

The venture creation process in Puerto Rico: From entrepreneurial potential to firm birth

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Abstract

The purpose of this study is to analyze the antecedents of entrepreneurial intentions; and the factors that influence the transition from intentions to entrepreneurial behavior (firm birth). The contributions are numerous: (1) evaluating the key determinants of intentions implies understanding behavior, which can lead to the development of policy that influences entrepreneurial behavior through attitudes; (2) analyzing the key assumptions of theories of planned behavior, specifically determinants of intentions will put to the test the validity of this theory within the entrepreneurial field; (3) assessing the transitions during the venture process (from intentions to firm behavior) increases our understanding of the entrepreneurial process and the factors that lead to the emergence of an organization, particularly when the relationship between intentions and behavior is imperfect (30%). Two samples were used to provide insights into the venture creation process in Puerto Rico: (1) Global Entrepreneurship Monitor Data and (2) nascent entrepreneurs. The Global Entrepreneurship Monitor, international research program that monitors entrepreneurial activity of regions, provided data to test the determinants of entrepreneurial intentions, the first stage in the entrepreneurial process. To examine the factors that influence the intention-behavior relationship we used a sample of individuals who manifested entrepreneurial intentions (nascent entrepreneurs from SBDCs). Telephone interviews (survey) were conducted with reported nascent entrepreneurs to evaluate the transitions from realized intentions to behavior. Results were summarized using descriptive statistics and inferential statistics such as Analysis of Variance (ANOVA). Multiple regression analysis was conducted to test the hypotheses. Finally, Structural Equation Models were developed in attempts to construct an overall model of venture creation. In general the findings suggest that although intentional models provide a framework to predict future behavior, there is still much more involved in the prediction of behavioral outcomes such as entrepreneurial behavior.