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GEM was established at the end of 1997 as a joint initiative by scholars in entrepreneurship from Babson College (U. S.) and the London Business School (UK). The project was designed to provide a framework for conducting long-range studies, multinational in scope, which would involve scholars in entrepreneurship from leading research institutions located in advanced countries. During the first year of the project, the participants had planned to investigate and ascertain the project's feasibility among the G-7 nations (Canada, France, Germany, Italy, Japan, the UK, and the U. S.) and Denmark, Finland, and Israel.

The research addresses three core questions: 1. Does the level of entrepreneurial activity vary between countries, and if so, to what extent? 2. What makes a country entrepreneurial? 3. Does the level of entrepreneurial activity affect a country's rate of national economic growth? In the context of the research, entrepreneurship is defined as " Any attempt at new business or new venture creation, such as self-employment, a new business organization, or expansion of an existing business, by an individual, a team of individual, or an established business."

Methodology

Data was gathered by ten research team working together in each of the participating countries, organized by the project coordinators. Three types of sources were used;

1. Adult population surveys were conducted among representative samples of 1, 000 interviewees in each of the ten countries. The survey was designed

to examine the prevalence of entrepreneurial activity in each country and the population's attitude toward entrepreneurship.

2. In-dept interviews were conducted in each country with 40 key informants, leaders in the nine areas constituting the entrepreneurial framework conditions, in each national economy.

3. Macro-economic data was gathered from national and international sources.

Researchers at the Kauffman Center for Entrepreneurial Leadership (Babson College) and the London Business School revealed these propositions based on a study designed to prove a casual relationship between factors that affect entrepreneurial opportunities and potential, to business dynamics and national economic growth and well-being.

Summary of the Finings

This research suggested the following concepts;

- * Promoting entrepreneurship, especially outside the most active age group (25-44), with specific programs that support entrepreneurial activity.
- * Facilitating the availability of resources to women to participate in the entrepreneurial process.
- * Committing to long-term, substantial postsecondary education, including training program designed to develop skills required to start a business.

- * Emphasis on developing an individual's capacity to recognize and pursue new opportunities.

- * Developing the capacity of society to accommodate the higher levels of income disparity associated with entrepreneurial activity.

- * Creating a culture that validates and promotes entrepreneurship throughout society.

The GEM Model of Entrepreneurship

In order to undertake any useful study of entrepreneurship, it is first necessary to have a clear understanding of the variables, which affect it and give form to the entrepreneurial process and to its relationship with national economic growth. Furthermore, in order for a large number of national teams to work together, it is necessary for the project to make a number of assumptions as to the nature of entrepreneurship and to define certain boundaries.

The results of this research provided a set of general conclusions regarding entrepreneurship demonstrated the unique national context of each country represented in the group. A multiple regression analysis was conducted with entrepreneurial attitudes (Favorable, Neutral, and Unfavorable) as the dependent variables. The independent factors were the treatment or control grouping, Culture, Equity, Debt, R&D, Education, Subcontractor and Legal Banking. Another independent factor was the participating countries.

The overall aim of the study is to provide those concerned with promoting entrepreneurship with an opportunity to develop a clear understanding of <https://assignbuster.com/problems-in-statistics-and-research-methods-essay-sample/>

how to enhance entrepreneurial activity. One of the intervening, extraneous, and moderating variables that the study attempted to control with its 10-nation design is to make sure that all questions could be meaningfully translated into their native language of each participating nation and to more accurately target areas of interest and concern. A process of dual translation was then used (i. e. from English to Japanese and back to English by different people) to ensure that the questions being asked could be understood by the interviewees while maintaining the focus and meaning required for realistic comparison to be made between the participating countries.

Another variable that the study attempted to control was the selection of the key informants. Face-to-face interviews were held with people considered to be experts in at least one of the nine identified framework conditions of entrepreneurship. These conditions are concerns, financial resources for new firms, effects of government policies, existence of government programs, levels of education and training, research and development transfer, commercial and legal infrastructure, internal market openness to competition and international trade, access to physical infrastructure and existence of cultural/social norms which affect attitudes towards entrepreneurship. Each participating country was required to undertake 36 such interviews and to ensure that each framework condition was represented by at least three individuals. Identification of potential Key Informants was based, in the main, on referrals from other experts in entrepreneurship.

Key Informants were then sorted according to their specialist area and before being interviewed were asked to confirm that they did consider themselves to be competent to speak as an expert in that area. A reasonable geographical spread amongst interviewees was also taken into consideration to ensure that the country as a whole was represented. The use of Key Informants for this study greatly impacted the results. Key Informants were able to provide important information as to what the experts believe to be the most critical and pressing issues facing entrepreneurship in the country.

A causal study attempts to identify a cause-effect relationship between two or more groups. Causal-comparative studies involve comparison in contrast to correlation research which looks at relationship. Therefore, a casual study can be done without controlling and manipulating any variables. However, in conducting a casual study, it must be reviewed carefully to see how these other factors were controlled. To be testable, the hypothesis needs to be stated precisely and the variables need to be defined clearly.

A casual study can also be done when much of the primary data collected is descriptive opinion and ordinal or interval data. Those opinion and data go beyond plain gathering of data. They can be used to analyze and interpret of the meaning or significance of what is described. The conclusions then can be based upon comparisons, contrasts, or causal relationships of various kinds.

Conclusion

Systematic federal efforts to provide accurate, timely measures of new and growth firms and an ongoing assessment of the national entrepreneurial
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process would do much to enhance understand of this important activity and may prevent major policy errors or oversights. (Zacharakis & Bygrave. 1999)

Entrepreneurship is critical to the nation's economic well-being. Therefore, GEM research method must be accurately understood and provides a basis to ensure its continued force.