Effect of entrepreneurial propensity on the human development of professionals in the creative craft industry

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Abstract
The theme of entrepreneurship in the creative industry became the focus of discussions in international bodies and communities, being identified as strategic for the growth and economic and social development of developed and developing countries, whether through the generation of employment and income, or whether through the promotion of social inclusion, cultural diversity or human development. Based on this assumption, the work analyzes the effect of entrepreneurial propensity on the human development of professionals working in the creative craft industry. A survey was used, applied to 350 respondents. Multivariate analysis techniques and structural equation modeling were used. The results show that the constructs 'need for achievement' and 'strategic posture' positively influenced the construct 'entrepreneurial propensity'; the 'entrepreneurial propensity' construct had a positive effect on the 'human development' construct of professionals working in the creative craft class.

Keywords: entrepreneurial propensity, human development, creative class, creative industries, craftsmanship.

Resumo
A temática do empreendedorismo na indústria criativa tornou-se foco das discussões de órgãos e comunidades internacionais, sendo apontada como estratégica para o crescimento e o desenvolvimento econômico e social de países desenvolvidos e em desenvolvimento, quer seja através da geração de emprego e renda, quer seja por meio da promoção da inclusão social, da diversidade cultural ou do desenvolvimento humano. Partindo desse pressuposto, o trabalho analisa o efeito da propensão empreendedora no desenvolvimento humano dos profissionais atuantes na indústria criativa do artesanato. Utilizou-se um Survey, aplicado a 350 respondentes. Utilizaram-se técnicas de análise multivariadas e modelagem de equações estruturais. Os resultados apontam que os constructos ‘necessidade de realização’ e ‘postura estratégica’ influenciaram positivamente o constructo 'propensão empreendedora'; o constructo ‘propensão empreendedora’ exerceu efeito positivo sobre o constructo ‘desenvolvimento humano’ dos profissionais atuantes na classe criativa do artesanato.

Palavras-chave: propensão empreendedora, desenvolvimento humano, classe criativa, indústrias criativas, artesanato.
1 Introduction

The entrepreneurial process involves all the functions, activities and actions associated with the perception of opportunities and the creation of organizations to pursue these opportunities (Bygrave & Hofer, 1991; Ramoglou, 2021). To understand what promotes or inhibits entrepreneurial activity, it is important to understand how entrepreneurs build credible opportunities and the role of perceptions in this process (Krueger, 2000; Ramoglou, Gartner, & Tsang, 2020).

Some researchers (Kirzner, 1973; Asante & Affum-Osei, 2019; Albuquerque, 2021) argue that the recognition of opportunities is the basis of entrepreneurship. Entrepreneurs often see opportunities where others do not, and imagine future possibilities that others do not recognize (Douglas & Shepherd, 1999; Allinson, Chell, & Hayes, 2000).

The figure of the entrepreneur thus represents the subject who is always on the alert to discover and explore new opportunities (Silvestre; Borges; Paula, 2022). This ability to be alert is the main characteristic of such individuals, and it can even express and reflect the entrepreneur's own personal motivations, aspirations and dreams (Kirzner, 1979).

However, when considering the importance of entrepreneurship, Mota et al. (2017) report that it is important to understand what circumstances permeate an environment conducive to entrepreneurship and how willing people are to take risks. Thus, entrepreneurship can be defined as the process of creating something different, with value, through the dedication and effort of someone who takes financial, psychological and social risks, and who seeks the resulting rewards in the form of personal and monetary satisfaction (Hisrich& Peters, 1986; Esfandiar et al., 2019).

Kannadhasan, Aramvalarthan and Kumar (2014) add that some individuals, when perceiving less risk in certain environments, tend to be more entrepreneurial than others influenced by a feeling of optimism, in addition to their own empowerment, which can also encourage them. Faced with this, it is clear that the entrepreneur adopts a conscious strategic attitude towards the achievement of his visions as a way of managing limited resources (Gaj, 1986; Silvestre, Borges, & Paula, 2022).

It is also possible to characterize the entrepreneur as the social actor that appears in the traditional economy and triggers a revolutionary process of creative destruction, promoting change and triggering the process of economic development (Schumpeter, 1982). In this context, knowledge and creativity, essential elements for the definition of creative industries, become the basis that enables the productive and social transformations promoted by entrepreneurs due to their potential employer, productive and innovative (Lugoboni et al., 2014).

It becomes opportune to think about creative industries and relate them to entrepreneurship when one realizes that the results of entrepreneurial activity take into account, in addition to economic parameters, the actions carried out by individuals that induce the emergence of new products, services or ways of organizing resources. (Gartner et al., 1994; Fioravante & Emmendoerfer, 2019). In addition, it is observed that entrepreneurship should not be associated exclusively with the opening of new companies, but with the exploration of opportunities in an innovative way and with the proposition of new means-end combinations, whose commercial value depends on the use of market mechanisms. such as patents or licenses (and not just from a new firm) (Shane, 2003).

Thus, the propensity to entrepreneurship is directly related to a series of
characteristics/dimensions present in the performance of a successful entrepreneur (Robinson et al., 1991), among which the ability to innovate, the propensity to risk, the proactiveness/alertness (or strategic attitude) and the need for achievement (or personal motivations).

Valiati and Moller (2016) add that entrepreneurial activity in the creative industry has been used to promote economic growth, development and foster innovation, standing out as an important strategy both for reducing unemployment, promoting social inclusion and human development as also to improve the competitiveness levels of countries, regions and localities. Therefore, in view of the importance of studies related to the propensity to entrepreneurship in the creative industry as a mechanism for human development, the following research problem was established: What is the impact of entrepreneurial propensity on the human development of professionals working in the creative craft industry?

In an attempt to answer the aforementioned research problem, the main research objective was to assess the impact of entrepreneurial propensity on the human development of professionals working in the creative craft industry, based on a model adapted from Vieira (2008).

Regarding the justifications and contributions of the research, the following considerations should be made. This study is justified and contributes by bringing a little explored approach with regard to the effect of entrepreneurial propensity on the human development of professionals in the creative craft industry. In this way, the theoretical advance can be evidenced from the proposed relationships between the constructs used in the research, since these relationships have not yet been completely studied and quantitatively tested by the academy, especially when it comes to research on entrepreneurship in the creative industry.

Added to this is the fact that, in recent years, the creative industries have become the focus of discussions by international bodies and communities, being identified as strategic for the economic and social growth and development of developed and developing countries, whether either through the generation of employment and income, or through the promotion of social inclusion, cultural diversity or human development (De Beukelaer, 2014).

Added to the fact that, despite the existence of publications on creative economy in several countries, the measurement of this chain in Brazil is still limited and scarce, since the production of more specific statistical data is at the conceptual stage of discussions and the few studies The existing ones have not yet defined a methodology that corresponds to the different views (Kon, 2016). Thus, it is relevant to carry out this and other studies that can produce consistent data to explain the backgrounds of the propensity to entrepreneurship in this sector, in addition to evaluating the influences of cultural or creative entrepreneurship on human development (Pacheco & Benini, 2018; Valiati & Moller, 2016).

Therefore, it is justified to carry out this study, focused on the study of the backgrounds of the propensity to entrepreneurship in the creative industries and its influence on human development, due to the possibility of seeking confirmation of the arguments exposed above, the verification of the interrelationships among the factors that make up the proposed research model, as well as the application of the results found in the formulation and reformulation of public policies to encourage entrepreneurship in the creative industries sector.

2 Entrepreneurship: concepts and background

There is a consensus on theories that conceive entrepreneurship as a singular phenomenon - with idiosyncratic behavioral traits and characteristics -, which typify the entrepreneurial individual and differentiate him from other people (Schumpeter, 1982; Drucker,
1985; Shane, 2003). However, it is necessary to reinforce the argument that there are no results that support the idea of a universal behavioral model for the entrepreneur (Santos, 2008), in view of the constant changes in the constructs related to this behavior as research is carried out in environments and different cultures (Alves & Bornia, 2011).

Thus, despite recent discussions about the entrepreneurial profile from the individual perspective, that is, a set of behavioral characters internal to the individual that make him/her an entrepreneur (Tajeddini, Elg, & Trueman, 2013; Roxas & Chadee, 2013), entrepreneurial action configures up like a continuum of behaviors (individual factors) and contexts (social and environmental factors) that make an individual potentially entrepreneurial to undertake (Cardon et al., 2013; Cardon & Kirk, 2015).

In Shane and Venkataraman's (2000) perspective, entrepreneurship is the process of discovery, evolution and exploitation of opportunities, materialized through continuous innovation and creativity. The propensity for action is a personal predisposition to act in their decisions, reflected in the component that expresses intentions (Shapero & Sokol, 1982). Thus, the propensity to entrepreneurship can be defined as the favorable predisposition of an individual to self-employment (Chelariu et al., 2008; Braun & Nassif, 2018). Entrepreneurial intention, in turn, concerns the decision made in a conscious and planned way capable of driving the necessary actions to open a business (Braun & Nassif, 2018).

2.1 The need for achievement as an background of entrepreneurial propensity

There are several studies that correlate the need for achievement (motivation) with entrepreneurial propensity (McClelland, 1972; Brockaus, 1980; Vale, Correa, & Reis, 2014). It is also possible to add that the need for achievement is the most significant predictor of the performance of new ventures (Brockaus, 1980). Thus, the concept of need for achievement refers to an individual's desire for significant achievement (Karabulut, 2016).

According to Thompson (2004), motivation is widely recognized as a key factor (or facilitator) for business intention and success. Thus, it is argued that there is an empirical link between the need for achievement as a personal characteristic and the entrepreneurial propensity (McClelland, 1972).

Miron and McClelland (1972) postulated that needs are learned and therefore culturally (not biologically) determined; and some cultures have produced more entrepreneurs because of the socialization process that creates a greater need for achievement. However, while some research has criticized the importance of the concept of need for achievement (Klinger, 1966; Fineman, 1977), several researchers have consistently found that it is significantly related to entrepreneurial propensity (Shane, 2003; Morris, Webb, & Franklin, 2011).

In conclusion, the argument that the need for achievement influences entrepreneurial propensity can be taken as valid. Therefore, the first research hypothesis is derived.

HI - The need for achievement positively influences the entrepreneurial propensity.

2.2 Risk propensity as a background of entrepreneurial propensity

The propensity to take risks is the tendency of an individual to be willing to take risks and make decisions at risk (Begley & Boyd, 1987). It can also be understood as a person's ability or tendency to take risks in business or entrepreneurship activities (Busenitz et al., 2014; Palich & Bagby, 1995). Thus, someone who decides to undertake must be someone willing to make risk-based decisions.
Brockhaus (1980) defined risk propensity as the perceived probability of receiving the reward associated with the successful outcome of a risky situation. In other words, the propensity to take risks refers to the act of dealing with risks and uncertainties and being ready to bear them (Begley & Boyd, 1987). People who take risks may choose alternatives with less chance, but with advantageous results.

Matthews and Scott (1995) believe that risk tolerance is necessary for entrepreneurial thinking and for being an entrepreneur. Thus, it is understandable that people who would like to establish their enterprises face risks and deal with uncertainties (Raab, Stedham, & Neuner, 2005).

Several empirical studies have been carried out to determine the propensity to take risks as a key factor to understand an entrepreneur (Gürol & Atsan, 2006) and to explain the entrepreneurial process (Cowden & Tang, 2017). These studies point out that risk propensity has a significant influence on entrepreneurial propensity.

Palich and Bagby (1995) added that entrepreneurs categorized risk situations as positive. Segal, Borgia and Schoenfeld (2005), in turn, believe that tolerance and positive attitudes towards risk predict entrepreneurial intentions (Meyer et al., 2013).

Risk-taking, therefore, is a personality trait that shows a person's willingness and tendency to take risks. Thus, the difference between entrepreneurs and non-entrepreneurs may be a matter of risk tolerance and how they process information about the potential success of a new business opportunity. (Begley & Boyd, 1987).

In the same line of thought, Covin and Slevin (1989) present risk propensity as a dimension of entrepreneurial orientation. And, Wijaya and Moerdyanto (2014) and Ertuna and Gurel (2011) state that the propensity to take risks has a positive impact on the entrepreneurial propensity.

In conclusion, the argument that risk propensity influences entrepreneurial propensity can be taken as valid. Therefore, the second research hypothesis is derived.

\[ H2 - Risk \text{ propensity positively influences entrepreneurial propensity.} \]

2.3 The propensity to innovate as a background of the entrepreneurial propensity

Innovation is an engine for the economic growth of any economy (Abderrezzak, Wafaa, & Benabbou, 2016). This is because a country and/or company’s commitment to innovation is often conceptualized as one of the important determinants of company-level productivity gains and country-level economic growth (Abdu & Jibir, 2017).

Thus, innovation is very important for companies themselves in increasing competitiveness, creating value, determining long-term survival and increasing productivity (Nam, Tuan, & Van Minh, 2017).

From another perspective, innovation refers to the perception and performance of business activities in new and unique ways (Robinson et al., 1991). It is the focal point of entrepreneurship and an essential characteristic of the entrepreneur (Schumpeter, 1982). For Schumpeter (1982) risk is inherent to the entrepreneur while innovation is the central characteristic of entrepreneurship.

In the literature, innovation remains a frequently identified functional characteristic of entrepreneurs (Brockhaus, 1980). In the same line of thought, Timmons (1978) suggested that creativity and innovation were conditions inherent to the role of entrepreneurship. This statement can be reinforced as innovation is defended as a critical factor in distinguishing entrepreneurs from managers and small business owners.
In conclusion, the argument that the propensity to innovate influences the entrepreneurial propensity can be taken as valid. Therefore, the third research hypothesis is derived.

**H3 - The propensity to innovate positively influences the entrepreneurial propensity.**

2.4 Strategic attitude as a background of entrepreneurial propensity

This dimension is shown to be an important factor in achieving organizational objectives, since it appears in different intensities according to the intended intention for the business (Ferreira, Gimenez, & Ramos, 2005).

Carland, Carland and Stewart Junior (1996) state that the strategic attitude is associated with the search for opportunities. In this way, it refers to the exercise of using intuition to explore the opportunities that present themselves and the ability to choose among the best opportunities available at that moment, but without forgetting the feasibility capacity and availability assessments necessary for their execution of the enterprise.

This dimension of entrepreneurial propensity also assesses whether the individual is introverted or extroverted, how he uses his sensations and intuitions to subsidize his perception and also makes use of reason or feelings in the decision-making process (Carland, Carland, & Stewart Junior, 1996).

Previous research suggests that an entrepreneurial strategic stance can contribute to the tendency to explore new domains of knowledge (De Clercq, Sapienza, & Zhou, 2014), but it also requires managers to strive to question existing practices and replace them with new ways of doing business, which can be expensive.

In the same line of thought, Covin and Slevin (1989) argue that an entrepreneurial strategic attitude can be particularly beneficial for small companies in hostile environments, since these environments present fewer opportunities and are more competitive than benign environments. Consequently, successful companies in hostile environments can be expected to direct their competitive efforts to prevailing conditions, aggressively trying to gain or maintain a competitive advantage. This advantage will more likely result from the proactive, innovative, and risk-taking efforts of entrepreneurial firms than from the passive and reactive efforts of conservative firms.

In conclusion, the argument that strategic attitude influences entrepreneurial propensity can be taken as valid. Therefore, the fourth research hypothesis is derived.

**H4 - Strategic attitude positively influences entrepreneurial propensity.**

2.5 The entrepreneurial propensity as a background of human development

Kumar (2007) states that the literature on entrepreneurship has many studies that probe an individual's propensity to create a company. In these studies, several important concepts were presented in order to explain the phenomenon of entrepreneurship. Among them are: need for achievement (McClelland; 1972), need for work (McClelland, 1972), internal locus of control (Rotter; 1990), propensity to take risks (Brockhaus, 1980), tolerance for ambiguity (Begley & Boyd, 1987).

For the purpose of analyzing this construct, propensity is understood as a natural tendency or inclination that guides a certain behavior (Smith et al., 2016 apud Braum & Nassif, 2019). In this field, the entrepreneurial propensity can be understood as the propensity to behave in an entrepreneurial way or an inclination towards self-employment (Chavan & Taska, 2017).
Effect of entrepreneurial propensity on the human development of professionals in the creative craft industry
Efeito da propensão empreendedora no desenvolvimento humano de profissionais da indústria criativa do artesanato

Chelariu et al. (2008, p. 406 apud Braum & Nassif, 2019)) conceptualizes entrepreneurial propensity as “the favorable predisposition of an individual to create new ventures”. It is worth noting, therefore, that the predisposition to act is a determinant of intention (Susanj, Jakopec, & Miljkovic Krecar, 2015 apud Braum & Nassif, 2019) and that intentions are predictors of the action to undertake (Krueger, Reilly, & Casrud, 2000 apud Braum & Nassif, 2019).

Regarding the backgrounds of entrepreneurial propensity, individual characteristics such as autonomy (Chelariu et al., 2008) and propensity to take risks (Canziani et al., 2015) are measured; need for achievement (Chavan; Taska, 2017) and trust (Susanj, Jakopec, & Krecar, 2015).

In addition, it is necessary to postulate that entrepreneurship, in the creative industries, is one of the main mechanisms for the economic development of countries and regions (Schumpeter, 1982; Baumol, 1990) and for human development, given that it enables the enlargement of the real freedoms that people enjoy (Sen, 2010). In the context of handicraft, it is highlighted that it is a potential source of employment and income (Marquesan & Figueiredo, 2014; Seraine, 2009) and, thus, a guideline for expanding the freedoms defended by Amartya Sen (2010), the which are: political freedoms, economic facilities, social opportunities, guarantees of transparency and protective security (see table 1).

Table 1. Instrumental freedoms for human development

<table>
<thead>
<tr>
<th>Liberties</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Political liberties</td>
<td>refer to the opportunities people have to determine who should govern and on what principles, in addition to including the possibility to scrutinize and criticize authorities, to have freedom of political expression and an uncensored press, to have the freedom to choose between different political parties.</td>
</tr>
<tr>
<td>Economic facilities</td>
<td>are the opportunities that individuals have to use their economic resources for purposes of consumption, production or exchange. In simpler words, it is the ability to be able with its own resources to acquire the basics for its sustenance and development.</td>
</tr>
<tr>
<td>Social opportunities</td>
<td>refer to the needs for sincerity that people can expect: the freedom to deal with one another under guarantees of secrecy and clarity.</td>
</tr>
<tr>
<td>Transparency guarantees</td>
<td>provisions that society establishes in the areas of education and health, which influence the substantive freedom of the individual to live better. These facilities are important not only for the conduct of private life (such as leading a healthy life, getting rid of preventable morbidity and premature death), but also for a more effective participation in economic and political activities.</td>
</tr>
<tr>
<td>Protective security</td>
<td>fixed institutional arrangements, such as unemployment benefits and statutory income supplements for the indigent, as well as measures: such as food distribution in famines or emergency public jobs to generate income for the needy.</td>
</tr>
</tbody>
</table>

Source: Adapted from Sen (2010)

Thus, it is understood that human development can also be achieved through entrepreneurship, given that these freedoms can be achieved while the individual assumes his condition as an agent and that there are adequate social opportunities that allow the individual to shape his or her own life own destiny (Sen, 2010).

In conclusion, the argument that entrepreneurial propensity influences development can be taken as valid. Therefore, the fifth research hypothesis is derived.
H5 - The entrepreneurial propensity positively influences the human development of professionals in the creative craft industry.

This study addresses the effect of entrepreneurial propensity on the human development of professionals in the creative craft industry. Thus, in this research, the variable "human development in the creative industry" was treated as a dependent variable, since, for this study, we sought to understand the relationships between the defined constructs and the human development of professionals working in the creative craft industry.

In view of this, the hypotheses of this study will be derived below and the proposed model to measure the effect of entrepreneurial propensity on the human development of professionals in the creative craft industry will be presented in Figure 2.

Figure 1. Research Model

3 Methodology

A quantitative approach was used in order to verify the effect of the entrepreneurial propensity construct on the human development of professionals working in the creative craft industry. Thus, for this study, a descriptive perspective of the survey or survey (Kerlinger, 1980; Malhotra, 2012).

The research form presented the categories of factors related to the entrepreneurial characteristics of the structural model in the form of constructs. It involved 72 items, subdivided by the constructs: need for achievement, risk propensity, innovation propensity, strategic attitude, entrepreneurial propensity and human development. The constructs were measured using the Scale Likert five points, ranging from: 1) strongly disagree, 2) disagree, 3) neither disagree nor agree, 4) agree, and 5) strongly agree.
Despite the existence of several scales in the domain of entrepreneurial propensity (Alves & Bornia, 2011; Parreira et al., 2017), we chose to use the scale developed by Vieira (2008) due to the proximity between the objectives of this and that job. It is also reported that for this work, the scales were adapted to the context of creative entrepreneurship and the human development construct was added, seeking to respond to the purposes proposed here.

The data collection instrument was applied directly to entrepreneurs working in the creative craft industry in their workplace, subject to the availability of time to complete it. The same was applied in the period from January 6 to 30, 2020.

This research had as respondents people of both sexes, aged over 18 years, entrepreneurs of the creative craft industry, residing in the city of Teresina-PI. The forms were completed through a direct personal interview (face-to-face). Access to respondents took place at the Ceramic Pole of Poty Velho, located in the North Zone of Teresina, capital of the state of Piauí. Respondents were people of both sexes, aged between 18 and 75 years, in a total of 350.

The analysis was carried out with the aid of the software SPSS 17.0 (Statistical Package for Social Sciences) for analysis of multivariate techniques and the SmartPLS Software- 3.0, for the analysis of structural equations. The verification of the measured stairs was based on the calculation of the Cronbach's Alpha (Hair et al., 2009). In order to evaluate the theoretical model, structural equation modeling was used using the PLS technique, through the Smart PLS 3.0 software. Therefore, the coefficients of each path, Cronbach's Alpha, convergent validity and the analysis of extracted variance (AVE) were used as analysis criteria. The use of this method is justified by the fact that the research seeks new theoretical relationships for the phenomenon studied (Chin, 2000; Hair et al., 2009).

4 Results and discussion

There was a greater predominance of female subjects, representing 56.9% of the sample. With regard to the age range of respondents, there was a greater predominance of individuals aged between 30 and 35 years, representing 39.4% of respondents.

Regarding the marital status of the respondents, the study shows a predominance of single entrepreneurs, with 186 cases, corresponding to 53.1% of the cases. Married individuals had a frequency of 139 cases, equivalent to 39.7%.

In relation to the level of education of those surveyed, a significant portion of respondents had completed high school (51.7%), followed by people with complete elementary school (24.9%). Difficulties were demonstrated in relation to the understanding of the data collection instrument applied due to the level of education of the respondents.

With regard to income, it was observed that most respondents, 24.9%, earn between R$1,001.00 and R$1,500.00. However, two other income strata showed a relevant number of respondents: 23.1% earn between R$2,001.00 and R$2,500.00; 20.3% earn between R$1,501.00 e R$ 2,000.00.

In order to evaluate the theoretical model to be tested, structural equation modeling was used using the technique Partial East Square (PLS) via SmartPLS 3.0 software. For each construct, the statistical use of Cronbach's alpha was considered for the reliability and consistency of the scales tested. The analysis criteria were: the coefficients of each path, Cronbach's alpha, convergent validity and extracted mean variance (AVE). The parameters accepted in the literature are that factor loadings and reliability must present levels above 0.6 and the explained variance must present levels above 0.5 or 0.4 in the case of exploratory research (Nunnaly & Bernstein, 1994).
Table 1 – Performance indices of the analyzed constructs

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Cronbach’s Alpha</th>
<th>AVE</th>
<th>Composite Reliability</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need for achievement</td>
<td>0.643</td>
<td>0.668</td>
<td>0.775</td>
</tr>
<tr>
<td>Risk propensity</td>
<td>0.675</td>
<td>0.729</td>
<td>0.841</td>
</tr>
<tr>
<td>Propensity to innovation</td>
<td>0.940</td>
<td>0.722</td>
<td>0.949</td>
</tr>
<tr>
<td>Strategic attitude</td>
<td>0.918</td>
<td>0.843</td>
<td>0.933</td>
</tr>
<tr>
<td>Entrepreneurial propensity</td>
<td>0.842</td>
<td>0.752</td>
<td>0.884</td>
</tr>
<tr>
<td>Human development</td>
<td>0.783</td>
<td>0.799</td>
<td>0.888</td>
</tr>
</tbody>
</table>

Source: Prepared by the author (2021)

Since Cronbach’s alpha values were above 0.6, it was concluded that there was an expressive internal consistency to measure the analyzed constructs (Pestana & Gageiro, 2003; Nunnally, 1978; Taylor, Bagby, & Parker, 2003; Streiner, 2003). Given that all constructs presented values greater than 0.4, it is concluded that the model has an acceptable convergent validity (Nunnaly & Bernstein, 1994). Considering that the square roots (square values) of the AVE’s were superior to the correlation coefficient between the latent variables (Fornell; Larcker, 1981), the discriminant validity was concluded, as shown in Table 2.

Table 2 – Discriminant validity for the constructs

<table>
<thead>
<tr>
<th>Constructs</th>
<th>Human development</th>
<th>Need for achievement</th>
<th>Risk propensity</th>
<th>Strategic attitude</th>
<th>Propensity to innovation</th>
<th>Entrepreneurial propensity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Human development</td>
<td>0.894</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Need for achievement</td>
<td>0.527</td>
<td>0.817</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Risk propensity</td>
<td>-0.515</td>
<td>-0.376</td>
<td>0.854</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strategic attitude</td>
<td>0.453</td>
<td>0.233</td>
<td>-0.750</td>
<td>0.918</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Propensity for innovation</td>
<td>0.451</td>
<td>0.151</td>
<td>-0.831</td>
<td>0.753</td>
<td>0.849</td>
<td></td>
</tr>
<tr>
<td>Entrepreneurial propensity</td>
<td>0.590</td>
<td>0.405</td>
<td>-0.575</td>
<td>0.623</td>
<td>0.546</td>
<td>0.867</td>
</tr>
</tbody>
</table>

Source: Prepared by the author (2021)

To verify the specification of the model through the endogenous constructs, the sizes of the (f) and (q²) effects and predictive relevance (Q²) were evaluated. The f² is calculated as follows (Hair et al., 2009):

$$ f^2 = \frac{R^2 \text{ incluído} - R^2 \text{ excluído}}{1 - R^2 \text{ incluído}} $$

Q² values with an omission of distance (Omission Distance - OD) from 5 to 10, is generally the most suggested form of analysis for most studies (Hair et al., 2009). However, as there are 324 observations in the worked database, an OD distance of 5 can be chosen. The Q² and q² values estimated by the blindfolding procedure represent a measure of how well the path
model can predict the initially observed values and the relative impact of predictive relevance, respectively. The formula for the calculation is:

\[
q^2 = \frac{Q^2_{\text{incluido}} - Q^2_{\text{excluido}}}{1 - Q^2_{\text{incluido}}}
\]

Chart 1 presents the results for the \(f^2\) and \(q^2\) indices.

<table>
<thead>
<tr>
<th>Construct</th>
<th>(f^2)</th>
<th>(Q^2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Need for achievement</td>
<td>0.268</td>
<td>0.268</td>
</tr>
<tr>
<td>Risk propensity</td>
<td>0.242</td>
<td>0.242</td>
</tr>
<tr>
<td>Propensity to innovation</td>
<td>0.437</td>
<td>0.437</td>
</tr>
<tr>
<td>Strategic attitude</td>
<td>0.395</td>
<td>0.395</td>
</tr>
<tr>
<td>Entrepreneurial propensity</td>
<td>0.520</td>
<td>0.197</td>
</tr>
</tbody>
</table>

Source: Prepared by the author (2021)

The first \((Q^2)\) evaluates how close the model is to what was expected of it (either the model's prediction quality or the adjusted model's accuracy). As an evaluation criterion, values greater than zero must be obtained (Hair et al., 2009). A perfect model would have \(Q^2 = 1\) (shows that the model reflects reality - no errors).

The second \((f^2)\) is obtained by including and excluding constructs from the model (one by one). It is evaluated how much each construct is “useful” for the adjustment of the model. Values of 0.02, 0.15 and 0.35 are considered small, medium and large, respectively. The constructs need for achievement and propensity to risk had medium effects on human development. On the other hand, the constructs propensity to innovation, strategic attitude and entrepreneurial propensity had great effects on human development (Cohen, 1988).

The interpretation of table 26 shows that both the values of \(Q^2\) and \(f^2\) indicate that the model is accurate and that the constructs are important for the general adjustment of the model.

The need for achievement exerted a positive influence on entrepreneurial propensity \((r=2.290; p<0.05)\), therefore, H1 of the survey was supported, since the test \(T\) value presented a result above 1.96, according to Chin (2000). Risk propensity did not present significant levels with regard to entrepreneurial propensity in the creative industry \((t=0.016; p<0.05)\). Therefore, the H2 of the survey was not supported, since the test \(T\) value presented a result below 1.96, according to Chin (2000). The propensity to innovate did not present significant levels with regard to the entrepreneurial propensity in the creative industry \((t=1.073; p<0.05)\). Therefore, the H3 of the survey was not supported, since the test \(T\) value presented a result below 1.96, according to Chin (2000). Strategic attitude exerted a positive influence on entrepreneurial propensity \((r=3.190; p<0.05)\), therefore, according to the PLS algorithm, strategic attitude influences entrepreneurial propensity, thus corroborating H4. The entrepreneurial propensity exerted a positive influence on human development \((r=7.299; p<0.001)\), therefore, according to the PLS algorithm, the entrepreneurial propensity influences the human development of professionals in the creative craft industry, thus corroborating H5.

Regarding the 'need for achievement', an influence of this construct on the
entrepreneurial propensity of professionals working in the creative craft industry. It is worth noting that the results found confirm the postulates of McClelland (1972), Vale, Corrêa and Reis (2014), Brockaus (1980), Amabile (1997) and Shane (2003), in addition to more recent results from the national literature such as Braum and Nassif (2018, 2019).

In this study, risk propensity influenced propensity to entrepreneurship irrelevantly. However, this finding contradicts the majority literature that argues that risk is inherent to the figure of the entrepreneur who deals with the uncertainty of obtaining the desired return. On the other hand, the results of the analysis point to the fact that entrepreneurs in the creative craft industry have difficulties in dealing with risks and uncertainties. This fact may be related to the size of the enterprise, the way of undertaking (need or opportunity) or the fact that the enterprises are not formal (Behling & Lenzi, 2019).

Although innovation is the central characteristic of entrepreneurship (Schumpeter, 1982) and an essential characteristic of the entrepreneur, the construct innovation propensity did not significantly influence entrepreneurial propensity. This may be due to the fact that entrepreneurs in the creative craft industry are averse to taking risks and uncertainties.

To reinforce this analysis, Almeida, Nogueira and Silva (2008) point out that the propensity to innovate is considered to be synonymous with "taking risks", although "taking risks" is defined by several authors in different ways. In the same sense, Mostafa (2005), in an empirical study carried out to study the factors that affect creativity and the propensity to innovate in Egyptian organizations, found that risk aversion is one of the greatest barriers to creativity.

The strategic attitude positively influenced the entrepreneurial propensity. In this study, the strategic attitude as a dimension of entrepreneurial propensity referred to the search for opportunities and the alertness of the entrepreneur. It should be noted that the results found confirm the findings of Karabulut (2016) considering that an entrepreneur's ability to recognize opportunities is stimulated by his strategic attitude. In the same line of thought, Shapero and Sokol (1982) state that entrepreneurs can be more alert to identify opportunities if they obtain information beforehand.

The construct “entrepreneurial propensity” positively influenced human development. Understood as the favorable predisposition of a subject to create new ventures (Chelariu et al., 2008), the entrepreneurial propensity is essential for economic development (Schumpeter, 1982; Baumol, 1990) and for human development (Hafer, 2010). 2013; SEN, 2010).

5 Final considerations

From an appropriate theoretical framework to formulate the hypotheses of the study, and adequate statistical tools to analyze the collected data, it was noticed that there is an effect of the entrepreneurial propensity on the human development of professionals working in the creative craft industry, since the results confirm this statement. The constructs “need for achievement” and “strategic attitude” positively influenced the construct “entrepreneurial propensity”. On the other hand, the construct “risk propensity” and “innovation propensity” did not significantly influence the construct “entrepreneurial propensity”. Finally, the construct “entrepreneurial propensity” positively influenced “human development”.

This research contributes to the deepening of the knowledge related to the effect of the entrepreneurial propensity on the human development of professionals in the creative industry, considering that the constructs studied here had not yet been fully analyzed by previous studies. In addition, there was a lack of exploratory research that sought to test the effect of entrepreneurial propensity on human development, which can be seen as a contribution of the
research.

Another important point to be highlighted is the fact that the findings of this research can be used as a subsidy for the formulation and implementation of public policies to encourage cultural and creative activities, in view of the socioeconomic importance they have on the dynamics of countries, regions and localities.

As main limitations, we can mention (a) the use of a non-probabilistic sample, for convenience, (b) the use of only one stratum of the creative industry, handicrafts, as a source of data and, c) having failed to discuss the issues related to the informality of creative enterprises.

This research developed a theoretical relationship that was little studied, and in this way, it opens space for a significant amount of future research. Among the derivations that may occur, we recommend: a) replicating the model tested with other segments of the creative industry, since in this work there was no opportunity to carry out this procedure; b) deepen the studies on the effect of the entrepreneurial propensity on the human development of the creative class, having as a starting point, other theories of development; c) carry out studies on informality in creative ventures and their relationship with the risk propensity and innovation propensity constructs; d) develop and validate specific scales to measure the effect of entrepreneurial propensity on the human development of the brazilian creative class.

References


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Effect of entrepreneurial propensity on the human development of professionals in the creative craft industry

Efeito da propensão empreendedora no desenvolvimento humano de profissionais da indústria criativa do artesanato


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