



Influences on Entrepreneurial Intension Among Technical Graduates

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Abstract: Entrepreneurship is identified as a vital source of employment growth and economic development of any country. The globalization, liberalization and privatization policies made easy to establish entrepreneurial ventures in global level. Stimulating innovative and growth-oriented entrepreneurial desire is a key economic and societal challenge to which universities and colleges have much to contribute. The present study aims to find the influence of demographic factors such as Gender, Socio-economic status and Parents occupation, Professional Attraction (PA), Social valuation(SV) and Entrepreneurial Capacity(EC) of technical graduates on entrepreneurial intention. The primary data of this study is gathered by distributing 80 survey questionnaires to the students studying in the final year engineering course in Nellore district of Andhra Pradesh. The Cronbach's Alpha Reliability test which can ensure high reliability result is conducted on every factor. Data is analysed using Pearson Correlation Coefficient and Multiple Linear Regression method. The results of the study indicate that, factors under study have direct positive correlation with entrepreneurial intension. The factors accounted for 56% of variance in entrepreneurial intention.

Index Terms - Entrepreneurial intension, Professional Attraction, Social Valuation and Entrepreneurial Capacity.

1. INTRODUCTION

In India more than 60 percent of the population is in the economically active age group of 15 to 59 years, commonly referred to as the demographic dividend. To tap this dividend, it is necessary that the economy is able to generate enough job opportunities to productively absorb this economically active population. The development of Indian society requires the strong empowerment of youth and their transformation from job seekers to job creators, by enhancing their creative skill and energy towards successful business ventures.

Indian economy is a largest and fastest growing economy. India is becoming a centre of new business opportunities as international investors have begun to invest their money and establish their businesses. This has made the development of entrepreneurship one of the main agenda of most educational institutions at the undergraduate and graduate levels of education in India. The priority of governments, financial and educational institutions has become to promote entrepreneurs and entrepreneurship among youth. It is believed that such initiation was made possible by efforts of the governments, institutions, and individuals who responded to calls for setting up business units.

Entrepreneurship intention has been extensively studied by researchers in economics, management, sociology, psychology, as well as in anthropology due to its importance to the development of an economy by way of job creation and wealth creation. The works on entrepreneurship intention includes factors influencing entrepreneurship intention such as education and training, personality traits, perceived feasibility, gender, religion, age, culture, as well as ethnicity. In this paper the authors intend to assess entrepreneurial intention among technical graduates.

2. LITERATURE REVIEW

According to Bird (1988) intentionality has been defined as a state of mind directing a person's attention, experience and action towards a specific goal. Therefore, entrepreneurial behaviours are also intentional behaviours and intention is a predictor of entrepreneurial behaviours. An individual will venture out and initiate entrepreneurial behaviours when the intention is high with respect to a specific opportunity. Several Studies (Katz, 1988; Reynolds, 1995, Krueger et al., 2000) have proven that entrepreneurial intention to be "primary predictor" of entrepreneurial behaviours. Therefore, it becomes pertinent to explore how it is formed. Thus this area is crucial in entrepreneurship research. The present study aims to find how demographic characteristics, professional attraction, social valuation and entrepreneurial efficacy of students are influencing their entrepreneurial intention.

2.1 PARENTS OCCUPATION AND ENTREPRENEURIAL INTENTION

Parent's occupation is an important factor in determining entrepreneurial intentions among youth. It has been established by Drennan et al., (2005) that people who have a parent or close family member who is an entrepreneur are more likely to follow an entrepreneurial career path. Such individuals have the option to found their own company, take up organizational employment or become a successor in family business. According to Greve and Saleff (2003), family business background may lower perceptual barriers to entrepreneurial behaviours since the individual can capitalize on their networks and larger social capital. AMs Indira Singh & Dr. T. Prasad (2016) found no significant difference in the entrepreneurial intention of management students with family business background and those with not such a background was found.

2.2 SOCIO ECONOMIC STATUS AND ENTREPRENEURIAL INTENTION

According to Hsu, et al., (2007), the socio economic status of the family has an impact on the student's choice of an entrepreneurial career. This can be so as affluent parents are capable of providing more financial support to their progeny. Such children have less pressure to take up organizational employment or stable job and tend to be more risk taking. These factors have an impact on entrepreneurial intention. Som Pal Baliyan & Pritika Singh Baliyan(2018) concluded that the socio-economic factors of students have significant influence on the students' attitude towards entrepreneurship

2.3 GENDER AND ENTREPRENEURIAL INTENTIONS

The relation between gender and entrepreneurial intention makes for a very interesting study. Literature is replete with studies investigating upon this relation. Several studies reported that men believe themselves more efficient and strong to create a new business venture than women. Gupta et al. (2008, 2009) examined the role of socially constructed gender stereotypes and their influence on the entrepreneurial intentions of males and females. The study did not reveal any significant difference in the entrepreneurial intention of males and females. Shinnar et al (2012) attempted to examine how culture and gender shape the entrepreneurial perception and intention among University students China, Belgium and America. The study revealed that male students had strong positive attitude towards entrepreneurship and stronger entrepreneurial intentions. Simon Thabo & Mmakgabo Justice (2022) revealed that gender has no significant relationship with students' entrepreneurial intentions.

2.4 SOCIAL VALUATION AND ENTREPRENEURIAL INTENTIONS

Social valuation of entrepreneurship refers to the system of values peculiar to a specific group or society that shape personality trait and capacities and ability perceptions towards the entrepreneurial activity (Liñán et al., 2007). valuation and support of students' decision to become entrepreneurs by both their close (family, friends and colleagues) and social (people in the community) environments are important factors. Chen and He (2011) examined how valuation and support of the family and friends affect Chinese university students' entrepreneurial intentions. The study examined that value and support of entrepreneurship by the close environment (family and friends) significantly affected entrepreneurial intention through its impact on students' perceptions toward their abilities to perform entrepreneurial tasks (entrepreneurial self-efficacy). And the study also revealed that, there was no direct relationship between the value and support of entrepreneurship in the social environment and students' entrepreneurial intentions.

2.5 PROFESSIONAL ATTRACTION AND ENTREPRENEURIAL INTENTION

I. Ajzen, 2002 defined Career (professional) attraction as the extent to which individuals hold a positive assessment of personal about being an entrepreneur. The decision to become an entrepreneur is regarded as an individual and personal choice (Wickham, 2006) that is likened to the choice of a career (Bridge et al., 2003). Besides prior studies which support the general notion that professional attraction contributes to entrepreneurial intention ([A. Azharet al., 2011, A. I. Hunjra et al., 2011, F. Liñan and Y.-W. Chen 2006) also found statistically significant relationship between professional attraction and entrepreneurial intention.

2.6 ENTREPRENEURIAL CAPACITY AND ENTREPRENEURIAL INTENTION

Entrepreneurial capacity is significant at conventional level and has positive relationship with entrepreneurial intention (A. Azhar et al., 2011). In Taiwan entrepreneurial intention would be more closely associated with entrepreneurial capacity, and study has found that entrepreneurial capacity has positive relationship with the entrepreneurial intention (F. Liñan and Y.-W. Chen 2006). The literature review presented allowed the formulation of the following hypotheses:

H1: The entrepreneurial intentions depend on three motivational factors

H1a: Professional attraction is positively related to students' entrepreneurial intentions.

H1b: Social valuation is positively related to entrepreneurial intentions

H1c: Entrepreneurial capacity is positively related to students' entrepreneurial intentions

3. METHODOLOGY

3.1 DATA

This study holds a descriptive research to support for hypothesis. The analysis was carried out with a survey on 80 students who are studying final year undergraduate engineering course in private engineering college located in Nellore district of Andhra Pradesh, India. To collect data, the research used the Entrepreneurial Intentions Questionnaire (EIQ) designed and validated by Liñán and Chen (2009) with additional demographic questions.

3.2 QUESTIONNAIRE AND MEASURES

The EIQ is an instrument to measure entrepreneurship intentions (EI) and other variables such as professional attraction (PA), social valuation(SA) and entrepreneurial capacity(EC).The questionnaire used in the research is divided into 2 sections. The first section identifies the profile of the respondents. In this section the main characteristics identified are gender, socio economic status and parental occupation. The second section comprehends the questions taken from the EIQ to measure, through a 5 Likert-type scale, the different constructs of the entrepreneurial intention model. Construct reliability is assessed using the Cronbach's Alpha. The factors shown in **Table 1** have a Cronbach's Alpha higher than 0.7, showing internal consistency.

Table 1 Reliability Coefficients

Factor	Alpha score
Professional Attraction (PA)	0.762
Social Valuation (SV)	0.710
Entrepreneurial Capacity (EC)	0.751
Entrepreneurial Intention (EI)	0.853

Table 2 Demographic characteristics of respondents and Mean differences in EI

Characteristics		N	%	Mean	SD
Gender	Male	63	78.75	3.86	0.77
	Female	17	21.25	3.60	0.98
Socio-Economic status	Upper class	--	--	--	--
	Middle class	76	95	3.79	0.84
	Lower class	04	0.05	4.04	0.55
Parents occupation	Job	26	32.5	3.86	0.93
	Agriculture	42	52.5	3.87	0.67
	Business	12	15	3.46	0.93

Table 3 Pearson Correlation and Regression analysis

Factors (Independent-Dependent)	r	r ²	Adjr ²	SE
PA-EI	0.668	0.446	0.439	0.619
SV-EI	0.459	0.211	0.201	0.740
EC-EI	0.640	0.419	0.412	0.635

P<0.01

4.RESULTS AND DISCUSSION:

The result of the study shown in **Table 2** indicates that male graduates have higher level of intention (MEAN=3.86 SD=0.77) than female graduates (MEAN=3.60 SD=0.98) to become an entrepreneur and middle class respondents have lower entrepreneurial intention (MEAN=3.79,SD=0.84) than lower class (MEAN=4.04 SD=0.55). In the study respondents who have parents in agriculture sector and job have higher entrepreneurial intention (MEAN=3.87,SD=0.67,MEAN=3.86 SD=0.93) than the respondents who have parents in business(MEAN=3.46,SD=0.93).The results shown in **Table 3** indicates that there is a significant

and positive relationship between all the independent variables, including Professional Attraction, Social Valuation, Entrepreneurial Capacity and the dependent entrepreneurial intention. Professional Attraction has the strongest direct relationship with entrepreneurial intention based on the highest r value of 0.668. This finding is similar to the findings of Autio, E et al. and Davidsson, P. The studies by Davidsson.P (1995) and Robinson P.B et al. also revealed that self –efficacy (in this study it is Entrepreneurial capacity) explain to a large extent, the variation in entrepreneurial intentions. Hence, a strong perception of entrepreneurial capacity with a high level of goal setting and goal commitment appear to influence the intention to become entrepreneur. Result of the study indicates that entrepreneurial capacity has the strong positive correlation with entrepreneurial intention. Comparing to other independent factors under study social valuation has weak positive correlation with entrepreneurial intention. This finding is similar to the finding of previous researchers (Hyder et al). This implies that valuation and support of the family and friends do not influence him/her much towards in self employment. Thus the results support the hypothesis. Therefore, the study produced interesting outcomes that the technical graduates: i) showed high intention in becoming entrepreneurs ii) were attracted to choose entrepreneur as their profession in the future career plan iii) had lacked of skill, knowledge and ability to start and run entrepreneurial projects. Regression analysis revealed that all the three factors of entrepreneurial intention were statistically significant and accounted for 56% of variance in entrepreneurial intention. The Professional Attraction explained the most variance in entrepreneurial intention (43.9%), followed by Entrepreneurial capacity (41.2%) and social valuation explained the least variance in entrepreneurial intention (20.1%).

5. CONCLUSIONS:

This study aimed to analyse the relationship between student’s entrepreneurial intentions and its factors (professional attraction, social valuation and entrepreneurial capacity) among technical graduates. Using the EIQ, designed by Liñán and Chen (2009), this study allowed the confirmation of the findings of previous studies that have presented that entrepreneurial intention is predicted by attraction toward entrepreneurship, social valuation, and entrepreneurial capacity. The results revealed contribute to support the application of the theory of planned behavior (Ajzen, 1991). These results confirm the findings of previous studies that have demonstrated that entrepreneurial intention is predicted by attraction towards entrepreneurship, entrepreneurial capacity but not much by social valuation.

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