


## Chapter 3

# Aversion of a Person Facing the Risk of Failure When Starting a Business in Mexico: An Approach Through Some Educational Factors

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### ABSTRACT

*The low quality of current jobs in Mexico and their scarcity have led to the need to undertake. Consequently, people have ceased to be employees to become entrepreneurs. However, the specialized literature ensures that there are factors that may well characterize this venture. In the chapter, a first approach is made to the risk aversion that a person faces when failing to decide to be an entrepreneur in Mexico. The information integrated by the reports of the Global Entrepreneurship Monitor (GEM) served as input so that through a Multiple Linear Regression Analysis (MLRA). During the period 2011-2021, it was verified if the factors of education, experience, knowledge, skills, age, among others, directly influence a person to make the decision to start a business in Mexico.*

### INTRODUCTION

The Global Entrepreneurship Monitor Special Report (Conduras et al., 2010, p. 13) defines entrepreneurship education as “the discipline that encompasses knowledge and skills about or for the purpose of entrepreneurship, in general, to be recognized as part of the educational programs corresponding to primary, secondary or tertiary (higher) education in the official educational institutions of any country”. Entrepreneurial culture is a trend in different economic sectors around the world that has undoubtedly influenced the business universe (Correia, Teixeira and Dias, 2022; Falaras and Moschidis, 2023). The

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young adult generation is currently becoming the entrepreneurial social sector. In this dynamic, higher education institutions offer courses to their students to prepare them for the future (Garavan et al., 2022; Fayolle, Kariv and Matlay, 2019). According to this trend, it is necessary to identify and understand the different factors that incentivize the student to undertake business and face risks (Teixeira et al., 2018; Porfírio et al., 2023; Reichert, Bird and Farber, 2021; Fernandes et al., 2020).

In this context, the importance of education has been recognized as one of the critical factors that foster a proactive attitude toward the decision to become an entrepreneur (Garrido-Yserte, Crecente-Romero and Gallo-Rivera, 2020; Galvão, Marques and Marques, 2018; Ferreira, Fernandes and Ratten, 2017). Entrepreneurship should not only be linked to higher education, nor careers related to business and/or economics; its primary objective is to promote creativity, innovation and self-employment in diverse and multiple areas of knowledge (Valencia-Arias, Arango-Botero and Sánchez-Torres, 2022). For the European Union, academic training that seeks to encourage an entrepreneurial culture should at least contain the following elements; a) The development of personal qualities and skills that form the basis of an entrepreneurial mindset, together with the respective behavior (creativity, sense of initiative, risk-taking, autonomy, self-confidence, leadership, team spirit, etc.); b) Raising students' awareness of self-employment and entrepreneurship as possible career options; c) Participation in concrete entrepreneurial projects and activities and; d) Providing specific business knowledge, in addition to the knowledge of how to start a business and manage it successfully (European Commission, 2008).

Study programs, courses, and workshops, among other activities, aimed at training entrepreneurs, can provide students, whether male or female, with the tools to think creatively, solve problems effectively, analyze business ideas objectively, and evaluate almost any imagined project (Ni and Ye, 2018; Fuentes and Sanchez, 2010). With preparation on this priority area, students feel more confident about creating their own business, as a result, they can now test their business ideas in an academic and mentoring environment (European Commission, 2011; Volkmann et al., 2009). However, the benefits of entrepreneurship education should not be reduced to the drive for business start-ups, innovative enterprises, and new jobs. Entrepreneurship is a beneficial competence for everyone, but it mainly helps the individual be more creative and self-confident in everything he or she starts (Fernandes et al., 2020). A clear demonstration of the importance of the culture of entrepreneurship can be seen in different research carried out around the world. The Nordic countries, Denmark, Finland, Iceland, Norway, and Sweden have conducted studies to understand entrepreneurship education to define implementation strategies and good practices (Chiu, 2012). Likewise, international organizations emphasize the impact of how innovation plays an important role in the growth of a nation in a global economy (Naudé, Szirmai and Goedhuys, 2011; Wong, Ho and Autio, 2005; Beugelsdijk and Noorderhaven, 2004). It is not only at the national level that research on entrepreneurship is conducted, at the regional level there are examples in Latin America (Amorós, 2022; Bianchi et al., 2018) and Europe (Eurydice, 2018; European Commission, 2011), to cite just a few cases that can be found in the literature.

The objective of this research is to make a first approach to the topic related to the risk aversion that a person faces when making the decision to be, precisely, an entrepreneur in Mexico. The information integrated by the reports of the Global Entrepreneurship Monitor (GEM) (Bosma et al., 2021) -in particular the information integrated by the Access Population Survey (APS), allows for characterizing the levels of entrepreneurial activity in a country according to three main elements: attitudes, actions, and aspirations towards entrepreneurship- is the main input to demonstrate through a Multiple Linear Regression Analysis (MLRA) (Greene, 2017), during the period 2011-2021, whether factors such as education, experience, knowledge, skills, age, among others, have a direct influence on whether or not

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