



An Action Agenda for Supporting Opportunity-Driven Retailing Entrepreneurs: An Analysis of External Informal Environmental Factors – A Case Study Approach

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The success of entrepreneurs that start and operate in informal sectors is essential to local economic growth, development, and opportunities, as well as to the progress of society in general. However, the ability of entrepreneurs to sustain in any retailing environment is especially challenging when there are limited support mechanisms in place. The goal of this research is to develop an external environment action agenda for assisting opportunity-driven entrepreneurs in informal settings. The informal sector broadly defined, encompasses economic enterprises lacking in the use of technology, economies of scale, financial tracking systems, or labor saving processes (Joshi, Amoranto, & Hasan, 2011). Such enterprises often result from the work of opportunity-driven early-stage entrepreneurs (ODEs) utilizing retailing activities. The Global Entrepreneurship Monitor (2016) defines ODEs as those engaged in entrepreneurial activities due to identified opportunities, desired independence, or increased incomes, and are more than wage earners who have turned bad situations into opportunities.

The study emerged from a gap concerning the impact of environments on new business venturing opportunities (Busenitz, Plummer, Klotz, Shahzad, & Rhoads, 2014). Entrepreneurial environments are essential to the development and continuation of entrepreneurs (Covin & Selvin, 1991). According to the researchers, environmental variables have a direct effect on decision-making, innovation, and competition. Gnyawali and Fogel (1994) considered environmental factors central to business start-up and persistence and consists of (1) government policies and procedures, (2) socioeconomic conditions, (3) entrepreneurial and business skills, (4) financial assistance, and (5) non-financial assistance.

A need exist to study ODEs in informal sectors to evolve conceptual models as well as to develop action agendas to lend support, and Barbados provides the unique context for this to occur. The service sector drives the Barbadian economy, occupying 75% of the labor force, which relies on external trade, inherently making the economy volatile and susceptible to outside shock (Bourne, 2009). Accordingly, the economy still suffers from the 2008-09 global economic crisis with an unemployment rate of 9.8% (Central Intelligence Agency, 2017). Utilized in this study was a naturalistic approach to textual data analysis, guided by directed content analysis and case study strategies. A directed approach uses theoretical frameworks or previous relevant research to conduct the initial coding of categories (Hsieh & Shannon, 2005). Gnyawali and Fogel's (1994) framework was especially useful in the initial stages of the analysis and validates/extend the theoretical framework (Hsieh & Shannon, 2005). The data analysis required organizing, forming initial codes, depicting the case/context, using categorical aggregation to establish patterns, interpreting the patterns, and presenting the study within the framework

(Creswell, 2007). To understand the external environment for ODEs, an analysis of one hundred fifteen written documents, collected from two Barbadian newspapers, Barbadian government websites, and internet blogs from 2003 to 2016 provided the data as described by journalists, government, and other interested parties.

Analysis results indicated that *local governments'* implementation and explanation of policies and procedures disrupted ODE activities. Barbadian policies reinforced market imperfections, which appeared to favor big business, while administrative rigidity undermined the historical entrepreneurial culture. The local government instituted vendor registration requirements, which ODEs perceived negatively and intensified the levels of confusion regarding the legality of their activities. Barbadian *socioeconomic conditions* reinforced the need for ODE activities. Historical norms based on a plantation system, also support ODE practices that limited residents' abilities to self-sustain. More recently, immigrants have utilized ODE activities because of limited access to resources. The negative views of ODEs intensified over the 13-year period as more immigrants sought employment through self-employment activities. ODEs were more likely to be identified as lacking ideas, the ability to evaluate opportunities and risk, or skills, despite their abilities to startup and maintain their trades for years with limited resources. *Entrepreneurial and business practices*, such as the existence of training programs and information availability directed at educating ODEs of their rights or regulation changes were minimal, degrading, or inappropriate for their needs. Evidence of *financial assistance* for the ODE was limited to the Small Business Association (SBA) as many ODEs lacked the financial backing or ability to provide the required evidence of economic gains, low-risk investments, or the established success traditionally associates with formal entrepreneurs. *Non-financial assistance* on behalf of ODEs appeared inefficient, falling short of the ability to galvanize resources or support for informal retailing activities. The SBA, in contrast, provided incubator support but required entrepreneurs to fit within traditional expectations of competencies.

The analysis of the Barbadian informal retail environment through textual data analysis provided the foundation for developing an action agenda focused on public policy and support programs for ODEs. Based on the data analysis, this study offers the following assertions to guide public policy and support programs, recognizing that when governments limit restrictions, regulations, and cost, it is more likely to increase business startups. Thus, local government should partner with ODEs to address their concerns, which include (1) providing clear procedures and regulations for informal startups; (2) immigrant ODEs are commonly shut out of formal employment opportunities requiring support mechanisms to reinforce positive images; (3) develop policies to incorporate ODEs into job classifications despite their informality; (4) advocate for ODE activities as a good career choice; (5) facilitate mentoring programs between formal and informal businesses for positive and meaningful interactions; (6) institute incentives that celebrate ODE such as - ODE of the year awards. Traditional modes of fixing development failures are insufficient and required collective actions that advocate for the marginalized.

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