

Factors That Influence Small Business Start-up

Adrienne Hall, Purdue Universityⁱ

For the past decade, entrepreneurship has been one of the driving forces strengthening the economy of the United States. While large corporations have continued to downsize, job creation and new ventures have become the focus of small businesses and the entrepreneurs who own them. The purpose of this research was to understand the antecedents of small business start-up and ownership. Using the theory of planned behavior as a framework, relationships between attitude, subjective norms, and perceived behavior control and ownership were examined by two studies.

Study 1 utilized the phenomenology method of inquiry to understand the attitudes and experiences of being a small business owner. The results suggest that technology and various forms of preparation made the idea of becoming a small business owner more of a reality. Study 2 utilized an online survey with a large sample of aspiring and current small business owners. The results support the use of the theory of planned behavior when predicting small business ownership. Attitude towards small business ownership, education, business training, and previous experience all significantly increase the likelihood of small business ownership.

The results of this research show that the theory of planned behavior is sufficient for predicting small business ownership for measurable items in a single dimension. Aspiring owners can benefit from the qualitative findings as insightful advice during the gestation stage of entrepreneurship, particularly the findings on the impact of technology. Organizations servicing small businesses can utilize the findings when providing client services, administering client consulting, and the development of programs and materials. Development of proper training courses and materials makes it possible for small business entrepreneurs to maintain continued success and positively impact our economy.

ⁱ Adrienne Hall, Ph.D. Student, Department of Consumer Sciences & Retailing, ahall@purdue.edu