resulting in preferred outcomes of venture creation, superior performance and economic benefits.

The framework to be effective requires the involvement of and taking ownership by all stakeholders of HEIs

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How Covid made us entrepreneurs? Diving into entrepreneurship motivations in time of Covid

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Abstract

Fostering entrepreneurship should have two goals: first, to promote the current state of affairs and the potential of entrepreneurship, and second, to map out the future context of the industry. This paper aims to fill the void by analyzing the various factors that can affect entrepreneurial intentions in the covid crisis. The study focused on the role of contextual factors in entrepreneurship intention. The study was carried out through a Netnography using an international sample of entrepreneurs during the Covid-19 crisis.

Five main themes were identified in the analysis of the Wall posts, namely, career management and development, risks and opportunities management in the time of crisis; digital marketing adoption & entrepreneurial skills; social support, and value co-creation. These themes are then illustrated with example texts. The results of the study may have valuable implications for policymakers and educators. Understanding the various factors that influence entrepreneurship intentions within a crisis context can help develop a more effective policy framework.

Introduction

In 2020, the World Health Organization (WHO) declared COVID-19 an unprecedented global epidemic of COVID-19. COVID-19 brought about global health and economic crises that were never experienced before (McKibbin and Fernando, 2020). It forced many governments and institutions to take a step back from their usual policies and procedures to preserve the health and survival of their people. The complete lockdown of major cities across the globe affected most sectors, including SMEs and entrepreneurs (Etemad 2021). Due to their vital role in creating wealth, the importance of entrepreneurship cannot be ignored. Proponents of this claim that they are vital to the creation of wealth and a better life for everyone (Baron 1998). The need for entrepreneurs has become more prevalent in today's world (Van der Westhuizen, & Goyayi, 2020). This

is because they can generate new ideas and turn them into profitable ventures. Entrepreneurship is also beneficial for the economy as it can create job opportunities and improve the competitive advantage of companies. It is also beneficial for society as it can stimulate growth (Turker & Selcuk, 2009). To properly understand the benefits of entrepreneurship, policymakers and academics should focus on the reasons why some people choose to work in an entrepreneurial career. Some studies suggest that personality traits such as self-confidence and risk-taking ability can influence decision-making processes (Bonnett and Furnham, 1991; Brockhaus, 1980; Johnson, 1990). Others study the link between these factors and entrepreneurial intentions. There is no single, unified definition of entrepreneurship. Instead, intentions are often defined as the expectations of people who have intentions of becoming entrepreneurs (Thompson, 2009). An entrepreneurial intention is a conscious state of mind that encourages one to pursue a goal, such as starting a new business (Bird, 1988). The concept of the entrepreneurship intention model proposed by Luthje and Franke (2010) states that the environment plays a vital role in an individual's desire to start a business. Previous studies have shown that the environment plays a major role in the formation of entrepreneurial intentions (Rajib and Niladri, 2020; Shi et al., 2020). The purpose of this study is to analyze the entrepreneurship intentions of current entrepreneurs within a crisis situation. The findings come from an internationally random sample of entrepreneurs. The objective of this study is to examine the factors that affect the strategic intentions of entrepreneurs during crises.

This study contributes to the empirical testing of how certain factors affect these intentions. It provides new insight into how entrepreneurs intend to capitalize on this critical situation.

Entrepreneurial intention

The history of entrepreneurship studies can be traced back to 1988. The first author to place the intentions of entrepreneurs at the center of studies was Bird (1988). There has been a significant emphasis on the intentions of entrepreneurs in studies. Studies revealed that intentions are a good predictor of entrepreneurship (Mair and Naboia, 2005). Thus, understanding the intentions of entrepreneurs is an important step in developing effective entrepreneurship literature. In fact, the intention to become an entrepreneur is an individual's belief in their ability to overcome the existing problems within their community (Biraglia & Kadile, 2017). An entrepreneur is a person who has an intention to start a new business venture and is consciously planning to do so in the future. The entrepreneurial intention is defined as *“a self-acknowledged conviction by a person that they intend to set up a new business venture and consciously plan to do so in the future”* (Thompson, 2009). An entrepreneurial intention is a conscious state of mind that encourages one to pursue a goal, such as starting a new business (Bird, 1988). This step typically precedes the formation of a venture. The development of an entrepreneurial intention is often the first step in the process of starting a new venture (Gartner, Shaver,

Gatewood, & Katz, 1994). Various models have been created to explain the various facets of entrepreneurship. Some of these include the Model of Implementing Entrepreneurial Ideas by Bird (Bird, 1988); the Entrepreneurial Event Model of Shapero (1982). Although these models are sometimes considered a step forward in terms of studying entrepreneurial behavior, they have not been as powerful as the theory of planned behavior -TPB- (Van Gelderen et al., 2008; 2015).

Entrepreneurial Motivations

The concept of motivation has been defined as the psychological cause of action (Schacter et al. 2011). Entrepreneurship theories can be divided into two main categories: incentive theories and drive theories (Carsrud and Brännback 2011). Drive theories suggest that the internal need for self-determination or achievement is the motivating factor that pushes people to start a new venture. On the other hand, incentive theory suggests that entrepreneurs are driven to start a new venture due to the combination of various incentives and external rewards such as income and flexibility (Carsrud and Brännback 2011). Usually, entrepreneurship has been primarily focused on economic reasons (Carsrud and Brännback 2009). However, new insights suggest that entrepreneurship is also driven by social gains and goals (Carsrud and Brännback 2011). The entrepreneurship process is becoming more complex, with many studies suggesting that motivations are also being considered (Carsrud and Brännback, 2011). In addition,

personal values are also being observed as contributing factors to entrepreneurship (Hemingway 2005). Specific actions that promote the attainment of goals may become more attractive to people (Feather 1995). This is because achieving one of these goals can trigger an automatic, positive, and effective response from people (Jaén, Moriano, and Liñán 2013). The more important a goal is, the more people will likely come up with action plans that can lead to their desired behavior (Gollwitzer 1996). Entrepreneurship may be formed according to the values and motivations of individuals. Individuals with different motivations may have varying levels of behavioral control over their actions (Solesvik 2013). Some authors believe that motivation can help people activate their intention-action link (Carsrud and Brännback 2011). However, this is still a relatively scarce field of research.

Entrepreneurship as intentional, planned behavior

Many studies have focused on the concept of entrepreneurship since the 1980s. It has been viewed as a process of forming an intention to start a business (Van Gelderen et al., 2015). The Theory of Planned Behavior is the most commonly used framework in this field. Its main concept is that the strength of intention is an immediate antecedent of behavior (Ajzen, 1991; 2011). The theory of Planned Behavior has been limited to explaining the formation of intentions in entrepreneurship. In 2012, a meta-analysis revealed that only three studies have focused on the full TPB and the intention-behavior

relationship (Schlaegel and Koenig, 2012). However, the studies that deal with intentions do not focus on the development of business start-up plans. Instead, they use limited samples that are usually not used in larger studies (Kautonen, Van Gelderen, & Tornikoski, 2013).

The scarcity of studies that deal with intentions is surprising. Entrepreneurship is about actions, and the extent to which intentions can be translated into action is very important (Van Gelderen et al., 2015). The existence of a large intention-action gap suggests that further studies on other factors are needed to explain the development of intentions.

According to the theory of planned behavior, the intention of a person or group is a direct antecedent of behavior. It influences the behavior by considering the factors that motivate a person or group to perform a particular act (Ajzen 1991).

The Theory of planned behavior (TPB) is a conceptual framework that enables us to predict an individual's intention to start a business (Krueger et al., 2000). As such, the characteristics and personal history of an individual can influence an individual's social context and business intentions. Based on the TPB, the intention of people can be influenced by three factors: their attitude toward the behavior, their subjective norms, and their perceived behavioral control. The TPB can be used to predict various actions and

behaviors (Armitage and Conner 2001). The theory has been used to study entrepreneurial intent. It has also been found to be an effective tool in understanding individuals' intentions.

Autio et al., (2001) revealed that individuals' perceived behavioral control and attitude toward the behavior were positively associated with entrepreneurial intentions. Although the study found evidence suggesting that social support could influence people's intentions, it was not found to be related to their entrepreneurial intent (Krueger et al., 2000).

Actions such as starting a business are intentionally planned. They can be predicted by people's intentions and not their beliefs or biases. The intentions are also predicted by certain attitudes. These attitudes can help determine the target behavior. Actions are initiated through a process known as intention, which involves channeling beliefs and other factors into the intended actions (Ajzen 1991).

Being able to identify intentions can provide valuable insights into the processes that are related to starting a new venture (Ajzen 1987). This can be done even without observing the activities that are related to the intentions. In addition, being able to identify

intentions can help entrepreneurship researchers understand the various steps involved in starting a new venture.

The intentions of people toward a behavior are very critical to understanding other factors that influence that behavior, such as the availability of resources and the role of certain beliefs (Sheppard et al. 1988). A good intentions-based model considers the antecedents of behavior. For instance, attitudes are influenced by external factors that influence their behavior (Ajzen and Fishbein 1980, Ijzen 1987). The intentions of people toward a behavior are then used as a catalyst for action. Although the behavior is weakly predicted by the attitudes toward it, it is mainly influenced by other factors such as personal characteristics and employment status.

Management crisis

Different stages of crisis management can affect firms differently. Hence, it is important that firms adopt a strategy that is right for their organization (Ramadani et al., 2017).

Others refer to these activities as integral parts of the entrepreneurial activities that help people draw on their own talents and skills. Entrepreneurship is a very important aspect of personal and economic development. It is the main catalyst for the nation's economic growth (Mat et al., 2015). Entrepreneurship is defined as the process of developing one's own capacity to create wealth and economic transformation. In 2020, Maritz et al. study

the impact of COVID-19 on entrepreneurs. The pandemic has created new business opportunities in various industries such as education, healthcare, and technology-based solution. Some of these include the development of smart cities and the use of virtual platforms for various purposes (Isenberg and Schultz, 2020). Some of these options could be used to develop social entrepreneurship projects. This type of project could be carried out in order to solve a social or environmental problem (Mair, J. and Martí, 2006). Giones et al., (2020) argued that entrepreneurial efforts in response to the Covid-19 crisis may concentrate on business planning and emotional support of the society and other stakeholders. However, in dealing with societal challenges and enhancing a system's resilience, the market needs to prioritize protecting established businesses rather than supporting new business activities (Seelos and Mair, 2005).

According to Kraus et al. (2020), one of the implications of crises is to develop new structures of work to cope with the change. This means using new technological devices such as zoom to communicate which rely on remoteness and no physical interaction. Most events and conferences having been revoked, it can be stated that information technology has promoted online conferences and congresses. Because more workers are being asked to work from home, some IT companies have experienced increased revenue during this Covid-19 crisis (Scott et al. 2020). Another digital application that has gained popularity in recent months is Zoom, which offers video communication solutions. It was

one of the most downloaded apps from the Apple Store in the US in the second week of March 2020 (Kumar et al. 2020). Some other platforms like TikTok, Microsoft Teams, Instagram, Facebook, and LinkedIn have seen a significant increase in traffic and profits.

Although entrepreneurship increases corporate productivity that improves the economy, major structural changes have been observed around the world due to the crisis of Covid-19, showing replacements in established companies (Nicola et al. 2020b). Many well-established companies were forced to reduce their production or branches activities and thus causing a sharp rise in unemployment (Fernandes 2020). Indeed, the pandemic has forced gyms around the world to close their doors and adapt to the new reality. Many well-known training clubs have had to shut down some of their branches around the world and reopen when the situation becomes stable again (Nishiura et al. 2020). Also, a change has been observed in some organizations such as Yoga Mode, which offers online courses on social platforms such as Instagram and Facebook and promotes the trend toward virtual training (Nyenhuis et al. 2020).

Methodology

This paper presents a qualitative research approach that was used to investigate the factors that contribute to the entrepreneurial intention within the Covid-19 crisis. Due to the complexity of the social network platforms and their impact on networking behaviors,

qualitative strategies are often used (Smith, Smith & Shaw, 2017). Smith, Smith, and Shaw (2017, p. 31) emphasize that qualitative strategies “*are particularly suitable for sifting through the complexity of entrepreneurs’ social capital online*”. According to the authors, qualitative methodologies – in which Netnography is inserted – are suitable for sifting through the vast amount of available data. Netnography allows researchers to inconspicuously collect data from publicly available online communities and “*to identify and understand the needs and decision influences of relevant online consumer groups*” (Kozinets, 2002).

Netnography is often used to study topics that are sensitive. In this case, we decided to use Facebook since it was the favorite platform for entrepreneurs (Statista, 2019). Through the Facebook community, the conversations around entrepreneurship can be influenced by the Wall of Facebook. We focused on the pages with the highest number of followers. We then determined which groups and individuals had ties to entrepreneurial projects within the Covid crisis.

The wall posts of the chosen pages are public and therefore, they are not required to be obtained from anyone except the Page owners and users. The authors posted 15 messages on the Facebook Wall of Pages and received over 700 responses from the users who responded to them. There were also over 300 posts that were initiated by users. We analyzed Wall posts during February 2021. The content was divided into two categories:

the source content and the user-generated content. The responses were copied and pasted into a spreadsheet and analyzed using NVivo software (version 10; QSR International). The researcher then reported a list of common themes and concepts that emerged from the posts. The resulting findings led to five primary themes.

Results and discussion

Five main themes were identified in the analysis of the Wall posts. These themes are then illustrated with example texts. All the potentially identifiable names and products of the participants have been altered or replaced with the first letter's name in the selected excerpts.

Career Management and development

This research has revealed the various facets of a career and the various inputs that entrepreneurial processes have. Career development is a process that involves an individual exploring his or her future possibilities and working towards a career that fits the current social engagement (Engel et al., 2017).

Due to the increasing uncertainty levels and environmental changes, many people have started looking for new career types. Some of these include the boundaryless career, the protean career, and the post-corporate career. In these types of careers, one can work from anywhere if one is independent of the constraints of an organization.

B.A: *‘Because I knew from the time I was very young that I did not want to make my living in any typical way,I felt it was my calling’*

The increasing uncertainty that people experienced in their career especially has become a major factor that distinguishes new careers from traditional ones. Understanding how individuals can manage their careers is becoming a growing concern (Lent and Brown, 2013). Career management is a process that involves various interrelated activities such as networking, reputation building, and advice seeking.

Gem: *‘Our asset property structure works, but recruitments do not. We innovated by creating Gem'Conseils, which is the first collaborative platform for wealth management support finance taxation savings provident insurance real estate ... and I worked for my training organization, which I am relaunching following strong demand! However, we discovered new customer profiles’*

During the pandemic, many people started their own businesses, which were twice as fast as they were during the previous economic crises (Shaw et al., 2020). One of our interviewees wrote that he was frustrated with the situation, but *‘hey, it’s the perfect time to learn something new and use it wisely’*

The link between career management and making decisions can be traced to a theory that states that people tend to repeat what they have learned (Aldrich and Yang, 2013). It is generally believed that decision-making is made by people with prior experience. In other words, if we accept the link between career development and entrepreneurship, then we should also accept the possibility that career management can influence entrepreneurial decision-making.

Our results are aligned with the results of Engel et al., (2017) when it comes to planning their future careers, we found that many entrepreneurs adopted a variety of strategies and actions. We identified four practices that individuals follow when it comes to planning their future careers. These include setting goals, calculating steps, pursuing general career visions, and creating a career path.

Risks and opportunities management in the time of crisis

The pandemic crisis caused various risks, such as rising costs, the damage caused by the recession, and the loss of personal property. The various risks that entrepreneurs faced during different phases of their businesses' development were considered critical, especially during the pandemic crisis. Many entrepreneurs fail to make their planned capital investments due to the stress and vulnerability they experience.

A.M: *“I lost my clients because of Covid ..”*

B.B: *‘Due to the complexity of the project, I had a hard time focusing on one area at a time. For me, the clients did not want to make any unnecessary expenses.*

Regarding attitudes, many articles discussed the negative effects of a crisis situation on entrepreneurial performance (Akula & Singh, 2021). However, we also found that some entrepreneurs exhibited a resilient mentality and were able to bounce back quickly. They had the confidence to return to normal. Indeed, crises gave people new opportunities to develop new strategies and adopt new behaviors (Asgary et al., 2020). Alexis.G: *‘I have just launched my carpentry activity "thanks" to the Covid and .. for 2 months now I am much happier than during my past job with fixed schedules, repetitive work and in which I was not fulfilled.’*

The results also showed that entrepreneurs in the local markets responded by increasing their marketing strategies, cutting their staff, and even accepting lower income. The ability to renew and reposition oneself was regarded as an essential component of business success. Most resilient companies are those that are focused on their core competencies and developing new strategies to attract more customers (Apostolopoulos et al., 2021). The low labor costs of businesses boosted their resilience. This effect was also felt by knowledge-based firms operating in regions where they did business.

M.A. *'1. My husband and I both had it. However, I never got a positive test. I ended up developing covid pneumonia because of it though. I haven't been paid from my job in over a month (long story). But that just makes me desire to be freed from them even more. I don't want to rely on anyone else for my livelihood. 2. Well, all this time off has given me time to work on my business, so that was nice. 3. I guess just the time to connect with new people in a more genuine way.'*

Experiencing negative situations can be empowering for entrepreneurs, as it can reveal opportunities that can be exploited for social good (Grube & Storr, 2018). There is a limited amount of literature on the impact of entrepreneurship on crises (Sawalha, 2020). Most studies suggest that it can reduce the susceptibility to damage caused by crises. According to Grube and Storr (2018), entrepreneurs are well-placed to address the challenges posed by crises.

Digital marketing adoption and Entrepreneurial skills

The key skills that entrepreneurs develop include risk management, proactivity, and resilience. These are key factors that can help them develop their businesses.

Entrepreneurship skills help individuals improve their abilities and face the challenges of

managing and dealing with crises. These skills have been acknowledged as essential for people who are aspiring to become successful entrepreneurs (Grube and Storr, 2018).

Similarly, adopting digital marketing has been acknowledged as a vital part of attaining a society-wide transformation. This process involves developing and implementing strategies and techniques that will enable businesses to adapt to the changing environment. In digital entrepreneurship, the creation of digital value is the process of starting or running a venture that uses various digital enablers to support the acquisition, processing, and distribution of digital information (Sahut et al., 2021).

The personal characteristics of the entrepreneurs make them more likely to adopt digital marketing. This is because it is a technology-based marketing strategy that can be used for their personal and business usage.

P.S. *‘Consistency and persistence are two main factors in success’*

C.C *‘The road to success is hard, sometimes even seems damn impossible, with lots of shortcuts that present as easier/faster choices ... But when you see the light at the end of the tunnel, when you taste the results of that hard work, you know it’s been worth it and what an adventure it was. 🤩 Thrilled to be a part of this epic adventure...’*

Most of the respondents were women who are well-educated and have an experience in starting and running a micro or small enterprise. In fact, most of the respondents use various forms of digital marketing such as social media marketing and mobile phone marketing.

Berger I. *“Most of my clients (90%) I find them on Facebook”*

According to our results, most of entrepreneurs admit that they are usually the first in their circle to try out a new technology. They tend to figure out new products and services without the help of others. They also tend to keep up with the latest technological developments.

C.M. *‘Marketing can help with awareness, but in order to have a successful business, you need the foundation/strategic planning/business plan/great customer service. You want to save your business?? Give a great product/service and great customer service!’*

The presence of knowledge in a specific domain also makes it more likely for them to adopt digital marketing. This is because it indicates that they have a strong desire to adopt digital marketing.

B.K. *‘someone who knows what they’re doing with marketing can, but only if you’re product is deemed as valued. You have to bring value to the consumer and widely*

saturate your market with your brand. You can only do so by targeting the correct market. There are a million ways to market, but that's all dependent on your product/service. Obviously digital marketing is absolutely a must, simply due to the reach it has. But, just doing that won't necessarily save your business.'

The other factors that influence the entrepreneurs' intention to adopt digital marketing are their budget and their behavioral tendencies. The study also revealed that being innovative and having an expertise in digital marketing are two of the factors that make entrepreneurs more likely to adopt digital marketing.

Steininger (2019) argues that technology can play a crucial role in shaping digital entrepreneurship as a facilitator, a mediator, and an outcome of an entrepreneur's operations. Indeed, when asked about their plans for the future, our respondents stated that they would use more, digital marketing.

G.E. '*We have accelerated our digital transformation because of Covid.*'

The need for flexibility in business organizations has been acknowledged by various experts (Sun, B., & Liu, 2020).

Social support

The importance of social support and the sense of community in motivating users to engage in digital platforms is widely acknowledged (Lam and Lee, 2005). Yet, they are still not enough to motivate marginalized users to adopt digital tools. Indeed, if users do not feel like the platform is for them, they are less likely to use it. We identified the role of online connections in generating trust in under-resourced contexts. Previous research has shown that these connections play a crucial role in building digital skills and self-efficacy (Van Deursen & Van Dijk, 2011).

This topic is touched upon in work by Ogbonnaya-Ogburu et al., (2019), who explained how digital literacy training should involve the social ecosystem of communities. Others believe that offline engagement can contribute to the development of local projects and other online activities (Sessions, 2010).

Following the study by Kim et al. (2013, 214), the concept of social support has been widely used to describe the resources people have when dealing with difficult issues. Social support is especially important for entrepreneurs as it can be very isolating during early stages of their ventures.

T.M: *'Am so thankful for the support of my clients and my family.'*

Eric.E: *'till date they have been a great inspiration to me... their accuracy and reliability cannot be compromised '*

It was also suggested that businesses redefine their businesses during times of crisis. The loyal customers they have are the reason they were able to maintain their sales during the difficult times. Social exchange is supported by evidence suggesting that social support makes people more likely to support entrepreneurs. It was found that having emotional support from family members boosted the likelihood of supporting entrepreneurs.

Value co-creation

Following the results of Nuryakin, Aryanto, and Budi (2018), value creation can improve a firm's performance. Value co-creation is a coalition of various economic actors that are responsible for the creation of shared value. Each of them has a unique set of skills and resources that they can use to generate shared value.

Entrepreneurship can contribute to the stability of communities by helping people keep their businesses running smoothly (Doern, Williams, & Vorley, 2019). The continuity of entrepreneurship during a crisis can help people get through a difficult time.

M.G. *‘Digital marketing can help you bring the right people to your products. But does your product provide a value or not?’*

Our study found that firms with entrepreneurial capabilities were able to improve their relational capabilities. We intended to define the key components of a firm's relationship building value and how they can be utilized to create value. The concept of mutual benefit states that value is created both jointly and reciprocally.

The results revealed that higher levels of value co-creation are associated with higher marketing performance. This study supports the argument presented by other studies that value creation in the network can improve enterprise performance (Aspara and Tikkanen, 2012). Our respondents unveiled strong evidence that value creation and relational capabilities can improve their marketing performance.

Conclusion

The paper examined the role of covid crisis in entrepreneurship orientation. The study revealed that people with higher innovativeness tend to be more prone to taking on risks. Also, being innovative is very important to entrepreneurs, especially women. It pushes them to adopt newness and technology in their marketing strategies.

The study reinforced the idea that having previous experience in digital marketing is very important for entrepreneurs. Digital marketing is becoming a crucial part of entrepreneurs' businesses as it can help them reach out to potential customers and increase their sales.

Most entrepreneurs are aware of the benefits of digital marketing but implementing it can be very challenging. There are many barriers that businesses have to overcome when it comes to digital marketing. Some of these include a lack of digital skills, a conservative managerial culture, and a reluctance to adopt the technology. This research focuses on the adoption of digital marketing by entrepreneurs of micro and small businesses, because of the Covid crisis.

Aside from having the right expertise and personal innovativeness, this study also highlights the other contributing factors that could make digital marketing more prevalent.

The exponential growth of internet marketing has been observed in the past couple of years. As a result, it has become an integral part of businesses. As the digital economy becomes more prevalent, digital marketing has become an integral part of businesses marketing strategies. It enables them to reach out to consumers and businesses at a low

cost. The study shows that digital marketing is becoming more prevalent among entrepreneurs. They are planning on adopting it as a strategic marketing channel.

Even though many of the factors that affect digital marketing use vary across different countries and sectors, most entrepreneurs still indicate that they do not use technology in their daily operations. The research findings indicate that value co-creation is an integral part of the value chain, which can help overcome the gap between marketing performance and relational capabilities (social support).

Future studies could explore the potential for a digital divide between digital entrepreneurs and their peers. The digital divide is a gap in the amount of knowledge and skills that digital entrepreneurs need to thrive in the increasingly digitalized economy.

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Ownership structure: Aiding or damaging family business legacy?

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Shirtsleeves to Shirtsleeves, they say – a saying that ominously predicts the destiny of Family Firms. Research supports the ‘adage’ with the oft-quoted statistics that suggest - only 30% of the family businesses pass on to the second generation and only 10-15% pass on to the third. Leaders and members of family firms, who are sensitive to events that portend such misfortune, spend their lifetime grooming their family and business to ensure perpetuation of their legacy.

Transitions In Family Businesses

Transitions of all kinds are challenging for all types of institutions. Generational transitions, where people at the helm of affairs are replaced, are often seen as power struggles between the incumbents and successors. Transition challenges in family business are gruelling for both family and non-family members engaged with the business, since family businesses are complex systems comprising of overlapping

business, family and ownership systems. The transition struggle, in family businesses, feel far more intense because there is an entangling of the multiple systems, which may sometimes have incongruous positions on various matters of heart and mind. How the interests of various ownership groups (family owners working in business, family owners not working in business, non-family owners working in business and non-family owners not working in business), with often misaligned goals, are managed during transitions can determine the long-term success and survival of any family firm.

The harmony of family and the business continuity are both equally important considerations in managing succession transitions. Coaching next generation members into “stewards” and keeping the family and business together, in harmony, is often felt to be more challenging than managing the business. Interests of members in the systems such as business/management and family are equally important and hence succession in family firms is understood to occur at three levels - the family leadership, business leadership and ownership/inheritance.

While succession is seen as everything that must be done to ensure continuity of business through generations (Aronoff et al., 2003) and therefore a lifelong continuous process rather than an event, this approach does not appear to be true for ownership transfer.

While careful and long-term management of business succession process is prescribed by

all advisors/ practitioners and strategies for maintaining family harmony is part of the package, ownership transfer as seen as a legal activity. Ownership is transferred through legal structures such as a ‘Trust’ or through expressed intention in a ‘Will’. These documented and legal structures have an important role to play in transferring legitimate ownership to the successors.

Trusts are legal entities that are created by the owners to hold (or own) the assets for current or future benefits of others – thereby separating the ownership of property from the use of it (Hall, 1988). These are usually used to reduce tax while the family members still benefit from the business income. The founders are yet able to run the business on temporary basis till family successors take over. The founders/settlers can define the purpose of the trust, identify the beneficiaries and prescribe how they will receive the benefits. They also decide on the trustees who will oversee the trust administration and family members are made trustees (Cohn, 1990).

However, the rigidity of these structures, especially post the demise of the founder, makes them unsuitable for supporting unanticipated needs of the inheritors and sometimes even become the root cause of disharmony in the family and business systems. The inherent nature of these structures have a propensity for dysfunctionality, often not identified at the time of their conception.

Keeping The Business in The Family

As expressed by Taiguri and Davis (1996), the business system works on business logic which is largely rational and takes a business – first approach and the family system takes a family-first approach, which is usually emotional, and relationship based. The ownership system takes on the flavour of either one, depending on the composition of the ownership group of the firm. Hence it follows intuitively that, family business firms that choose to preserve and draw on its familiness, would prefer to keep ownership in the family.

In the founder generation, usually, all the three leadership mantels are held by the founder-entrepreneur. In subsequent generations, in growing businesses, this portfolio might be split across several members of the family. Business Succession is thought through carefully and nurtured over long period of time and family leadership usually falls to another of the senior members of the family as a natural outcome of long ingrained customs and traditions.

Family and non-family shareholders might have incongruent interests. Non-family Shareholders might take a business-first approach to decision making whereas, family owners might take a family-first approach to decision making. Hence, family shareholders prefer to keep control within the family through succession. Familism, a

benefit of private control, is about loyalty, commitment, and contribution to the family. Familism further motivates families to keep the ownership and control within the family.

In what can be seen as a case study of the Morgan Family, non-employed shareholders of a large multi-business family business tried to sell large amounts of shares and liquidate their inheritance. While one group of shareholders were reluctant to sell their shares to existing shareholders since they felt they would not get a good price, there existed another set of shareholders who wanted a good price but not at the cost of the family losing business control. Besides the shareholders who wanted to liquidate their stakes, there was yet another group of shareholders who wanted to continue in the business with controlling stakes. External buyers were willing to offer a lucrative price only if they believed that the constitution of the business favoured them. With a segment of family insisting on maintaining a controlling position, it was hard for the selling group to get the best possible price. An external takeover threat took the family shareholders to the negotiation table - they had to compromise and let 35% of the total shares to be sold outside by the selling members with the continuing family shareholders having at least 51% voting rights. Such a settlement took several days of negotiations though acrimonious lawyers and intervention of strategic advisors. (Thomas, 2002)

While the idea of keeping the business in the family may be obvious decision in the first few generations, aligning and maintaining the family to retain the control of business in

the family may get harder and harder with time. Unless the family lays the foundation, from the early stages, for the business to be controlled by the family in the long run, it is unlikely that they can succeed in this endeavour.

It may be surmised that there are three broad reasons why family members might want to retain the business in the family (Lambrecht, 2005):

1. Fulfilment of values - wanting best for the work team, love of product, freedom
2. Preserving family name – great emotional and symbolic significance; pride in the name
3. Exploitation of advantages of family business – long term vision, versatility, life engagement

Hence, the intention and interest of the inheritors play a large role in continuity of the business in the family.

The inheritors' quandary

While the first-generation entrepreneur promotor of the family business is honoured and respected for his wealth generation capabilities and success in business, the second and subsequent generations usually fall under the shadow of the giant personality of the founder-owner. Most often, inheritors have no choice or control over what they have been bequeathed. Not only are they saddled with the responsibility of managing and carrying on the legacy of previous generations, but they are also considered privileged

and underserving of their inheritance until they prove themselves. Inheritors are often not groomed for handling the responsibility of the task and feel quite unprepared to rise up to the challenge of demonstrating their worth while balancing their personal interests and aspirations.

In order to deal with the process of transitioning the wealth generated by the family, leaders of the family look for options, but eventually settle for managing the successful transition through legal means. Family patriarchs often rely on the legal systems to manage the ownership structure so that they can control the transition processes and sometimes, the succession process as well. Sometimes, in family businesses, the process of ownership and share transfer is deliberately undertaken slowly or even avoided in order for the incumbent to maintain control Handler (1994). Family Business Advisor (September 2001) quotes the story of the retired Chairman and CEO of Tyson foods who stated, “I am more or less retired”, to which the new CEO, son of the retired Chairman, quips – “I never know when he is retired more or when he is retired less”. In such cases, the intentions become suspect, and the trust is bruised.

The business family rallies all decisions on roles played by each member of the family around the legal provisions made in the ownership structure. Sometimes, this might turn into a situation of putting the cart before the horse. Family members start feeling the

constraints of the legal structure they inherit both during the life of the patriarch and post his demise as well.

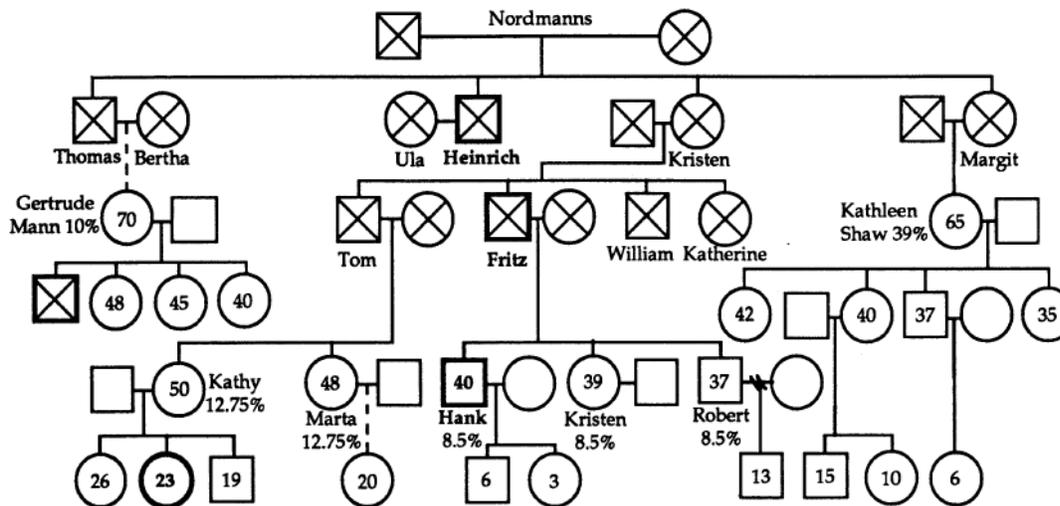
In one such example of the Nordmann Construction Company (McCollum, 1992), the first-generation founder Heinrich Nordmann had set up the trust with equal benefits for his brother Thomas and his own wife Ula. Thomas' wife (Berta) would get his shares after his demise. Heinrich and Ula had no children and hence it was also planned that after Ula, Thomas and Berta pass on

- the adopted daughter of Thomas (Gertrude) would get 10%
- three of Heinrich's sister Kristen's children, would get 17% each (Tom, Fritz and Katherine). When Katherine passed away, the other two siblings shared the stocks and made it 25.5% each. On Tom's demise, his two daughters got 12.75% each; On Fritz's demise, three of his children got 8.5% each.
- Heinrich's sister Margit's daughter got 39% (Kathleen)

Post Heinrich, Fritz Glasser had taken over the business and grew it. However, Kathleen had issues with Fritz's style of autocratic management, and she did not trust him. When Fritz passed, he had not planned for succession. Although Hank, Fritz's son had joined the company in his 20's but left the job and went out of state for a decade. However, he was worried about the business post the demise of his father and persuaded the board to let him come back as a treasurer. He also brought an older employee as president and

made himself an equal in the organisation chart where they both needed approval from each other to do their jobs. Hank had become dissatisfied with the President but could not get the board to review the performance critically. Kathleen, who was trustee and board member, trickled her distrust of Fritz to Hank. While Hank had no clear authority except as a trustee and board member, he was finding it very difficult to manoeuvre his role in the context. Hank had only 8.5% stake which was 1/3 of the 25.5% stakes of his father, while Toms daughter has 12.5% and Kathleen had 39%. These dynamics took a toll on the relationship of the family which was in disharmony. None of the other family members had actually been in the business and hence it was getting harder for the family to keep hold on the business.

Figure 1. Nordmann-Glasser Family Genogram



Note: Names or boxes in bold type identify those currently or formerly employed in the business.

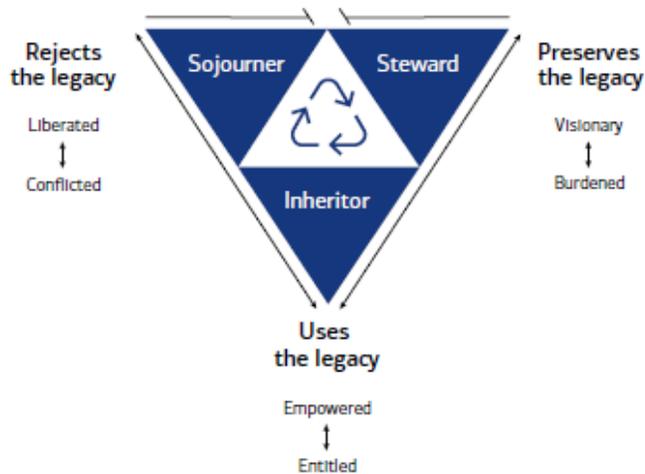
It is intuitive to imagine that ownership stability combined with flexible strategic approach is most beneficial for long-term viability of family-owned businesses. Hence, training to be good owners and planning for the same become critical. Such a plan might incorporate softer items such as communication, conflict resolution, accountability and planning (Astrachan and Aronoff, 1998). Family members must understand each other and the effect that they have on each other when managing family dynamics and building healthy relationships.

Recently, Ms. Robin Catlin proposed three types of inheritors of family businesses, in her insightful white paper titled “Inheritance Styles – A roadmap for rising Generations”¹ supported by Merrill Private Wealth Management.

1. Inheritor, who use the legacy bequeathed to them and can display a range of behaviours that indicate that the inheritance has empowered them to take the legacy to the next level or simply feel privileged and use it to pursue their own interests.
2. Stewards, who aim to preserve the legacy, but can either feel burdened by the responsibility or become a visionary who move the legacy to the next level
3. Sojourners are those who reject the legacy for a range of reasons. They may not agree with the philosophy of the business or want to make a name for themselves. They could adopt attitudes that range from conflicted to liberated.

Depending on the types of inheritors in a family business context, the future of the family business could be predicted, and the senior generations could plan.

Fig 2: Types of Inheritance and their range of attitudes



Source: Inheritance Styles – A roadmap for rising Generations from Merrill

Private Wealth Management

Ms. Caitlin further discusses, five stages of wealth integration: Awakening, Confusion, Perspective, Learning, and Adaptive Integration that an inheritor goes through.

Empathising with these stages and recognising the path that the inheritor is on, their assimilation could be eased. Family advisors and seniors armed with this understanding, can help to make the transition easier for the subsequent generations.

One septuagenarian founder of a multinational company from India often shared his mantra - “Manage the family like a business and manage business like it is your family” –

reflecting a deliberate long-term oriented approach to managing his family business. Focussing on the process of ownership succession and how it affects the overall process of transitions and long-term impact of the same, the soft matters of the family, such relationships, become the most important grease for smooth processes.

Family tree spread

“Succession is the litmus test for a Family Business” and hence a lot of attentions and focus of family firms have been on managing the succession process. However, ownership succession has not been focussed upon as it is thought of as a simple process of legal transference (Ward and Dolan, 1998). Ownership Arrangement is usually considered a function of the form of business and/or family and structured accordingly. The Founder Manager of the business bequeaths his business to his heirs in his ‘will’ or the successors/inheritors are allowed to buy out from their predecessors. As discussed in the previous segments, legal arrangements such as a Trust is set-up and the heirs are made Trustees and Beneficiaries of the Trust.

When decisions are made on transition of ownerships as inheritance and ownership rights, the older generation does not realise that they are making decisions for their children’s children. In a growing family tree, interests and intentions may differ from individual to individual.

The dilution in interest begins with the decision in the first generation to split the shares of the family stock by stripes or per capita. Split per stripes would mean that the parents would like to split their stock as per the next generation parity. Split per capita, would mean that the grandparents are taking consideration of their grandchildren and wish for all grandchildren to have an equal share.

For example, assuming equal inheritance for successor, if Sam, Pam and Jack are three children of the first-generation founder-owners, in the stripes split, the three of them would get 33% of the stocks. And if they had 2, 3 and 4 children respectively, then the shares of the grandchildren would be as follows – Sam's two children would have 16.5% each, Pam's 3 children would have 11% each and Jack's 4 children would have 8.25% each.

If the first generation decided to distribute per capita, all the grandchildren would get 11.11% each and hence Sam's branch would get 22.22%, Pam's branch would get 33.33% and Jack's branch would get 44.44% each.

If there is an unequal distribution of children in the second generation, branches with more children would have a larger stake and if the split is by stripes, branches with more children would suffer more dilution. Hence some sort of inequality in the interest sets in by the time 3rd to 4th generation transition occurs. In order to reduce the disparity, the incumbent generation can try to make these decisions based on age range of the children

and see if there is likelihood of more grandchildren/great-grandchildren, whether the children or the grandchildren are brighter hope for the business, what kind of relationships are being built and whether the inheritors understand the philosophy and values behind the decisions.

However, in most cases, by the fourth or fifth generation, family relations tend to get more distant with each branch propagating itself. As family tree spreads, through generations, shareholding becomes more dispersed and sparse. Family members with small ownership stakes in the legacy business may no longer have the same level of passion and commitment as the previous generations.

The only solution to managing these transitions harmoniously are to be active and pursue consistent communication among various members of the family and strong relationship building skills.

Liquidity for ownership maintenance

Family Business owners must maintain adequate liquidity and learn to manage financial pressures to sustain family ownership control (De Visscher et al., 1995).

This process can get very complex as the business moves to the third or fourth generation and beyond since the ownership is already quite dispersed by this time. Firms where

shareholders understand their ownership roles and try to balance shared and individual interests are better prepared to face challenges.

If stock liquidity option is introduced, in generations going forward, there is a chance that some family stockholders might think of this as a liquid asset rather than one for perpetuation and expansion. If one group tries to liquidate a large amount of the shares, the continuing group may face immense financial pressure to purchase, and it can also create an external market for the shares.

The financial performance of the firm and the financial needs of the shareholders will have a large impact on the firm. If the external environment is buoyant and can help smaller family owners to liquidate at a good value, they might be influenced to do so. Hence long-term communication and strategies to mitigate such risks must be taken with due consideration.

It might be crucial that the family delves into individual family personalities and talk about their individual preferences etc. when planning. While inheritance is good for the family, they must be guided to responsibly opt out, if they want to. For example, if the second generation wants the shares but the third don't, sales of these shares can be pre-arranged so that it takes place at the demise of second generation, after discussion with all stakeholders (Thomas, 2002).

Business Rights and Ownership rights

In multi-generational family business, where next generation members were bequeathed their ownership, the members may not have upto-date-knowledge about the business and may even just think about it as a birth-right. This may make them less prepared to take decisions for the benefit of the family business. On the contrary some may see this as an opportunity for stewardship and try to enhance the benefit for employees and community as well as future generations of the business. The type and nature of inheritors might as well be shaped by these decisions, as discussed in the earlier sections.

Dividends become an important part of decision making for non-employed family owners. Transparency in dividend sharing and decision making are therefore critical. Such family members may retain their shares on business for several reasons. Some might feel that keeping their investments in family business is a safety net. There might be emotional reasons for such participation such as mutual feelings of families, a shared culture and motivation as well as shared legacy.

As one family member had explained in the Morgan family context describe in an earlier section, “A share in the family company constitutes for a family member, a conglomerate of desirable elements that can’t be obtained any other way.”

It is possible that at some point of time in the history of the business, there may be no family employees in the business or there may be an increase of external shareholders with a number of small family shareholders. All directors should be cautious of the needs of the smaller family shareholders.

Family Governance

A visionary governance document that captures shared values and objective can be an effective tool in ensuring common ground for discussions across generations. A living governance method that is periodically discussed and amended can be a very useful in keeping the conversation flowing and percolating to subsequent generations. A living and practical governance institution also provide future generations, a basis for understanding their roles and responsibilities as owners. It should give them an option to deliberate on processes that may be needed if they want to relinquish their shares and how they can do it without friction with family or business while also providing for options to stay and grow.

The aim of the governance structure should be to have more enlightened and active shareholders whether they are working in the business or not. None of the shareholders should be passive role players.

Implications

For family business policy and practice

An example of a ownership policy where constant renewal was emphasised was in in Wallenberg Dynasty where decisions were taken for best interests of ownership as a whole: “To sell a railway and to invest in an airline, that is, to shift from the past to what is coming, that was the motto of earlier generations of our family, the only tradition worth maintaining and the one our forefathers surely would want us to preserve”(Lindgren, (1994), cited in Thomas, 2002, p.330).

A comparable strategy was seen in an Indian context when a South Indian brand of Kitchen appliances company, Butterfly, decided to sell the controlling stakes of the brand to another electrical equipment company, Crompton Greaves. As one of the founding brothers leading innovation indicated, it was time to move on to advanced technologies and fully automated kitchens. As a company keen on innovations and cutting-edge technology, we see our future generations leading the segment in AI (Artificial Intelligence) driven robotic kitchen systems rather that grapple with the legacy kitchen appliance business.

Especially in situations where there are bound to be active and passive shareholders who may have different sentiments towards the business, it is imperative that uncertainties are reduced to the maximum extent possible. Family members who play multiple roles as an

owner, employee and director feel pressure and tensions in ensuring that their actions are seen as fair and trustworthy. Hence there is a need for governance process to enable transparent assessment of management performance and the fiduciary duties of board member.

Understanding the role of an owner, implications on the ownership structure in all decisions and knowledgeable participants are critical for the sustenance of family businesses. Paying attention to ownership structure constraints and figuring out ways to mitigate the impending issues must be a constant agenda for the family council and addressed through relationship management and governance processes.

For advisors and educators

Advisors and educators must focus on anticipating communication breakdowns and help to proactively manage them before the problems crop up. They must perform their role as expert third party interfaces to help in healing and maintaining relationships. Running the business in such a manner such that family members have a positive reason to be shareholders is important than imposing ownership on them.

Often family business members are not financially literate to understand valuation of shares. In trying to understand the value of unlisted and listed shares as well as the impact

of shareholder agreements or policies adopted by the family, the family members need to be educated on the nuances of these matters before contentions are presented.

Broad skill development for their role as owners, which is not often covered by mainstream education sources must become an important part of the advisor's kitty (Carlock and Ward, 2001). It is important for family advisors to form multidisciplinary teams comprising of accountants, lawyers and communication and relationship experts to be able to provide holistic education and support to family businesses.

Proactively anticipating the breakdown of shareholder interest in future generations and the constraints of ownership transfer, family business advisors must constantly attempt to bring innovative solutions to the family for harmonious transitions.

Conclusion

Of the three pastures entangled in the family business, family systems and business systems and their role in managing successful succession process has been deliberated upon extensively. However, the complexities of ownership structure, which is the fulcrum of family business management is often thought of as a matter of legalese and not deliberated upon. Sometime this might also be because ownership transfers are often used a control tool and it brings up the idea of mortality of the owner, even while the

business itself can remain immortal. This makes for uncomfortable conversations that family members tend to avoid.

However, ownership structure and how they are managed can make or break the family dynamics and the smooth operations of business. The inevitable imbalance in ownership rights and interest over generations are bound to stress the fragile balance of family, business, and ownership. The impact of ownership structure, process and protocols are discussed in this article, to bring out the importance of the softer issues such as conflict management, communications and relationship building to ensure a smooth process of ownership transfer and perpetuity of family business, besides the importance of a living governance process. Further, it might be critical to consider these aspects when interpreting the salience of inheritance, in its various forms, within a family business. Values such as freedom, external experience, upbringing, and education can play a major role in this nurturance.

The article also might highlight the need to have multidisciplinary advisory teams to help family businesses navigate transitions of ownership and leadership. A team with relationship, business and legal experts with expertise in accounting, psychology and law could be holistically beneficial to families seeking external support.

Additionally, this article also brings to fore the glaring gap in the legal system to identify a supportive legal structure of ownership that can help to tide over the thorny issues of business ownership transfers as inheritance in family businesses. Legal counsels must think about creative solutions to these problems rather than attempt to use existing frameworks to resolve succession issues.

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Exploring the Effect of Covid-19 Pandemic on the Sustainability of Small and Medium Enterprises in Sri-Lanka

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Abstract

The COVID-19 pandemic resulted more global economic problems and has received the magnificent worldwide attention. The vulnerability of the pandemic with lower economic immunity is greater in developing countries when compare with others. The present study aims to explore the effects of COVID-19 pandemic on the sustainability of SMEs in Sri Lanka. Literature review provide a comprehensive understanding about the main areas related to the study including theories, independent variables and dependent variables. Identified independent variables were work resumption challenges, enterprise related challenges, support policies and response measures. Followed by standard research onion model, the author has identified this study as a descriptive and cross-sectional study with quantitative approach following the survey method. A structured questionnaire was

developed with considering the variables identified in the literature review and it was used as the survey instrument. Intended study sample was consisted the small and medium entrepreneurs in Gampaha district, Sri Lanka. Results of the correlation analysis concluded that the three variables named as work resumption challenges, enterprise related challenges, and support policies were positively and significantly impacted on the business sustainability while response measures was not.

1. Introduction

The SME sector is the lifeline of any economy, especially for high income nations, though it is less established in lower-income countries (Bouri et al., 2011). Many studies have indicated that the strength of SMEs has an impact on the overall wellbeing of the industrialization (Premarathne et al., 2017). D'Imperio (2012) claims that the 2008 financial crisis created new issues for SMEs, despite the fact that SMEs definitely contribute to global GDP and employment in almost every country.

Furthermore, according to D'Imperio (2012), the SMEs contribute to macroeconomic factors, such as GDP, differs from country to country. One rationale seems to be that wealthy countries have bigger SME sectors and lower informal economy than poor nations, while open economies have lesser SME sectors than closed economies (ACCA, 2010). It

is stated that SMEs provide 16 percent of GDP in low-income countries, but they contribute 51% of the GDP in high-income countries. While SMEs are significant in high-income generating countries, they are equally vital in low-income countries since they contribute to employment and GDP.

Businesses suffered a significant decline as a result of the lockdown and momentary travel constraints put, and so as a consequence of this effect on small and medium enterprises, they as well faced a number of issues, including short and long-term funding, bank loan facility problems, declining employment, and other monetary and non-monetary issues, which eventually led to the closure of their businesses and even bankruptcy. (Abeyrathne and Chamara, 2021).

The SME sector's income in Sri Lanka fell by Rs. 106,957 million from January to May 2020, and the number of individuals employed by SME fell by 56.8% (Department of Census and Statistics, 2020). Further, tourist arrivals fell by 70.8 percent in March 2020, affecting 388,407 direct and indirect employment, as well as 3000 small-scale leather businesses.

1.1 Background of the study

Covid 19 is a deadly virus which arose in a marine food market in Wuhan, Hubei Province, China in December 2019. The virus causes the common cold, severe respiratory syndrome (SARS), and Middle East respiratory syndrome, and it can spread through respiratory droplets discharged into the environment when people breathe, talk, or exhale. Covid-19 swept around the world, killing people and disrupting daily life (Lu et al., 2021). As of November 25th, 2021, the Virus had claimed the lives of five million people and infected over 258 million people. On March 11th, 2020, the Director General of the World Health Organization (WHO) designated Covid-19 as a pandemic.

According to World Health Organization (2020) the pandemic of Covid-19 has impacted on world's economy and local governments of affected countries have recommended measures to reduce the spread of the disease including 14 day quarantine, Social and physical distancing, lockdown and curfew, temporary ban of social gatherings, close of schools, companies, businesses, travel restriction among cities, states, travel bans, implementation of WFH-Work From Home strategies and other health guideline (Kengatharan and Balaputhiran, 2021).

The business environment, according to Gong, et al., (2020), is unpredictable and readily disrupted by changes in the country. Covid-19 had a huge influence on a variety of enterprises, notably SMEs, which are the most vulnerable in the event of a big crisis. All

sectors and domestic economic development are impacted by crises, whether they be business or economic in nature. (Che Omar et al., 2020). According to Donthu and Gustafsson (2020), any crisis, whether man-made or natural, has the potential to cause significant damage to a business since the level of existing loyalty between the business and its client base is affected.

Most countries encourage the growth of small businesses so that the economy as a whole can prosper. Small and medium businesses can eventually become medium/large businesses, also major businesses can expand globally to acquire a competitive advantage (Narmilan, et al., 2021).

SME business sustainability is influenced by innovative capabilities, financial resources, technology, and networking (Azman et al., 2016; Amat and Ishak, 2019). When it comes to a crisis, SMEs' sustainability is severely impacted because their level of forecasting to overcome or battle is low, their reliance on the government and local agencies is high, and their vulnerability is high. The higher the vulnerability, the greater the psychological and financial impact on the owners-managers (Runyan, 2006).

As the global economy, organisations, industries and SMEs all affected by the global pandemic of COVID 19, economists predict a downturn in economic activity starting in March 2020, similarly, there was no foreseeable end to this crisis. (Segal and Gerstel, 2020). Another study has conducted by Chinese scholars (Lu et al., 2020) related to economic impact of COVID 19 on SME industry and it highlighted the need of restructuring of manufacturing, service and employment of SME due to required alteration during the pandemic.

According to the 2013/14 Economic Census of the Department of Statistics and Censuses, there are 1,017 million SME enterprises in the non-agricultural sector, employing around 2,255 million people.

Furthermore, the Covid-19 outbreak has had a significant influence on the number of SME sector establishments and operations, where numerous MSMEs underwent severe hardships in trying to sustain, owing to the pandemic (Santhirakumar et al., 2021). The covid 19 epidemic wreaked havoc on the Sri Lankan economy, as the country's economic progress took a negative turn and the poor performance of the SME sector was a major reason (Gunawardana, 2020).

According to the report provided by Gunawardhana (2020), the national consultant of UN-DESA, as many small and medium entrepreneurs have maximized their production in full capacity in anticipation of the New Year 2020, they have been facing severe liquidity problems owing to delayed payments and unsold finished goods.

1.2 Research problem

SMEs with a turnover of less than Rs. 1 billion in industries such as manufacturing, services, agriculture, construction, value addition, and commerce, including authorized domestic pharmaceutical providers (Gunawardana, 2020). SMEs are increasingly expected to adopt strategies to meet accelerated global sustainability reporting standards and to handle sustainability concerns in a proactive manner. In reaction to this huge change in their external environment, many organizations lack a structured process to help them get started with strategy formulation (Shields and Shelleman, 2015). Because of the current pandemic situation, there was no systematic study conducted in Sri Lanka or other nations (Abeyrathne and Chamara, 2021).

With considering the gap indicated, this research aimed to identify the effect of COVID 19 pandemic on the sustainability of SMEs in Sri Lanka.

The research question of the study is:

How has COVID 19 impacted the sustainability of SMEs in Sri Lanka?

2. Literature Review

2.1 Small and Medium Enterprises

Sole owners who self-employed are mostly met in SMEs as it provides employment for low income people in countries (Berry et al., 2002). According to Nieuwenhuizen and Kroon (2003) the SMEs are important and compulsory complement to drive the development of increased productivity and multiply product differentiation where it holds the definition of the success of countries in addressing the employment crisis and GDP. The identified four most important drivers of SMEs, reinforce the current rationale emphasize of the importance of SMEs in the expanded structure of economies: as economic growth drivers; critical for a competitive and efficient market; critical for poverty reduction; critical for reducing inequality (Vermeulen, 2011). As a result, SMEs emerge as the most prosperous sector of South Africa's economy, not just in terms of production, but also in terms of income distribution (Berry et al., 2002).

2.2 COVID 19 and Small and Medium Enterprises

Numerous MSMEs are experiencing varying degrees of losses as a result of the COVID-19 (Santhirakumar et al., 2021). Experts have forecasted recessions to slow economic

activity from March 2020 onwards (Segal and Gerstel, 2020).

The Sri Lankan economy was severely harmed, as the country's economic growth was entirely influenced by the SME sector (Gunawardhane, 2020). Complete and intermittent lockdowns and curfews were imposed accordingly and all these actions were taken to control the spread of the disease which caused to hundreds of deaths in 2020-2021 (Gunawardana, 2020). The daily wage earners were among those severely impacted, the government also managed to offer many relief measures to help them survive (Gunawardana, 2020).

Sri Lanka imports 20% of its goods from India, 17% from China, 7.9% from Singapore, and 7% from the United Arab Emirates. Intermediate products accounted for 57 percent of imports, with investments goods accounting for 23.1 percent and consumer goods accounting for 19.8 percent (Gunawardana, 2020). Following categories identified as the frequently import items through SME importers in Sri Lanka (Premaratne et al., 2017): Food items, Beverages and Tobacco related products; Apparel, Garments and leather products; No-metallic Mineral products.

2.3 Work Resumption Challenges

Even though these industries were very much capable of producing their own products and services, the demand for their goods had dropped substantially, as a result production

had to be halted; yet, SMEs still had to find ways to fund their fixed operating costs, resulting in cash flow problems (Lu et al., 2021).

Most food industries had not resumed operations, and just a few were giving take-out services, according to the literature; nevertheless, most new economy businesses had built remote internet offices and commenced operations during the COVID season in Sri Lanka (Santhirakumar et al., 2021). Many businesses would have had to close due to bankruptcy if the pandemic had extended farther (Lu et al., 2021).

2.4 Enterprise Related Challenges

The Government of Sri Lanka has enforced curfews across the island and made inter-district travel prohibited in order to combat the spread of COVID-19. Colombo, Gampaha, Kalutara, Puttalam, Kandy, and Jaffna have been declared 'high-risk' zones, and an indefinite curfew has been imposed.

SME importers in the Sri Lanka have experienced enterprise-related obstacles such as a shortage of raw materials and government regulation (Dassanayaka, 2011). The hospitality (accommodation and catering) businesses saw major market demand reductions due to a scarcity of raw materials and supply chain fractures (Premarathne et al., 2021). SME importers faced stringent laws and regulations, which limited their operations in Colombo and rural areas (Abeyrathna and Chamara, 2021).

The government's task will be to implement policies that keep businesses solvent and limit employment shortages (Gunawardhana, 2020). Furthermore, government agencies like as NEDA and Chambers of Commerce provide online e-commerce and marketing training to MSME entrepreneurs (Gunawardhana, 2020).

2.5 Support Policies

According to field survey done by Gunawardhana (2020), just over 83% of SMEs said they needed government assistance, while 40% said they needed help from their industry groups. Tax preferences, financial support, employment subsidies, and operations subsidies were among the support policies desired, as indicated in; nevertheless, there were significant disparities amongst sectors. There was no demand for government service improvements, and there were no clear sector distinctions. (Gunawardhana, 2020).

Because the importance of SMEs is acknowledged globally, countries can coordinate relevant efforts and prioritize goals by aligning SME development policy with national goals (Luetkenhorst and Geiger, 2004). According to Lilischkis (2011), policymakers are becoming more interested in the development of SMEs, which are seen as a crucial driver of national and international growth. Furthermore some SMEs have requested for

additional funding through financial channels or setting up of specific entrepreneurship development funds (Lu et al., 2021).

2.6 Response Measures

Even though some shops already have stocked up for the Sinhala and Tamil new year period in April, when demand is typically high, ongoing curfews and lower spending power are expected to result in very little uptake (Gunawardhana 2020). Tourism, fashion, technology, and other export-oriented industries were all hit hard by the sharp drop in global demand. Business processes needed to be optimized even during the outbreak to maintain sales (Indika and Abeysiriwardena, 2020). It is unlikely that regulatory authorities will respond quickly because responses are frequently repeatedly exposed to modifications and changes, which are not conducive to smooth trading (Indika and Abeysiriwardhana, 2020).

Retailers who stayed open to assist individual clients and communities rather than closing or moving out of pandemic-affected areas for profit-driven reasons were seen as loyal and gained a high level of trust from their customers (Lu et al., 2021). True loyal relationships (businesses and customers reciprocating loyalty) bolstered the company's long-term competitive advantages, demonstrating that crises can also provide businesses with opportunities to take actions that will benefit them in the long run. Personal and

organizational adjustments of this magnitude are essential to keep SME operations running smoothly (Lu et al., 2021).

2.7 Sustainability of Small and Medium Enterprises

Despite the fact that SMEs growth has received a lot of attention, no theory has been able to explain why some SMEs succeed while others fail (Farouk and Saleh, 2011). Securing customer relationships is one of the internal environmental elements influencing SMEs' performance (Wiese, 2014). Literature reveals that, a company's value of honesty and integrity is the cornerstone of its reputation and the frontrunner in its business practices (Hind et al., 2009). The achievement of corporate goals and objectives, as well as the formulation of explicit goals, is viewed as a key aspect in small business management and sustainability (Jenner, 2016).

SMEs are also more resilient when they collaborate with other businesses to cut costs, share innovations, and create networking possibilities (Wiese, 2014). Despite the fact that these companies are at the top of the industrial supply chain, supply disruptions posed a risk, particularly for primary industry breeding businesses (Wimalasena, 2021). Yu et al. (2007) are concerned with the lack of emphasis paid to SMEs sustainability in research. The low level of engagement in sustainability could be due to SMEs' lack of time and

resources to undertake initiatives such as sustainability strategy. The SIGMA Project (2006) identifies the most prevalent SMEs sustainability challenges.

2.8 Conceptual Framework of the Study

Considering above discussed independent and dependent variables, following conceptual framework was designed showing the association between each variable.

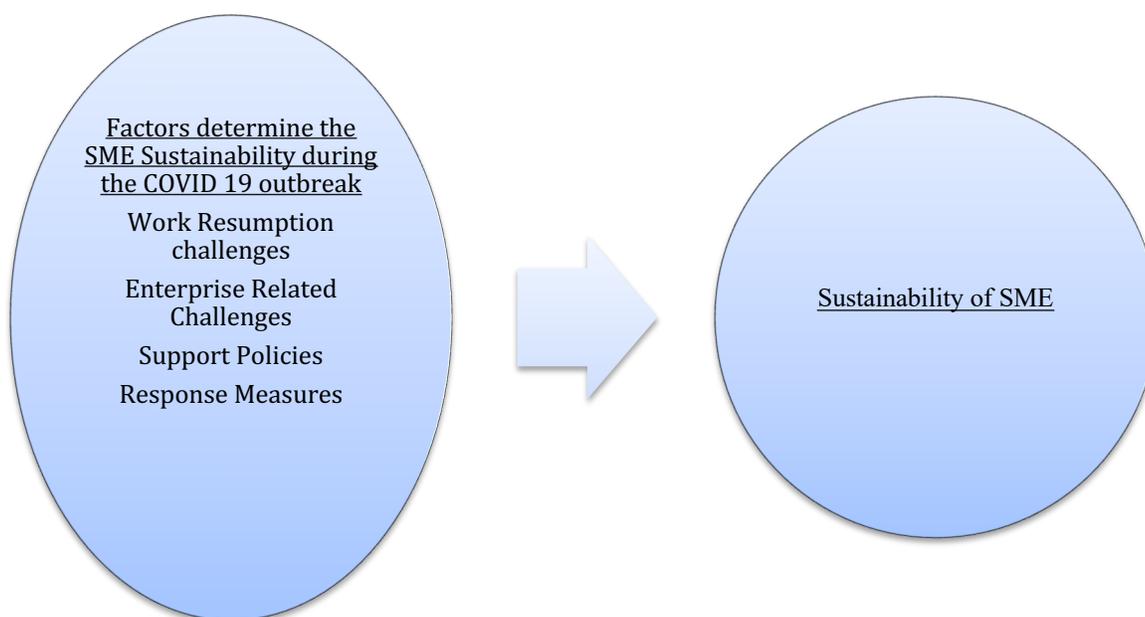


Figure 1: Conceptual Framework

Hypothesis

Following hypotheses were developed with considering the above independent and the dependent variables.

H1: Work resumption challenges significantly impact on the sustainability of SME in Sri Lanka during COVID 19 outbreak

H2: Enterprise related challenges significantly impact on the sustainability of SME in Sri Lanka during COVID 19 outbreak

H3: Support policies significantly impact on the sustainability of SME in Sri Lanka during COVID 19 outbreak

H4: Response measures significantly impact on the sustainability of SME in Sri Lanka during COVID 19 outbreak

3. Methodology

3.1 Research Approach

This study is developed based on the research Onion model given by Saunders et al (2016) and each layer of the onion model described in a descriptive manner. The research approach of Saunders et al. (2016) provides the framework to select the suitable methodical approach to conduct the research in particular discipline. The three research

approaches introduced by Saunders et al. (2016) were inductive approach, deductive approach and adductive approach. As per the information given by Kuosa (2011), the link between inductive approach and intuitive thinking promotes the studies related to new knowledge. Deductive approach makes useful argument about natural status using the information and functions based on the already performed activities.

Saunders et al. (2016) further stated that archival analysis, narrative inquiry, case study, experiment, ground theory, action research, and ethnography are the most regularly utilized tactics. However, there are different approaches to classifying testing procedures in order to conduct prospective trials before evaluating them. The core role of any study is the research strategy, which assists the researcher in selecting data gathering elements in order to find an answer to the research question and achieve the study's objectives. The two main research methodologies, according Saunders and team (2016) are narrative and exploratory. There are potential advances of those strategies and the researcher is planning to conduct the study as a survey using a structured questionnaire which is going to create as an online google form to be distributed among SMEs in Gampaha district, Sri Lanka.

Saunders et al (2016) stated that there are two main study categories in prospective analysis namely qualitative and quantitative and studies can be done as qualitative or quantitative or as a combination of both. The research choice of this study is quantitative followed by

mono methods where the student is planning to use Five-point Likert scale to quantify the answers and analyses the data statistically.

Positivism selected as the philosophy of the study as it is based on factual understanding gained through current external environmental observations. Further, the researcher conducted the data collection in the field and interpreted. In addition, the study was followed by epistemological philosophy as ground knowledge is being used and being assessed within the study scope.

3.2 Questionnaire Development

A standard questionnaire made as a google form and used as the survey instrument. The questionnaire included the five point likert scale and the values of the answers are vary, from 1 to 5. (1) Strongly Disagree, (2) Disagree, (3) Neutral, (4) Agree, and (5) Strongly Agree.

3.3 Population, Sampling method, and Sample

Annual journal of Certified Management Accountant in 2018 revealed that 500,000 companies were registered as the SMEs in Sri Lanka. Considering that, the sample was selected from Gampaha district, Sri Lanka with using the convenient sampling method

and it was 384 at 95% confidence level. Sample size was calculated with using the Krejcie and Morgan (1970) sampling guidance.

3.4 Data collection

Pilot study was conducted using initially collected data from 18 respondents and the reliability and validity of the questionnaire was done under pilot data analysis. Cronbach Alpha values will be calculated and compared with the marginal value (0.7).

3.5 Data analysis technique

Hypotheses were tested with using the correlation analysis and regression analysis. Correlation analysis was done to identify the relationship between each independent variable with the dependent variable. In order to test the hypotheses and mediating variable, regression analysis was conducted.

3.6 Response Rate

Considering the population, the decided sample size was 384 and 365 of successful answers were gathered. Reported response rate was 95.052%.

3.7 Normality of the Data set

In order to assess the normality of the data set, assessment on Kurtosis and Skewness was done along with a plot diagram and scatter plot generation.

Results of Normality tests were presented in below table.

Table 1: Normality assessment

Variable	Skewness	Kurtosis
Work resumption challenges	-.136	-1.659
Enterprise related challenges	.259	-1.665
Support policies	.261	-1.758
Response measures	.039	-1.293
Sustainability	-.458	2.074

According to above table, negative and positive values were observed for the Skewness. Those values are ranged between -0.458 - + 0.261 and those value are within the acceptable margins.

Kurtosis values for each variable were observed as negative with showing a left tailed biasness. The impact of left bias was minimal as the values are much smaller, and majority of data ranged within acceptable levels.

Following histogram and scatter plot revealed that all the collected data was in a normal distribution.

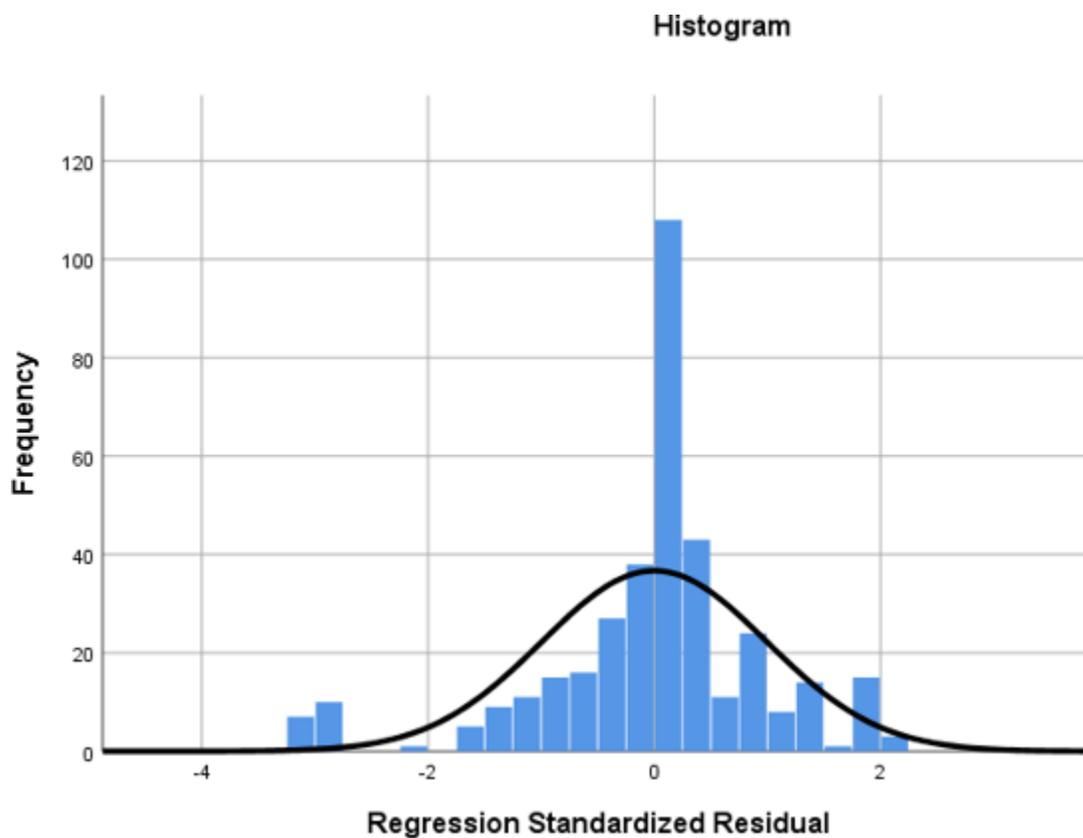


Figure 2: Normality Assessment - Histogram

Normal P-P Plot of Regression Standardized Residual

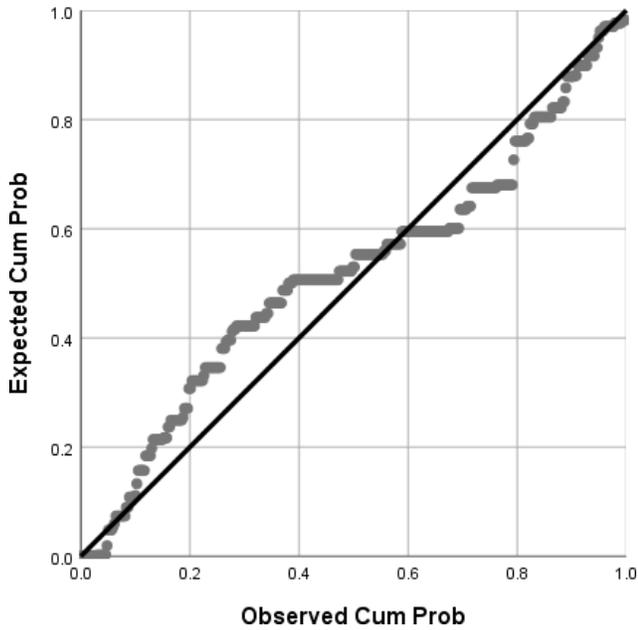


Figure 3: Normality Assessment – Scatter Plot

4 Results and Analysis

There were four hypotheses generated through the literature review and all of those were tested using correlation analysis. The results were presented with using the tables generated in the SPSS worksheet.

4.1 Results of the correlation analysis between Work resumption challenges and sustainability.

Table 2: Correlation Analysis - Work Resumption Challenges

Correlations			
		Work resumption challenges	Sustainability
Work resumption challenges	Pearson Correlation	1	.472**
	Sig. (2-tailed)		.000
	N	365	365
Sustainability	Pearson Correlation	.472**	1
	Sig. (2-tailed)	.000	
	N	365	365
**. Correlation is significant at the 0.01 level (2-tailed).			

According to above table, Pearson Correlation value for Work resumption challenges and sustainability was 0.472 showing a positive and significant correlation ($p=0.000$, $p<0.05$)

between variables at the 95% confidence level. Thus, it can accept the hypotheses and reject the null hypotheses.

4.2 Results of the correlation analysis between Enterprise related challenges and sustainability.

Table 3: Correlation Analysis - Enterprise related challenges

Correlations			
		Enterprise related challenges	Sustainability
Enterprise related challenges	Pearson Correlation	1	.159**
	Sig. (2-tailed)		.002
	N	365	365
Sustainability	Pearson Correlation	.159**	1
	Sig. (2-tailed)	.002	
	N	365	365

** . Correlation is significant at the 0.01 level (2-tailed).

According to above table, Pearson Correlation value for Enterprise related challenges and sustainability was 0.159 showing a positive and significant correlation ($p=0.000$, $p<0.05$) between variables at the 95% confidence level. Thus, it can accept the hypotheses and reject the null hypotheses.

4.3 Results of the correlation analysis between Support policies and sustainability.

Table 4: Correlation Analysis – Support Policies

Correlations			
		Support policies	Sustainability
Support policies	Pearson Correlation	1	.586**
	Sig. (2-tailed)		.000
	N	365	365
Sustainability	Pearson Correlation	.586**	1
	Sig. (2-tailed)	.000	
	N	365	365
**. Correlation is significant at the 0.01 level (2-tailed).			

Analysis revealed that Pearson Correlation value for Support policies and sustainability was 0.586 showing a positive and significant correlation ($p=0.000$, $p<0.05$) between variables at the 95% confidence level. Thus, it can accept the hypotheses and reject the null hypotheses.

4.4 Results of the correlation analysis between Response measures and sustainability.

Table 5: Correlation Analysis – Response Measures



Correlations			
		Response measures	Sustainability
Response measures	Pearson Correlation	1	.090
	Sig. (2-tailed)		.086
	N	365	365
Sustainability	Pearson Correlation	.090	1
	Sig. (2-tailed)	.086	
	N	365	365

According to above table, Pearson Correlation value for Response measures and sustainability was 0.090 showing a positive but insignificant correlation ($p=0.086$, $p>0.05$) between variables at the 95% confidence level. Thus, the hypotheses were rejected and accepted the null hypotheses.

4.5 Regression Analysis

Regression analysis was conducted to identify the accuracy or the appropriateness of the selected model of conceptual framework of the study.



Table 6: results of Regression Analysis

Model Summary											
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson	Bi-ns
					R Square Change	F Change	df1	df2	Sig. F Change		
1	.610 ^a	.372	.365	.55217	.372	53.558	4	361	.000	1.87	1
a. Predictors: (Constant), Work resumption challenges, Enterprise related challenges, Support policies, Response measures											
b. Dependent Variable: Sustainability											

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	65.318	4	16.329	53.558	.000 ^b
	Residual	110.067	361	.305		
	Total	175.385	365			
a. Dependent Variable: Sustainability						
b. Predictors: (Constant), Work resumption challenges, Enterprise related challenges, Support policies, Response measures						

According to above table values, calculated R-sq value was 0.372 and it showed 37.2% of model fit at the significant level of $p=0.000$ ($=<0.05$). Further, obtained significance value was 1.871 and it proved that the model can be accepted.

5 Conclusion

Considering the findings of correlation analysis, it can be concluded that work resumption challenges, enterprise related challenges, and support policies were positively and significantly impacted on the sustainability in SME industry. As per the findings of the study, response measures is not a variable which determine the sustainability of SMEs.

The findings of the study can be utilized in developing early awareness actions which means the managerial implications and will be useful for the managers, executives and entrepreneurs of SMEs to develop the business strategies related to the business sustainability.

5.1 Managerial implications on work resumption challenges

Findings revealed that work resumption challenges positively impacted on the sustainability in SMEs. Reduced operating income and reduced employee rework rate caused to reduce the successful functions at SME industry during COVID 19 outbreak.

Thus, the managers and executives should pay their attention in developing strategies to facilitate the employee return to work rate. Followed by the economic regulations and health guidelines, the manufacturing industries were scheduled to resume work the earliest, followed by the new economy, with the FMCG industries scheduled to resume work last. Despite the relatively abundant cash flow in the SME manufacturing industries, the low rate of employees returning to work and the increased operating costs made it difficult to resume full production. If the pandemic had continued to spread, many enterprises would have had to close due to bankruptcy (Lu et al., 2021). Providing facilities to work remotely is practiced by many companies has it will be a good solution during a similar situation and it is a duty of managers to be vigilant enough to catch the opportunities.

5.2 Managerial Implications on Enterprise Related Challenges

According to the findings, enterprise related challenges positively impacted on the sustainability in SMEs. Requirement of raw material is necessary in all businesses including SME services and manufactures. Pandemic such as COVID19 thrives the supply of raw materials from other areas of the country as well as importing from other countries. Management capability of maintaining steady supply chain and having alternatives are importance concerns for managers.

Having strategies to address the Seasonal reduction in market demand, Pandemic such as COVID19 reduces the demand in SME products drastically. This can affect in to revenue, employee benefits and sustainable functions within the company. Maintaining the demand which comes from the market is a responsibility of the marketing section of the company. Unlike other multinational and large-scale companies, it is not practice to conduct marketing campaigns for SMEs. Thus, it is possible to utilize the in house marketing, brand identity and the company reputation.

Adhering to local government regulations is a basic and fundamental requirement to maintain business sustainability in SMEs. SMEs experienced tightness of rules and guidelines which restricted their operations (Abeyrathna and Chamara, 2021). Such measures should be address wisely without causing difficulties to the business operation.

5.3 Managerial Implications on Support Policies

It was concluded that Support policies have positively impacted on the sustainability in SMEs. Followed by the requirement of local government it is a responsibility of the company to adhering to local government rules and get the support from the government or other organizations when necessary. In order to maintain business sustainability,

maintain the association with other regulating bodies and professional bodies to review the functions of the company and to get the recent updates of the business.

Lack of liquidity was a common challenge in the primary industry sector. Claimed that although the government had issued a series of financial support policies, few could be truly implemented in the SMEs (Lu et al., 2021) Sustainable businesses operate within the tax policy and it will enable the companies to request tax reliefs during challenging times. Gaining tax reliefs and supports from the government is important for every company or business.

5.4 Managerial Implications on Sustainability

Findings revealed that Sustainability is associated with work resumption challenges, enterprise related challenges and support policies. In order to maintain sustainable business culture, it is good to address the related indicators and factors. It is a responsibility of the managers to develop an effective customer-client relationship as well as employee-employers relationship within the organizational boundaries.

Brand identity and brand awareness are the factors that should be considered by the managers who consider the sustainability during hard times. Retailers who kept their

businesses open to serve individual consumers and communities rather than closing or moving out of the pandemic-affected areas for profit-driven motives were perceived as being loyal and won great trust from their customers (Lu et al., 2021). Updating and upgrading the sustainable business concepts is essential in maintaining new business concepts such as green business concepts. For that, manager have developed their experiences as well as their professional qualifications to match with global SME traders. Honesty and integrity are crucial factors in developing sustainable businesses with long term goals. As identified by the study, business values enhance the reputation of companies even during a hard time. The establishment of clear goals and the accomplishment of them seen as an important factor for business management and sustainability (Jenner, 2016). Limiting to a close frame of business can cause to reduce the business operation during challenging time such as COVID 19. Thus managers understanding on spreading the capturing different operations, ventures and identity is important in maintaining the business sustainability.

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Creative entrepreneurship and innovation in the Philippine handicraft industry

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ABSTRACT

Creative entrepreneurship is the practice of entrepreneurship in businesses with its origin in individual creativity, skill and talent and its realization in the generation and exploitation of ideas through innovation. This paper looks into the product, process and market innovation activities of women entrepreneurs in the Philippines' three main islands (Luzon, Visayas and Mindanao) engaged in the business of handicrafts. Using the Culture Creative Based Value Chain, the level of implementation of innovation activities was assessed in relation to the value chain's six components of culture, ideation, design, production, branding and channel. Results show that there is a moderate level of implementation of product and market innovation activities while process innovation activities, though practiced, can still be improved.

I. INTRODUCTION

There are many ways of classifying businesses. In studying businesses in Vietnam, Cong (2015) concluded that businesses fall into only four categories, depending on which dimension a business is based. Businesses can be based either on (1) resources; (2) speculation and short-run operations; (3) cheap labor force and lastly, (4) creativity (Cong, 2015).

The latter kind, those that are based on creativity, have recently emerged as “creative industries”. These enterprises first came to be in Australia and further developed in the United Kingdom. Despite its novelty, creative industries are acknowledged to be of significant economic impact worldwide. In the United States, for example, it constitutes 4.42% of all businesses and also accounts for 7.3% of the economy of the United Kingdom (Bujor, A., and Avasilcai, S. , 2015).

The practice of setting up a business in a creative industry is what constitutes creative entrepreneurship (Bujor, A., and Avasilcai, S. , 2015). This kind of entrepreneurship is anchored on the use of intellectual capital (Bujor, A., and Avasilcai, S. , 2015; Horng, S. C., Chang, A. H., & Chen, K. Y. ,2016; Hackbert, P. H., Glotzback, T., & Mahoney, G., 2009) and human creativity is its main economic resource (Cong, 2015).

Creative entrepreneurship is distinct and unique as the industries on which it is anchored. Creative industries generate products that not only have economic value but are likewise referred to as knowledge products borne out of creativity and have cultural value (Cong, 2015). Creative entrepreneurs use creativity in their economic activities. Creativity is considered an innovation process and culture is used as an input to creativity. (Bujor, A., and Avasilcai, S. , 2015).

II. STATEMENT OF THE PROBLEM

Considering the unique characteristics of creative enterprises, what is the level of implementation of innovation activities among handicraft businesses in the Philippines?

III. OBJECTIVE

This study aims to identify the level of implementation of innovation activities among handicraft businesses in the Philippines considering the unique characteristics of creative enterprises.

IV. SIGNIFICANCE

This will lead to a greater appreciation and understanding of an emerging field such as creative entrepreneurship and can serve as initial inputs to stimulate growth in the creative industries in the Philippines.

V. SCOPE AND LIMITATIONS

The study will be limited to a sector of the creative industries, specifically handicrafts industry in the Philippines. The sampling strategy is non-probabilistic.

VI. REVIEW OF RELATED LITERATURE

When businesses are put up and innovations are transformed into economic goods, entrepreneurship ensues (Nowduri, 2012). Venture creation creates value (Bruyat & Julien, 2000) through innovations. Innovation is the process of conceptualizing and implementing new and improved ways of product/service design and delivery, including the product itself, process and method (Alsaaty, 2011). Value is created by the entrepreneur by carrying out new combinations in the areas of product, production method, market, supplier and industry structure (Bull & Willard, 1993).

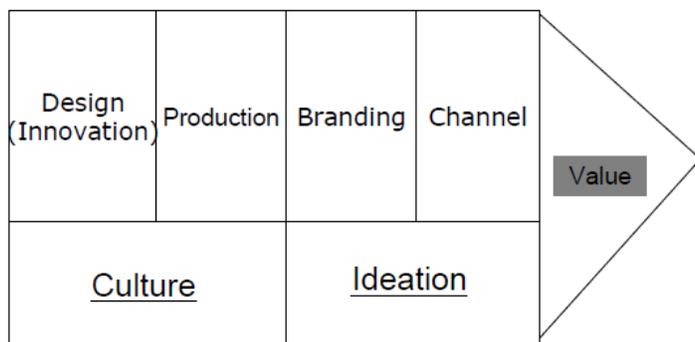
Product innovations pertain to changes in the product or service offerings. Process innovations refer to changes in delivery or production methods. Marketing innovations deal with new ways to reach the customer and innovations related to the organization usually involves organizational methods (OECD, 2005: in Alsaaty, 2011, p.7)

In creative industries, where creativity or the development of ideas is the main resource (Stach, W., & Stöger, G.,2009), value is created not as much as the usual physical outputs and large investments on production capacity and raw materials but by higher value inputs such as digital contents, knowledge and skills (Horng, S. C., Chang, A. H., & Chen, K. Y. ,2016). Innovations are stylistic and identity-driven (Zulaikha, E., & Brereton, M., 2011). Through these primary inputs, creative industries create, produce and distribute goods (Cong, 2015).

According to a White Paper on Creativity as discussed in Cong (2015), creative industries are of three types, namely: material culture, information and communication technologies and cultural heritage. Material culture includes design, fashion, handicrafts and industry of food and taste. Information and communication technologies include advertising, cinema, publishing, software and TV and radio. Cultural heritage includes architecture, artistic and cultural heritage, contemporary art, music and performing art (Cong, 2015).

The traditional value chain of Michael Porter may not exactly hold for the creative industries because of its higher value-added inputs. Horng, S. C., Chang, A. H., & Chen, K. Y. (2016) proposed the Culture Creative-Based Value Chain to depict the reliance on intellectual capital as primary ways to create value. They espouse that the support activities consist of culture and ideation while the primary activities are design, production, branding and channel. Figure 1 depicts the Culture Creative-Based Value Chain:

Figure 1: Generic Culture Creative-Based Value Chain



Culture provides symbolic meaning (Horng, S. C., Chang, A. H., & Chen, K. Y. , 2016). The value of creative industries' products lies on its symbolic content and how it stimulates experiential reactions from consumers (Power, D., & Jansson, J., 2006).

Ideation is product planning. It explores possibility and is a “forum of creativity” (Horng, S. C., Chang, A. H., & Chen, K. Y. , 2016, p.200). Design is incorporating cultural features into the product. Production is the process of transformation of ideas into goods and services through the use of resources (Horng, S. C., Chang, A. H., & Chen, K. Y. , 2016. Branding is a way to differentiate products and channel deals with distribution.

VII. METHODOLOGY

A sample of 203 Filipina entrepreneurs in the Handicrafts Industry from Luzon (n=50), Visayas (n=53), and Mindanao (n=100); were used. The entrepreneurs were interviewed using a survey instrument. The questionnaire was designed by a team of researchers using an OECD (2005) Survey instrument as basis, as part of the study on the Creativity, Innovation and Sustainability in the Handicrafts Industry, funded by De la Salle University’s Research Coordination Office (URCO).

The instrument has 63 questions with a 5-point Likert scale as the basis of the response and established the scales’ internal reliability per construct. The Cronbach coefficient alpha result for each construct is as follows: (1) product innovation = .825; (2) process innovation = .744; (3) organisational innovation = .758; (4) marketing innovation = .666; (5) creativity = .820; (5) other factors affecting innovating activities = .864; (6) sustainability = .746; and (7) other effects/impacts of innovation = .922.

From the data gathered from the survey, only those that pertain to product, process and marketing innovations were used. Descriptive statistics (such as mean and standard deviation) were used to analyse the data.

VIII. RESULTS AND DISCUSSION

Descriptive statistics as shown in Table 1 indicate that product, market and process innovations are all moderately practiced. However, process innovations tend to be at the lower level of implementation and product innovations are poised towards high level of implementation.

Table i.

Level of implementation of innovation activities

Innovation		National	Luzon	Visayas	Mindanao
Product	Mean	3.52	3.56	3.78	3.38
	SD	1.04	.81	.97	1.14
Process	Mean	2.83	2.94	2.64	2.88
	SD	.97	.84	1.02	1.00
	Mean	3.19	3.13	3.25	3.2

Marketing	SD	.99	.82	1.02	1.06
Innovation					

These results show that handicraft entrepreneurs are better at incorporating symbolic meaning and exploring various possibilities for product design than in implementing these ideas. Likewise, handicraft entrepreneurs are adept at finding ways to reach and satisfy the needs of the market.

IX. CONCLUSION AND RECOMMENDATIONS

The practice of entrepreneurship in the creative industries is unique. The creative industries are growing and have a lot of potential. In the case of the Philippines, capacity building with regard to enabling entrepreneurs to come up with new methods of manufacturing or producing goods should be pursued.

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