

ENTREPRENEURSHIP AS A CAREER CHOICE FOR GRADUATING STUDENTS: APPLYING THE INTEGRATED MODEL

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Abstract: Career choice is a vital step in the life of a graduating student. This decision is under the influence of social, contextual and psychological factors. The impact of these factors varies from person to person. Use of integrated models to study the career choice decision is preferred over simplified models. This research paper suggests a comprehensive model that encompasses all aspects of entrepreneurial intentions. Questionnaire method is suggested to study entrepreneurial intentions of graduating students in Hyderabad. Five hypotheses are generated. Exploratory factor analysis (EFA) is to be followed by confirmatory exploratory analysis (CFA) to study the fit of the model.

Key words: *Entrepreneurial intentions, career choice, social, contextual, psychological, integrated model*

I. INTRODUCTION

Choice of career is the most significant aspect of an individual's work life. Career choice of an individual is impacted by social, cultural and psychological factors (Pruett et al, 2009). The intensity of these factors varies from person to person and region to region (Davidsson, 1995). The mix of these factors pertaining to graduating students of this region is examined in this study. The study is conducted on graduating students as they are on the threshold of embarking on their careers. Choice of career is a function of behavior which in turn is influenced by environment and current trends.

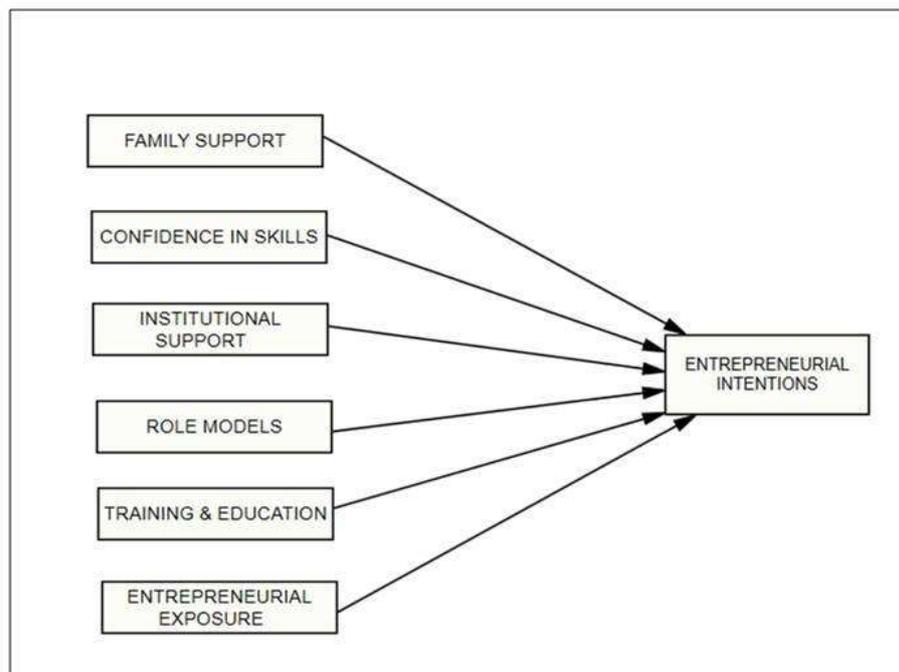
The impact of external environment in conjunction with behavioral patterns of individuals is significant to understand entrepreneurial intentions (Lent et al, 2000). Apart from the external environment, the current trends are also vital to understand career choice. A graduating student experiences various 'pull and push' factors regarding his/her career. Parental expectations along with peer influences contribute to societal expectations. Availability of alternatives to salaried employment and individual's perception of risk also play an important role in career choice (Kolvereid, 1996). Presence/absence of strong role models in the immediate environment of the individual influences career choices (Rahman & Day, 2012).

Current studies recommend use of integrated models to study entrepreneurial intentions. Role of education on career choice has been stressed in many studies. Many articles have studied the impact of fear of failure on entrepreneurial intentions. We believe that career intentions and choices may be best studied by using a combined model that incorporates social, cultural and attitude aspects.

II. STUDY OF ENTREPRENEURIAL INTENTIONS

This paper studies entrepreneurial intentions of graduating students in context of family support, confidence in one's own skills, institutional support, entrepreneurial exposure and training in entrepreneurial imparted to them (if any). The research design is depicted below in figure 1.

Figure 1



2.1 ENTREPRENEURIAL INTENTION

Setting up own business requires planning and implementation. It also requires a certain amount of risk-taking and decision-making. Why some individuals set up their own business while others do not has been a popular topic for research (Baron, 2004). Entrepreneurship is not a spur-of-the-moment decision but it is considered a planned behavior (Ajzen, 1991). As it is difficult to study and predict actual behavior in research, we study the intentions that lead to the behavior.

Entrepreneurial intentions are nothing but personal orientations which might lead to venture creations (Boparikar, 2016). According to Ajzen (1991, pp 181), intention refers to “the indication of how hard people are willing to try, of how much an effort they are planning to exert, in order to perform the behavior”. Generally, when the intention is stronger, it is more likely that a person will perform a particular behavior.

2.2 FAMILY SUPPORT

Innovation is a vital ingredient of entrepreneurship. Family members and siblings can influence a person’s innovativeness (Cotte & Wood, 2004). What important people in our life think about starting a new venture often shapes the intentions. The important people circle may be very large and include close family members like parents, siblings, spouse or very close relatives. When the would-be entrepreneur feels that his/her close family members would approve the decision to become an entrepreneur, it impacts his/her entrepreneurial intentions. It is evident that if the would-be entrepreneur perceives any resistance to starting own venture from close family, it would be a barrier to self-employment (Linan & Chen, 2006). The perceived social pressure to carry out or not to carry out is termed as subjective norms.

Some studies who have incorporated subjective norms into their model have reported that the relationship between entrepreneurial intentions and family support has been non-significant (Krueger et al., 2000; Fayolle and Gailly, 2004; Liñán, 2005). However, this relationship has been found to be significant in studies by Van Gelderen et al, 2008, Alfonso, Cuevas, 2012, Moriano et al, 2012, Tkachev, Kolvereid, 1999 to name a few.

The present study intends to examine the relationship between entrepreneurial intentions and family support in the given context. Therefore, the first hypothesis may be written as

H₁: Family support positively influences entrepreneurial intentions

2.3 CONFIDENCE IN ONE'S OWN SKILLS

Entrepreneurship is the ability to perceive unexploited opportunities. Failure to do so leads to disastrous consequences. Many new businesses fail shortly after inception (Baldwin & Johnson 1996). The decision to start a new business has been related to the presence of intentionality and locus of control (Baron, 2000). Starting a new firm is an intentional act that involves repeated attempts to exercise control over the process in order to achieve the desired outcome (Gartner & Liao, 2012). Confidence in one's own skills or self-efficacy is derived from Bandura's (1977) social learning theory and refers to a person's belief in his or her capability to perform a given task. A nascent entrepreneur's belief in his/her capabilities will give rise to a sense of personal accomplishment and consequently raise the level of intentions (Kristiansen & Indarti, 2004). The confidence about capabilities and skills is based on one's perceptions and need not be necessarily grounded in facts or figures (Bandura, 1977). Studies on women by Kirkwood (2009) have revealed that lack of self-confidence often accompanies increased fear of failure. So a high level of confidence is desirable in an entrepreneur.

Therefore, the second hypothesis is written as

H₂: Confidence in one's own skills positively influences entrepreneurial intentions

2.4 INSTITUTIONAL SUPPORT

Institutional support refers to regulatory bodies and institutions which support aspiring entrepreneurs with assistance that may be financial and/or non-financial in nature. As the respondents are graduating students, the foremost institutional support for students is their educational institutions. Help from colleges and universities can take the form of programs, courses, workshops and alumni interactions with students.

Franke and Luthje's (2004) studies on students of MIT have revealed that students who assess the university environment as being non-encouraging towards entrepreneurship have significantly lower entrepreneurial intentions than those who have positive perceptions. When individuals find an environment that is not conducive for venture creation (like non-availability of investors or difficult bureaucratic procedures), they desist from starting their own businesses (Schwarz et al 2009). Support in terms of education in entrepreneurship is an important factor in converting intentions to decisive actions. (Cheng et al 2009), (Packham et al 2010). One study on Turkish students has shown that university environment has no impact on entrepreneurial intentions (Sesen, 2009).

The present paper looks for a positive influence of institutional support on entrepreneurial intentions.

Therefore, The third hypothesis is written as

H₃: Institutional support positively influences entrepreneurial intentions

2.5 ROLE MODELS

Role model is defined as a "cognitive contribution based on the attributes of a social role. The perceptions of a nascent entrepreneur towards this role model are based on some similarities which the entrepreneur aims to increase by emulation" (Gibson, 2004). This implies that the role model for an aspirant entrepreneur should be an active or recent entrepreneur and there must be some kind of interaction between the role model and aspirant.

Studies reveal that parents are the most common role models for nascent entrepreneurs. Parents were found to motivate individuals if the situation was associated with increased education (Scherer et al, 1989). Students were found to react positively towards entrepreneurship and become motivated when role models are present (Rahman & Day, 2012). It has been suggested by Rahman & Day, 2012 that effect of entrepreneurial education can be augmented when it is associated with role models. This implies that role models must be involved directly with entrepreneurship education process. Alternately interactive sessions with role models over a period of time are preferred.

A question remains whether individuals are motivated if role models are of the same gender or not. Women who are motivated by female CEOs of companies or female politicians is a point in discussion (Ladam et al, 2018).

Therefore, role models are considered to be a positive influence on entrepreneurial intentions.

The fourth hypothesis is written as

H₄: Presence of role models positively influences entrepreneurial intentions.

2.6 ENTREPRENEURIAL EXPOSURE

Previous experience does not always promote entrepreneurial intentions. Cooper, Woo, and Dunkelberg (1989) found that people are more likely to exploit opportunities if they have developed useful information regarding starting a business from their previous employment. Prior experience does not lead to firm entrepreneurial intentions (Shane, Venkataraman, 2000). Individuals with prior experience can be motivated if they are provided the right education and training facilities (Miralles et al, 2016).

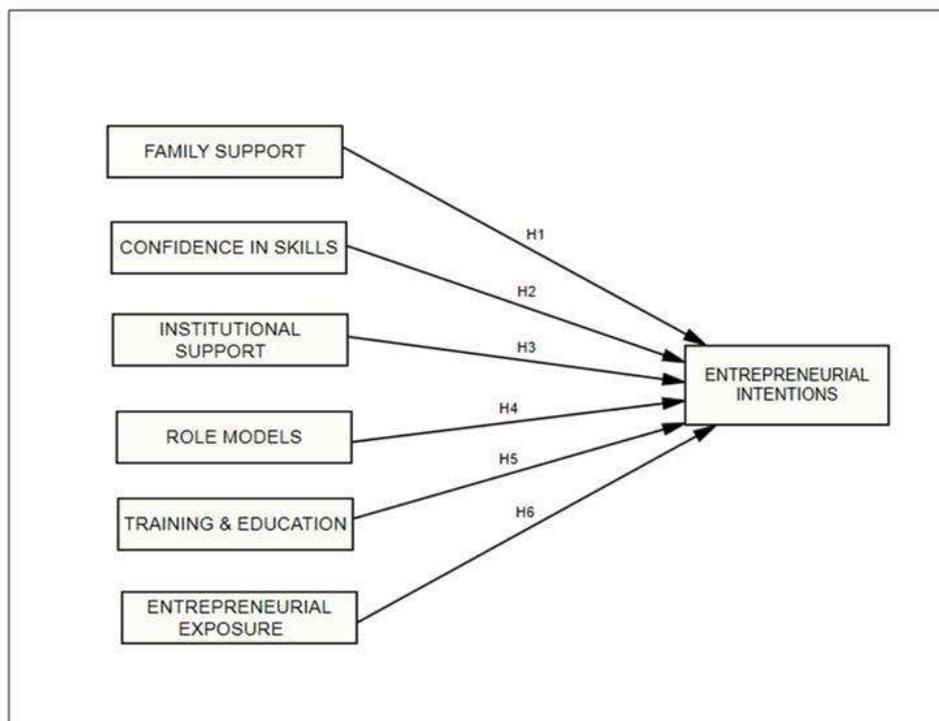
Therefore the paper proposes that prior exposure to entrepreneurship promotes entrepreneurial intentions.

The fifth hypothesis can be written as

H₅: Prior exposure to entrepreneurship positively influences entrepreneurial intentions.

The final research design is depicted in Fig 2.

Figure 2



III. METHODOLOGY

3.1 POPULATION AND SAMPLING

The population for this study is made of graduating students from colleges in and around Hyderabad, in the state of Telangana. Students pursuing full-time programs in engineering and management have been selected for this study. Selection of sample is done through stratified sampling method after consultation with concerned faculties of the respective departments.

Final year and last but final year students are chosen as respondents for this study as they will be part of the workforce after completion of respective programs. Some of them have already attended various placement interviews. They have thought about their career seriously.

3.2 RESEARCH INSTRUMENT

The research instrument used for this study is the self-administered questionnaire. All items in the questionnaire will be developed after referring to past literature. The questions will be designed using Likert's 4-point scale ranging between strongly agree to strongly disagree. Even scale is employed to avoid the bias of central risk (Caldarelli et al, 2016).

Respondents will need to go through each question and answer choosing the appropriate option. They are advised not to spend too much time on one question but to choose the option that immediately comes to the mind after reading the question.

3.3 DATA COLLECTION

Data will be collected in a classroom setting, using a group of 20-30 respondents at a time. The respondents will be given 10-15 minutes to answer the questions. It is done so to ensure that respondents are given enough time to answer the questions and to obtain a high response rate.

3.4 DATA ANALYSIS

The data collected from the respondents will be entered into Microsoft Excel sheets. The data will be merged. Gaps and outliers will be identified in the data and rectified. For further analysis the study will use SPSS 21.0 and AMOS 21.0.

Descriptive statistical results, such as means, standard deviations, Cronbach's alphas and exploratory factor analysis (EFA) will be obtained from the data by using SPSS. This is the first phase of analysis. AMOS will be used in the second phase for structural equation modeling (SEM), in which measurement model, structural model and hypotheses will be tested.

IV. CONCLUSIONS

This research paper suggests a research framework for identifying factors affecting entrepreneurial intentions among graduating students. The integrated model used in the paper combines social, cultural and psychological context to obtain a comprehensive picture of what motivates individuals to start their own business. The paper hopes to contribute significantly to the current literature and provide some insights regarding the determinants of entrepreneurial intentions.

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