

Entrepreneurship Inclination among College Students of Central Kerala

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Abstract

The study examines Entrepreneurial Traits, Role of College and entrepreneurship image that may have a major influence on entrepreneurship inclination. The impact of entrepreneurial traits towards entrepreneurship inclination was studied using Big Five Entrepreneurial Model suggested by Lewis Goldberg. The result of the study indicates that extraversion and role of college have major influence towards entrepreneurship inclination. The paper concludes with recommendations that entrepreneurship education should be given more importance in colleges and giving more awareness about entrepreneurship would increase entrepreneurial inclination among college students.

Key words:- Entrepreneurship Inclination, Big Five Entrepreneurial Traits, Role of College, Entrepreneurship Image.

Introduction

The word entrepreneur is derived from the French verb “entreprendre” and the German word “unternehmen” which means to undertake. According to A.H Cole(1942), “Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or recognize profit oriented business unit for production or distribution of economic goods and services”(‘Entrepreneurship as an Area of Research, The Task of Economic History’, Supplement to Journal of Economic History, 2:118-126).

Entrepreneurship has become an everyday buzzword. Policy makers, economists, academics and even university students are talking about it. Seminars, conferences, workshops are being organized every year across the world which emphasized on the importance of entrepreneurship to country, society as well as individual development. Entrepreneurship plays a vital role for new venture creation, existing venture expansion, social, technical and economic development of the country. At present the importance of entrepreneurship goes much further.

Today's knowledge based economy is a fertile ground for entrepreneurs in India. It is rightly believed that India has an extraordinary talent pool with virtually limitless potential to become entrepreneurs. Therefore, it is important to get committed to creating the right environment to develop successful entrepreneurs.

Objective of the study

To examine the influence of various factors such as Big Five Entrepreneurial Traits, Role of College and Entrepreneurship Image on entrepreneurship inclination.

Hypothesis

H₀: The entrepreneurial inclination does not significantly depend on Big Five Entrepreneurial Traits perceived as influencing entrepreneurship inclination.

H₀: The entrepreneurial inclination does not significantly depend on Role of College perceived as influencing entrepreneurship inclination.

H₀: The entrepreneurial inclination does not significantly depend on Entrepreneurship Image perceived as influencing entrepreneurship inclination.

Significance of the Study

Entrepreneurship is the life blood of any economy and it applies more to a developing economy like India. It may be construed that the entrepreneurial contribution spells the difference between prosperity and poverty among nations. The study will be a significant endeavor in understanding the inclination towards entrepreneurship. This study will be beneficial to nation, government, society, college and students. The study of entrepreneurship has relevance today not only because it helps entrepreneurs better fulfill their personal needs but also because of the economic contribution of the new ventures. More than increasing national income by creating new jobs, entrepreneurship acts as a positive force in economic growth by serving as a bridge between innovation and the market place. The development of entrepreneurs will lead to creation of new business.

This study may help the Government for developing new policies, college can understand student's degree of inclination as a result of courses and internship programs offered as well as they can understand how to train them. The students can know their level of inclination towards entrepreneurship and also they can get awareness regarding entrepreneurship.

By understanding the inclination towards entrepreneurship among college students we can support the future growth of entrepreneurship as well as employment opportunities in the nation.

Scope of the Study

The scope of the study was confined to the college going students of Idukki district. The study covers the inclination towards entrepreneurship and factors which influence students towards entrepreneurship.

Review of Literature

According to A.H Cole(1942), “Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or recognize profit oriented business unit for production or distribution of economic goods and services”. (‘Entrepreneurship as an Area of Research, The Task of Economic History’, Supplement to Journal of Economic History, 2:118-126).

The Big Five personality traits, also known as the five factor model (FFM). The five factors have been defined as openness to experience, conscientiousness, extraversion, agreeableness, and neuroticism. These five overarching domains have been found to contain and subsume most known personality traits and are assumed to represent the basic structure behind all personality traits. These five factors provide a rich conceptual framework for integrating all the research findings and theory in personality psychology.

The Big Five model of personality is one of the most comprehensive and parsimonious personality parsimonies (Costa and McCrae.1992). The Big Five model provide a general frame work for examining the effect of personality traits on the tendency to become an entrepreneur. Shane (2003) indicates that people who score high on extraversion are more likely than others to become entrepreneurs.

Empirical research confirm the positive association between openness to experience, Conscientiousness and the odds of being an entrepreneur (Zhao and Seibert 2006) and also confirms the negative relationship between agreeableness and the odds of being an entrepreneur.

According to Crant (1996); Zhao seibert and hills (2005) personality traits have an important role to play in developing theories of entrepreneurial process including such areas as entrepreneurial career intentions, entrepreneurial opportunity recognition, entrepreneurial role motivation and new venture survival.

Hao Zhao et al. (2006) reveals that among the five dimensions entrepreneurs scored higher on conscientiousness and openness to experience and lower on neuroticism and agreeableness and no difference was found for extraversion.

Universities play a functional role in promoting entrepreneurship education to develop regional and society economies. OoiYengKeat et al. (2011) observed that role of universities/colleges in promoting entrepreneurship have a statistically significant correlation with entrepreneurial inclination.

Schwarz et al. (2009) found that a positive perception of university actions to faster entrepreneurship will leads to a stronger willingness to start up an own business in the future. They also states that only

Gynawali and Fozel.(1994); Autio et al.(1997); in their study on entrepreneurial intentions and technology services students across four countries consistently conclude that university teaching environments are the most influential factors that affect students perceptions towards entrepreneurial career and entrepreneurial convictions.

Very few studies have been done on the impact of entrepreneurship image on inclination towards entrepreneurship. According to Luthje and Franke (2003) attitude towards entrepreneurship was the most important determinant of the intention to become self-employed and this attitude is influenced by the personality of respondents.

According to Romer (1994) entrepreneurial activity is seen as an engine of a nation's long term economic growth.

Autio et al. (1997) provide an insight into the role of general attitude in entrepreneurial career choice. They reported that general attitude toward achievement, autonomy, money and change and attitude towards entrepreneurship positively influence the starting and running of a new venture. Among the variables attitude towards achievement and autonomy were found to be influential predictors. However attitude toward competitiveness was not able to predict the entrepreneurial inclination in their study.

Schwarz et al. (2009) found consistent results that individuals with a positive general attitude toward entrepreneurship may be more likely to want to be entrepreneur but general attitude towards competitiveness did not predict the entrepreneurial intention significantly.

Wu and Wu (2008) depicted that a positive personal attitude towards start up is a good starting point to stimulate entrepreneurial behavior irrespective of students' educational background. Henderson and Robertson (2000) stated that the primary reasons for young respondents to consider setting up their own business are "being one's own boss" and "to make money".

Franke and Luthje. (2004) proposed that academic context is an important part of the students' environment as universities are in a position to shape and encourage entrepreneurial intentions. University activities of initiation, development and support trigger the intentions of students to become entrepreneurs.

Bink, Starkey et al. (2006); Co and Mitchell (2006); Mahlberg (1996) agrees the remarks by stating that schools and universities have a key role to play in promoting entrepreneurship since educational institutions are ideally considered the place which shapes entrepreneurial cultures and aspirations among students. Universities in this respect should position themselves as a hub of entrepreneurship by making a substantial contribution in nurturing an entrepreneurial environment that combines factors that contribute to development of entrepreneurship.

Research Methodology

The study is based on both primary and secondary data. The secondary data used in the study were collected from journals, books, magazines, websites and other publications. Primary data collected from sample respondents of different colleges using structured questionnaire. A five point Likert scale was used to measure entrepreneurship inclination. The Big Five Personality Traits propounded by Lewis Goldberg was measured using the measurement scale taken from the previous study conducted by Hao Zhao and Scott E. Seibert (2006). The initial draft of the questionnaire was modified considering the feedback received through pilot study covering 25 respondents. Revisions were made to the questionnaire after the pilot study. The population of the study was college going students in Idukki district. The samples were selected using convenient sampling method. Data was collected from 214 students including both UG and PG students of different colleges in Idukki district. The collected data were analyzed using appropriate statistical tools such as Mean, Regression, t-test, Pearson correlation, ANOVA using SPSS.

Limitations of the Study

The present study has some limitations like:-

- It is restricted to only college going students.
- Sample size of 214 students only taken for the study.
- The study does not consider other elements that can serve as 'pull' or 'push' factors. (i.e, financial factors, cultural factors etc...)
- Finally since the study instruments are based on self- assessment questionnaire biases might have occurred.

Results and Discussion

Entrepreneurial inclination among college students have been collected by conducting a sample survey from 214 respondents from different colleges through a questionnaire.

Big Five Entrepreneurial Traits

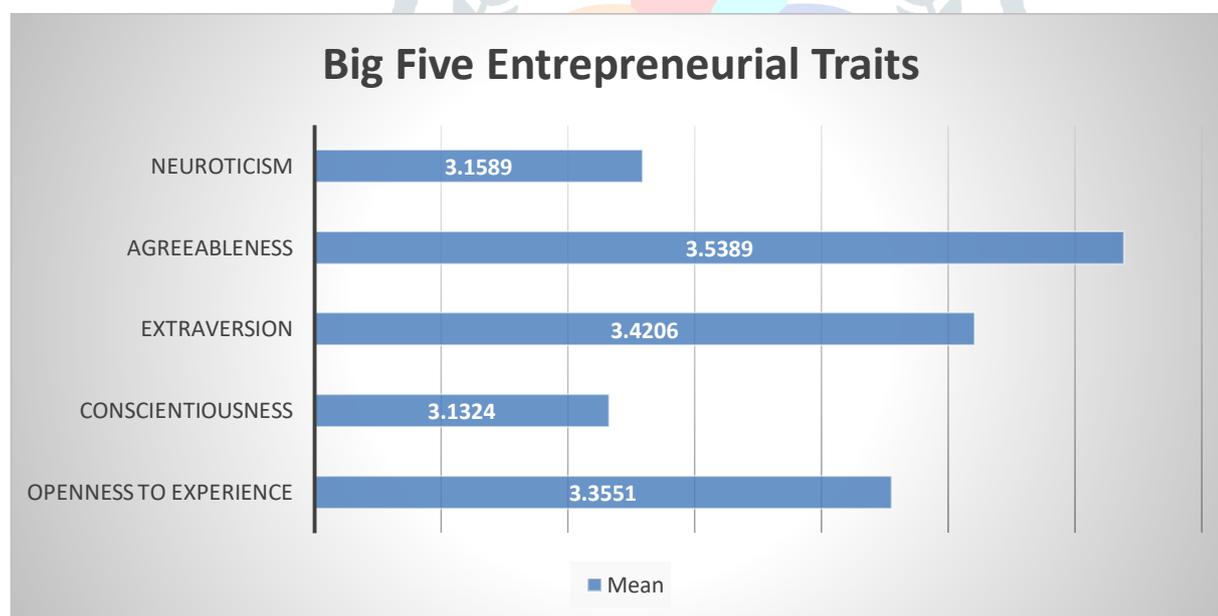
The Big Five personality traits, also known as the five factors model (FFM), propounded by Lewis Goldberg, is a widely examined theory of five broad dimensions used by some researchers to describe the entrepreneurial personality and managerial attitudes. The five factors have been defined as Openness to experience, Conscientiousness, Extraversion, Agreeableness, and Neuroticism. The measurement scale is prepared in reference with study conducted by Hao Zhao and Scott E. Seibert in the year 2006.

Table 1: Big Five Entrepreneurship and Entrepreneurship Inclination

	Mean	SD
Openness to experience	3.3551	.55996
Conscientiousness	3.1324	.63511
Extraversion	3.4206	.76003
Agreeableness	3.5389	.68996
Neuroticism	3.1589	.84085

Source: Primary data N = 214

Table 1 presents the result of big five entrepreneurial traits among respondents where “Agreeableness” has a mean value of 3.53 followed by “Extraversion” 3.42, “Openness to experience” 3.35, “Neuroticism” 3.15 and “Conscientiousness” 3.13

Figure 1: Big Five Entrepreneurship Traits

Role of College

Role of college can influence the students ‘inclination towards entrepreneurship. Table 5 shows the extent of role of college among the respondents.

The measurement scale is prepared in reference to study conducted by OoiYengKeat, Christopher Selvarajah and Denny Meyer in the year 2011.

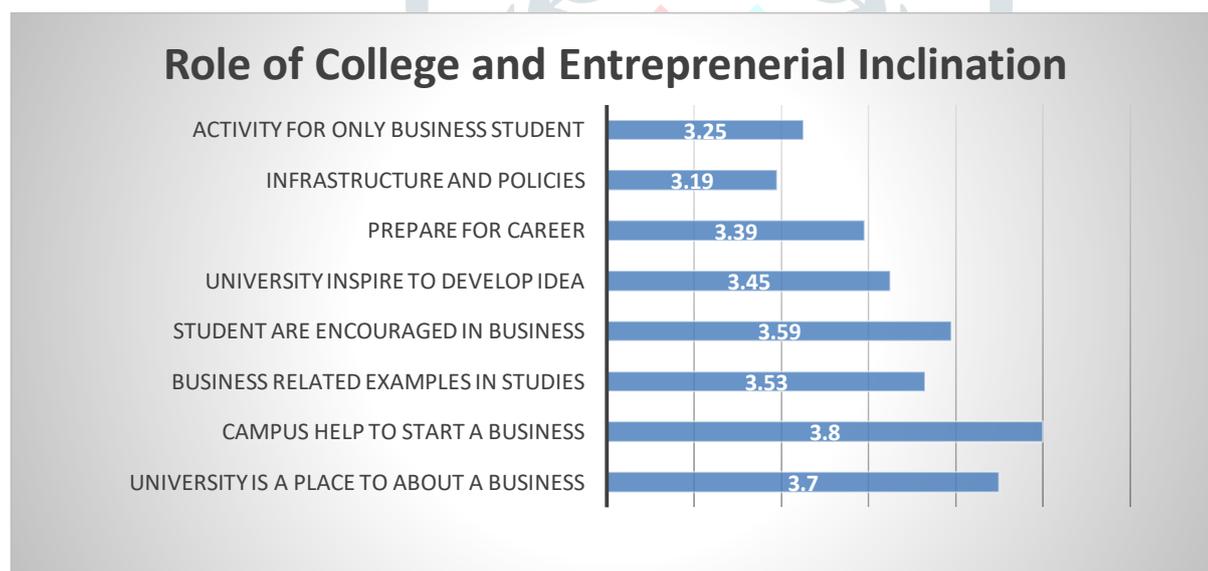
Table 2: Role of College and Entrepreneurial Inclination

	Mean	SD
University is a place to about a business	3.70	1.250
Campus help to start a business	3.80	1.147
Business related examples in studies	3.53	1.185
Student are encouraged in business	3.59	1.170
University inspire to develop idea	3.45	1.334
Prepare for career	3.39	1.313
Infrastructure and policies	3.19	1.331
Activity for only business student	3.25	1.321

Source: Primary data

N = 214

Table 2 presents the mean score of the role of college in inclination of entrepreneurship where all the factors are greater than 3 these factors are useful in assessing the inclination towards entrepreneurship among respondents.

Figure 2: Role of college and Entrepreneurship Inclination

Entrepreneurial Inclination and Factors influencing Entrepreneurial Inclination

Correlation analysis is a statically tool used to describe the degree to which one variable is linearly related to another. Therefore to find the relationship between the dependent variable- entrepreneurial inclination and the independent variables- entrepreneurial image, Big Five Entrepreneurial traits and role of college, correlation analysis was applied. The result of correlation analysis is showed in Table 3.

Table 3: Entrepreneurial Inclination and factors influencing E. inclination

	Entrepreneurial inclination	Openness to experience	Conscientiousness	Extraversion	Agreeableness	Neuroticism	Role of college	Entrepreneurship image
Entrepreneurial inclination	1							
Openness to experience	.152*	1						
Conscientiousness	.031	.087	1					
Extraversion	.394**	.279**	-.049	1				
Agreeableness	.080	.026	.063	.159*	1			
Neuroticism	.138*	-.061	-.039	.257**	.175*	1		
Role of college	.213**	.068	.177**	.192**	.240**	.095	1	
Entrepreneurship image	.191**	.106	.133	.188**	.156*	.062	.409**	1

*. Correlation is significant at the 0.05 level (2-tailed).

**. Correlation is significant at the 0.01 level (2-tailed).

Table 3 shows that there is significant positive relation between factors and entrepreneurial inclination. It is evident that Extraversion, Role of college shows higher correlations. The role of Universities/colleges shows a statistically significant correlation towards entrepreneurial inclination. This agrees with the conclusion of Ooi Yeng Keat et al (2011). Extraversion is highly correlated to entrepreneurial inclination and is consistent with the finding of Shane (2003).

Influence of Big Five Entrepreneurial Traits, Role of College and Entrepreneurship Image on Entrepreneurship Inclination

In order to examine whether the various factors are generally considered as determining entrepreneurship inclination, regression procedure was adopted. The dependent variable for this purpose was entrepreneurial inclination and the independent variables were the various factors influencing it. The result of regression analysis is shown in Table 4. The hypothesis is stated as

H₀: The entrepreneurial inclination does not significantly depend on the factors generally perceived as influencing entrepreneurship inclination.

H₁: The entrepreneurial inclination significantly depends on the factors generally considered as influencing entrepreneurship inclination.

Table 4: Determinants of Entrepreneurial Inclination -Regression Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.394 ^a	.155	.151	.52604
2	.418 ^b	.175	.167	.52116

a. Predictors: (Constant), Extraversion

b. Predictors: (Constant), Extraversion, Role of college

Table 4 reveals that Extraversion and Role of college are the factors which significantly lead to entrepreneurship inclination.

Table 5: Determinants of Entrepreneurial Inclination - ANOVA

Model		Sum of Squares	DF	Mean Square	F	Sig.
1	Regression	10.783	1	10.783	38.966	.000 ^b
	Residual	58.665	212	.277		
	Total	69.447	213			
2	Regression	12.139	2	6.069	22.347	.000 ^c
	Residual	57.308	211	.272		
	Total	69.447	213			

a. Dependent Variable: Entrepreneurial inclination

b. Predictors: (Constant), Extraversion

c. Predictors: (Constant), Extraversion, Role of college

Table 4,5 shows the value of R^2 is .155 (Model 1) which indicates that 15.5% of the variations in the dependent variable is explained by the predictor variable (Extraversion) and the value of, R^2 is .175 (Model 2) which indicate that 17.5% of the variation in the dependent variable is explained by the predictor variable (Extraversion and Role of college).

Table 6: Determinants of Entrepreneurial Inclination- Coefficients

Model		Un-standardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.457	.166		14.786	.000
	Extraversion	.296	.047	.394	6.242	.000
2	(Constant)	2.195	.202		10.863	.000
	Extraversion	.276	.048	.367	5.755	.000
	Role of college	.195	.043	.142	2.235	.026

a. Dependent Variable: Entrepreneurial inclination

The size of the coefficient for each independent variables give the size of the effect that variable is having on the dependent variable and sign of the coefficient (positive or negative) give the direction of the effect. The un-standardised coefficients indicate that how much the dependent variable goes for one unit. A unit change in 'Extraversion' will lead to .276 change in the dependant variable 'Entrepreneurship inclination' and a unit change in 'Role of college' will lead to .195 change in the dependant variable, 'Entrepreneurship inclination'.

Practical Implications of the Study

The study examines the inclination towards entrepreneurship among college students. Data were collected through issuing questionnaires to 214 students of different colleges. The collected data were analyzed using appropriate statistical tools. It is expected that the findings will be useful to the Government for developing new policies, colleges for understanding student's degree of inclination as a result of courses and internship programs offered as well as in understanding how to train them and the students for knowing their level of inclination towards entrepreneurship and also for getting awareness regarding entrepreneurship. The main focus of this study was to find out entrepreneurial inclination; we have considered various factors influencing entrepreneurship and Big Five Entrepreneurial Personality Traits. The study finds out that all the factors influencing entrepreneurship shows positive correlation towards entrepreneurial inclination and Extraversion, Role of college contributes more towards entrepreneurial inclination. Entrepreneurship education should be given more importance in colleges and giving more awareness about entrepreneurship would increase entrepreneurial inclination among college students.

Conclusion

The main focus of this study was to find out the influence of Big Five Entrepreneurial Traits, Role of college and Entrepreneurship Image on entrepreneurship inclination. The study finds out that all the factors influencing entrepreneurship shows positive correlation towards entrepreneurial inclination and Extraversion, Role of college and Entrepreneurship image contributes more towards entrepreneurial inclination.

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