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Investigation on the Consciousness in Business Foundation Motives for Small Business Enterprisers in Korean Multi-Cultural Families

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Abstract

Purpose - The concept of lifetime job has disappeared, and men are interested in business foundation to work continuously with similar jobs. The value of business foundation is thought to be important in accordance with the viewpoint of society, government, individuals and family.

Research design, data, and methodology - The economic exchange between South Korea and China has been expanded, and they are likely to play an important role in entry into China by business foundation in accordance with economic exchange between the two countries. As Korean residents inflow overseas, small businessmen business foundation shall be given attention scientifically and Korean Chinese business foundation shall be given attention as well.

Results - The study investigated the effects on psychological characteristics and small business foundation motives upon business foundation will by using models. Self-efficacy and self achievement had positive influence upon small business foundation of Korean Chinese. The use of control variable had explanatory power (29.6%).

Conclusions - The findings would help the government's small business foundation system to promote small business foundation and to be a guide for expansion in Korean Chinese's small business markets. An education program should be developed to strengthen Korean Chinese's self efficacy considering psychological characteristics.

Keywords: Small Business Foundation, Korean Chinese's, Small Business Foundation Motives, Korean Chinese's Self Efficacy.

JEL Classifications: I31, I38, P36. R13.

1. Introduction

1.1. Background and Objectives of the Study

Not only economic stagnation but also unemployment has been continued all over the world, and men are forced to work until 80 to 90 years old as their longer life. The concept for lifetime job has disappeared, and men are interested in business foundation to work continuously and to work for their similar jobs. The value of business foundation is thought to be important from the point of view

of society, government, individuals and family.

Employment can be the source of production in wealth, the creation of employment in society, and increase in production activity and social stability. The government also regards business foundation as job opportunity to cognize a new opportunity of life job and to promote or support business foundation. The government had small business oriented policy to neglect small sized self employed and not to support. Small business enterpriser classified into mid and small sized business shall stabilize citizens' lives to promote their employment, thus, the success in small business enterprisers is thought to be very much important. Small business enterprisers played an important role in national economy and they are considered to be short of systematic support and development. Nonetheless, business foundation has been increased continuously. Under the fever of business foundation, Korean Chinese in Korea recently have founded their business. Korean Chinese in Korea often

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found their business as the types of restaurant, bar, karaoke, food store, mart, food shop, hiring hall, travel agent, logistics and other services, and those numbers reached as many as 630. In 2007, working visit system was introduced to let workers move to Korea much more easily. With F-4 visa of working visit system, a lot of Korean Chinese who have intention for education have come to Korea.

The economic exchange between South Korea and China has been expanded, and Korean Chinese are likely to play an important role in entering into China by business foundation in accordance with the economic exchange between the countries. As Korean residents inflow overseas, small businessmen business foundation shall be given attention scientifically and Korean Chinese's business foundation shall be given attention as well.

This study examined xenophobia problem in society to classify multi-cultural groups into married immigrants, foreign labor workers and foreign students studying in Korea and to investigate fixed ideas on multi-cultural persons, multi-culture education experience, and to examine the effects of fixed ideas on multi-cultural persons, multi-cultural education experience, multi-cultural sensitivity, and friendliness with multi-cultural persons upon social distance with multi-cultural persons and to find out counteractions against xenophobia in the Korean society based on college students' difference of ideas and the promotion of cultural ability.

2. Theoretical Background

2.1. Concept of Korean Chinese

Koreans can be classified into two groups, that is to say, Koreans in foreign country and Koreans having a foreign nationality, based on the nationality of Korea. Koreans in foreign country means immigrants and people in foreign country having Korean nationality, and Koreans having a foreign nationality mean Koreans who don't have Korean nationality. Koreans in foreign country have a definite scope, and the terminology for Koreans with a foreign nationality has been used without any definitions of scope.

First, Koreans in foreign country, generally, mean Koreans living in foreign country. There is a fierce dispute in the title of Koreans in foreign country. The terminology for Koreans in foreign country commonly used and means the adverb for Koreans in foreign country, overseas and in each country, such as Japan and Germany, and the noun for Koreans in foreign country, Korean race, Korean residents, etc. are used. Not only adjective predicates but also nouns can be combined to be used for various kinds of terminologies, for instance, Koreans in foreign countries, overseas Korean residents, overseas Korean people, overseas staying in your country, and so on. In addition, terminologies for Korean

Japanese, Korean Chinese, Koreans in America, Koreans in Russia, etc. can be used. The government have made use of the mixed terminologies for official letters because there is not exact definition. A terminology for Korean resident in foreign country was used in Korean society. Terminologies for Japanese Korean, Korean Chinese, American Korean and Russian Korean can be also used. Terminologies for official document in governments have been used without any definitions. A Terminology of Koreans in foreign countries has been used in Korean society.

Second, legal concept of Koreans in foreign country can be defined from the passage of the bill suggested on Koreans overseas to be the base of the government's policy of Koreans from foreign country. Kim Yeong-Sam government made a system of law on Koreans in foreign country for the first time to make use of legal terminology of Koreans in foreign country. 'The Act on Foundation of Koreans in Foreign Countries' in 1997 'the Act on Immigration and Legal Status of Koreans in Foreign Country' in 1999 (Both acts hereinafter called 'the Act on Koreans in foreign country') made use of 'Koreans in foreign country' instead of Koreans overseas to define legally in a new way.

Since the middle of the 19th century, Koreans Chinese have migrated to China because of economic and political reasons: By taking opportunities of China-Korea diplomatic relations in 1992, they returned – migration to Korea. Immigrants who came to Korea to be employed temporarily because of gap of the development in Korean government's policy and inter-country development to supply labor force in shortage, and to get married and to study in Korea and to visit relatives in Korea.

Koreans living in China could come to Korea by the change of the social structure in China. In 1978, China opened the door under Teng Xiao Ping system to start exchange with Korea little by little: Since 1970s, Korean economy rapidly grew up, and it came to be short of labor force by the development in 1980s. Then, Korean government actively accepted the opening door to China to get world market in accordance with internationalization. Both China and Korea allowed Korean Chinese seniors, aged 60 or older to visit their hometown in the opening doors of both countries: Migrants who are living for labor workers in Korea are in hopes of overcoming their poverty from their rural areas, and more people wants to migrate to Korea for that reason. Korean Chinese occupied large ratio of foreigners migrating to Korea, and they are a part of the ones who migrated to Korea to find out new opportunity of life.

2.2. Business Foundation Will

Business foundation will is thought to be the first stage in establishment. Business foundation can make a foundation as a new organization, and it is important to understand business foundation process.

Business foundation will is thought to be an important

factor because it has influence upon the economic energy of the country and/or organization by potential business founders.

Potential business founders shall play roles to have resilience to be free from the stagnation of government, community economy and organizations, and also play roles to have self-renewing. Business founders who are given personal attractiveness opportunity shall have resilience of community, organization and groups when potential business founders exist to take the leader of foundation behavior by exercising founder's talent. A study on 890 business founders said that more than one of the parents in 50% interviewees did their own business. A study on undergraduate and graduate school students in business administration department said that the existence of parents in business founders had an affirmative influence upon foundation will. Successful role in parents could elevate business foundation will.

With business foundation will and correct knowledge on foundation, innovative persons who were given special education until late 20s and/or middle of the 30s could succeed in foundation. When college students are given foundation education, number of venture business increased to have base of competitiveness of national industry in the 21st century.

Business foundation will makes foundation of a new organization, and it is important to understand, evaluate foundation, and have close relation with behaviors in the future regardless of the actual foundation. Studies on business foundation will investigate the factors for foundation will theoretically and empirically with higher interest in the foundation.

Business founders' roles have an important influence upon business foundation process, and successful founders have psychological features that distinguish founder from non-founder to have influence upon outcome.

2.3. Small Business Foundation Motives

Small business foundation has a great influence upon not only the success in foundation but also the features and success in enterprises after foundation. Reasons for small business are important variables in business entity on precedent studies to found business with various kinds of motives. Common motives of small business include dissatisfaction with a job, cognition on a business opportunity, desire to be management, desire to have freedom and flexibility, financing for independence, independent business operation, realization of desire, use of knowledge and technology, continuity of a job experience and training, individual challenge, and desire for achievement. Small business founders like to found business to work independently and to control more and to earn more money. The study suggested a model of small business foundation that connect opportunity cognition, idea

development and practice of small business foundation. Small business foundation motive includes common motives such as achievement, control, vision, desire for independence, passion and promotion, and task motives such as setting of goal and self efficacy. College students' small business foundation can be affected by cognition on small business foundation, progressive spirit and success possibility in small business foundation. The one who wants to found small business progressively is likely to succeed in small business and to have desire for business foundation.

Moreover, small business foundation motives include family and/or friends' recommendation, success in family enterprise, discovery of proper job, the government's support, and self-realization. Personal desire was thought to be composed of sub-area desire and social desire such as economic desire, self-esteem and self-realization related with upper class of desire. The study investigated business foundation motive, entrepreneur spirit and business foundation will of potential business founder. Business foundation motive factors include business foundation education, achievement, personal network and social cognition to investigate effects upon entrepreneur spirit and small business foundation will. Achievement and personal network had a positive influence upon entrepreneur spirit, and not only small business foundation spirit but also achievement had a positive influence upon small business foundation will. The study investigated small business founder in China and Korea by desire for the entrepreneur, stable income and alternative of employment. A study investigated effect upon small business foundation will (Kang, 2012). Independence, self-realization and livelihood had a significant influence upon small business foundation will. Small business foundation motive was classified into opportunity, achievement and independence, and small business foundation motive had a significant influence upon preliminary preparation for the business foundation. Small business foundation motive may vary greatly depending upon environmental and social changes, and some of areas may have great influence upon business foundation. A study on small business foundation motive for women businessmen was also made.

3. Methodologies

The study investigated the consciousness of small business foundation in Korean Chinese who occupied the largest portion, and examined effects on their motives and will of business foundation. A total of 200 copies were used to collect 145 copies at the ratio of collection of 72.5%. 102 copies were finally used after excluding questionnaire with poor answers.

<Table 1> Demographic characteristics

Classification		Korean Chinese	
		Frequency	Percentage
Gender	Women	67	65.7
	Men	35	34.3
Age	20s	26	25.5
	30s	34	33.3
	40s	31	30.4
	50s or older	11	10.8
Educational background	High school graduate	29	29.0
	2-years college graduate	16	16.0
	4-years college graduate	30	30.0
	Graduate school graduate or higher	25	25.0
Marriage	Single	36	35.3
	Married	66	64.7
Experience at small business foundation	Have	49	49.0
	Have not	51	51.0

3.1. Methodologies

SPSS 19 was used. Not only data coding but also data cleaning was used to process statistically. First, frequency analysis was performed to investigate the common characteristics from the samples. Second, factor analysis was performed to classify the items to test the tool by areas: Cronbach's α coefficient was used. Third, not only t-test but also correlation was used to investigate the difference between Koreans and Korean Chinese. Fourth, not only multi-regression but also hierarchical moderated regression analysis was performed to test hypotheses.

3.2. Variables

3.2.1. Small Business Foundation Motives

Questions of businessmen desire, the use of knowledge and technology and employment were used to investigate potential small businessmen's motives. The study tested 20 questions: 5-points indicated 'very much true' as to be very much positive and 1 point indicated 'not true at all' as to be very much negative.

3.2.2. Small business foundation will

Small business foundation is said to discover a business opportunity under risks and uncertain situations and to pursue profits and to establish a new business entity. Small business foundation will has much relation with foundation related behaviors. A relation between small business

foundation and foundation will shall investigate a theoretical frame of behavior models of social psychologists. Small business foundation intention has much close relation with business foundation related behaviors.

Small business foundation activity relies upon a business foundation intention to a certain degree.

This study defined a business foundation intention by a new opportunity to measure 4 items by 5-point scale; 5-point of very much true as to have very much affirmative response, and 1-point of very much false as to have very much negative response.

Small business foundation will is based on the establishment of a new organization, and it is important to understand business foundation process. Small business foundation does not rely upon an actual foundation behavior to evaluate himself or herself regarding the possibility of business foundation and to have much close relations with business foundation behavior. Studies on small business foundation will and factors were made theoretically and empirically from the various kinds of points of view.

Small business founder played an important role in business foundation will, and successful small business founders had psychological characteristics. The psychological characteristics in small business founders differed from those of non-small business founders in terms of having the characteristics such as the influence upon outcome.

This chapter examined small business founder's psychological characteristics having the influence upon business foundation will. Small business foundation will was affected by risk preference, self-efficacy and achievement desire. Achievement was found to be distinguished by small business founder from common citizens. A study on the relation between achievement desire and small business foundation behavior of young people in Poland, Italy and USA was: Young people with high achievement desire preferred top management of business so that the ones with high achievement preferred small business founder's job. Achievement desire distinguishes small business founders from common type of management, and small business top management had much higher achievement desire than other top management had. The achievement desire had a positive influence upon small business foundation behaviors and inclinations. The ones with high achievement desire have confidence in success to be likely to do small business foundation. The ones with high achievement are likely to be small business founders because of psychological characteristics.

Risk taking is said to be 'personal characteristics to take risks under uncertain decision-making situations', and small business foundation has relations with risk taking propensity. All of the small business foundation and management process have risks to a certain degree, and active actions against risks and good control can stabilize individuals' psychological stability to be important to do small business foundation. Risk taking propensity takes risks to get an

opportunity to make a decision. Men have different wills in taking of their opportunities and risks. Entrepreneurs with high growth like to avoid risks than the ones with low growth do. Small business founders' risk taking propensity had a significant influence upon the expectation for small business foundation success. High risk taking propensity could elevate small business foundation intention. Risk taking propensity was said to be an important factor in small business foundation propensity: Many of the empirical studies said that small business founders had more risk taking propensity than small business founders had, and that potential small business founders had also risk taking propensity.

Self-efficacy also had an influence upon small business foundation will. Self-efficacy that is based on social cognition and learning theory is important to keep mental health for men. Self-efficacy in small business foundation means confidence in the foundation, and self-efficacy means confidence that relies upon task, and usefulness may be likely to be high at the examination of will in small business foundation.

The concept of self-efficacy, introduced to small business foundation, is adequate to make use of subsequent studies. In other words, self-efficacy with a plan of small business foundation had an influence upon an entrepreneur intention, and small business founder took action with entrepreneur intention of new small business foundation. The study said the confidence on small business foundation would be an requirement for a preliminary small business founder: Preliminary small business founder with high cognition on small business foundation efficacy cognized a full opportunity of competing small business foundation environment to think of good actions even at the realities with risks, difficulties and the uncertainty to neglect the possibility of failure. In addition, the ones with high self-efficacy of small business foundation think taking actions of his ideas as a good opportunity under challenging situations.

The study suggested self-efficacy of small business foundation that individuals could do roles and tasks successfully: The ones with high self-efficacy of small business foundation could take actions against challenges and risks to believe in use of opportunities and to have close relations with small business foundation. The study examined relations between small business self-efficacy and business foundation intention empirically: Preliminary small business founders with high self-efficacy could take effective actions against uncertainty, risks and challenges to have confidence in success and to raise small business foundation intention. Surrogate endpoints in small business foundation success might have a concept of small business foundation effects on the variables and relations between the variables could be researched. Studies in Korea said that self efficacy had affirmative relations with small business foundation intention and will.

The findings were as following: Small business founders had high an achievement in desire, risk taking propensity and self-efficacy than common people had. Small business foundation had important characteristics for small business founders.

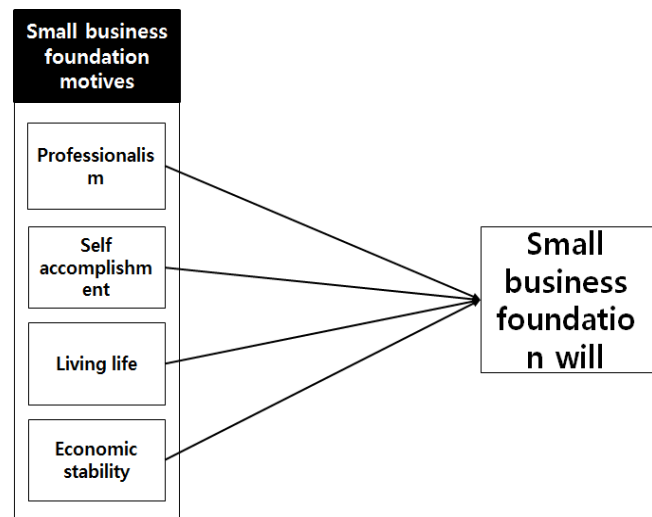
3.3. Contents and Hypotheses

Hypotheses were as following:

<Table 2> Hypotheses

Hypothesis 1	Achievement desire has positive influence upon small business foundation will.
Hypothesis 2	Risk taking propensity has positive influence upon small business foundation will.
Hypothesis 3	Self efficacy has positive influence upon small business foundation will.
Hypothesis 4	Small business foundation motive has positive influence upon small business foundation will.

3.4. Research Model



<Figure 1> Research model

4. The Findings

4.1. Reliability Analysis

Cronbach's α coefficients were used to investigate reliability of the variables (<Table 3>):

<Table 3> Reliability

Classification		Cronbach's α
Small business foundation motives	Professionalism	.898
	Self accomplishment	.843
	Living life	.792
	Economic stability	.662
Small business foundation will		.862

In this study, Cronbach's α between test items exceeded 0.6 to be good and to have internal consistency of test tools and to have reliability of variables.

4.2. Small Business Foundation Motives and Will

Multiple regression analysis was done to investigate the effects upon small business foundation will of potential business founder of Korean Chinese. Not only tolerance but also variation inflation factor (VIF) was used to verify no problem of multi-collinearity.

The study investigated the effects on the psychological characteristics and small business foundation motives upon business foundation will by using models. Self-efficacy and self achievement had positive influence upon small business foundation of Korean Chinese. The use of control in variable had explanatory power (29.6%).

<Table 4> Fixed Ideas on Multi-cultural Persons

Items	1st stage	
	B	Standard error
Constant	15.997***	.236
Self efficacy (a)	.684*	.310
Risk taking propensity (b)	.020	.281
Achievement (c)	.579	.340
Professionalism (d)	.642	.398
Self achievement (e)	.754*	.297
Living life (f)	-.130	.257
Economic stability (g)	.173	.256
F	5.507***	
R ²	.362	
Adjusted R ²	.296	
R2 Change	.362***	

5. Summary

In the era of internationalization, the exchange in human and physical aspects shall be expanded dramatically to increase with the ratio of the immigrants to Korea and also shall be short of social interest in immigrants' small business

foundation. As the economy has developed in a balanced way, not only small business founders in Korea but also Korean Chinese are interested in small business foundation. In Korea, small business founders may play an important role to create a job opportunity.

This study investigated the effects upon small business foundation will rapidly growing Korean Chinese and Korean people. Literatures were used to investigate general matters and to have hypotheses for problem solving.

The findings were as following: Self-achievement had positive influence upon Korean Chinese's small business foundation will. In the 2nd stage, mutual reaction for social support and achievement had positive influence upon small business foundation will. The social support allowed individuals to take special actions, establish social relations, make Korean Chinese's social network, and elevate small business foundation will. The Korean Chinese's potential small business foundation network could give emotional and information support for the preparation of small business foundation to help overcome the difficulties at the beginning stage. Small business foundation program for Korean Chinese is needed to be given program and social support. Thus, small business foundation program shall be used for Koreans and Korean Chinese respectively.

Findings from the precedent studies said that preliminary small business founders' psychological features and business foundation will had influence upon small business foundation will: This study found out the importance of small business foundation motives from the start of business foundation to success. This study investigated the mediating effects on not only small business foundation motives but also social support to make use of personal factors and social and environmental factors for potential small business founders.

The findings were as following: Korean Chinese elevated small business foundation will. The society needs to produce affirmative atmosphere in small business foundation. Korean government's immigration policy shall give benefit to the small business founders having ideas and capital to elevate social cognition on small business foundation. The government shall consider such things to promote Korean Chinese's small business foundation. Korean Chinese shall be educated to learn small business foundation, increase self-efficacy, have confidence on small business foundation, produce affirmative atmosphere of the business foundation, and to lessen failure and increase success of small business foundation.

The findings would help the government's small business foundation system to promote small business foundation and to be a guide for the expansion in Korean Chinese's small business markets. An education program should be developed to strengthen Korean Chinese's self-efficacy considering psychological characteristics.

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