Entrepreneurial Career Intentions Among the Youth of Afghanistan and India- Assessing the Role of External Environment, Socio-cultural and Personality factors

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Abstract: Entrepreneurship has become a major concern to both researchers and policymakers because of its significant role in socio-economic transformation. Several researchers have suggested that in India and Afghanistan a combination of factors including regional disparities, religion, culture, values and education have shaped the spirit of entrepreneurial orientation.

It is pertinent to investigate the entrepreneurial intention of educated youth of Afghanistan and India where the policy makers are looking upon young population as future pool of entrepreneurs and employment creators.

To study these factors, a research study was conceptualized which aimed at investigating the impact of external environment, socio-cultural and personal factors responsible for entrepreneurial orientation among Afghani and Indian youth.

This study aimed to examine different factors responsible for entrepreneurial intentions with exploratory factor analysis.

To reach the study goals the researchers used cross-sectional survey methodology in which a questionnaire was distributed to 110 young entrepreneurs and students in Afghanistan as well as in India. The analyses categorized main factors like 1) Use of educational tools in pedagogies for the entrepreneurial orientation 2) Role of family in entrepreneurial orientation 3) Cultural dimension of entrepreneurial orientation 4) Governmental support and Bottlenecks in the entrepreneurial orientation and 5) Personal factors in entrepreneurial orientation.

Several important findings from comparative analysis of opinions of Afghani and Indian are also included in the study.

The paper concludes with suggesting strategies for fostering entrepreneurial orientation among youth of both countries with intervention of the government and the education sector.

Keywords—Entrepreneurship, Entrepreneurial orientation, Youth, Culture, Education, Socio-Culture, Start up, Family Business.

I. INTRODUCTION

Entrepreneurship is blossoming throughout the world. It has long been considered a significant factor for socioeconomic growth and development because of its ability of job creation, innovation and growth. R. P, (2015) mentioned about the positive impact of entrepreneurship in the recent decades have led to a tremendous rise in entrepreneurship education at various universities and colleges around the globe.

According to N.M Lavenburg & Schwarz (2008), an entrepreneur can be viewed as the source that implements his entrepreneurial capabilities to recognize, follow and successfully exploit worthwhile business opportunities. However, it is at the commencement of the entrepreneurial process that the budding entrepreneur is challenged with various influences from his environment. Moreover, there is a knowledge-deficient period that affects entrepreneurs in different environments or countries and to what degrees. Recently, interest in youth entrepreneurship has been fuelled due to high levels of unemployment amongst young people and as a way to foster employment opportunities or to address social exclusion. Furthermore, entrepreneurship is seen as a channel for the talents of many highly educated young people in areas such as information technology, biotechnology and other modern industries. (Karmann, Mauer, C. Flatten, & Brettel, 2014)

The role of entrepreneurs is more pronounced in countries like Afghanistan, where the twin problems of poverty and unemployment coexist. (Ajeke, 2016). Currently unemployment rate in Afghanistan is very high, based on the figures provided by the ministry of labor and social affairs, over 1.8 million eligible workers are unemployed in Afghanistan.

Moreover, an individual’s attitude towards innovation determines entrepreneurial behaviour and the propensity towards risk is likely to affect entrepreneurial orientation. Entrepreneurial intention is an important variable in understanding the formation of new business ventures. Forming an intention to develop an entrepreneurial career is the first step in the often-long process of venture creation,(Papulová & Papula, 2015).
II. Literature Review:

2.1 Role of Government/ Ideology of the ruling political party

In light of the theoretical review, it is clear that culture and education affects entrepreneurial orientation of youth, there are some researches which shows that some political, social, educational, cultural, and individual factors can influence the intentions of youth regarding the entrepreneurial orientation.

In a research carried out by Kollmann, Christofof, & Kuckertz (2007) it is implied that politics law, macro and micro environments have influential role on individual and corporate entrepreneurial orientation. Moreover, it also mentions that in political factors corruption has a negative impact on entrepreneurial orientation. Government’s role in promoting entrepreneurship acts as catalyst along with the individual dimensions of entrepreneurial orientation, like risk orientation, and innovation orientation. (Karmann et al., 2014). Mok (2005) discusses the role of Government of the Hong Kong Special Administrative Region in promoting entrepreneurship, with particular reference to the interactions between the government, the private sector and the tertiary education sector in promoting a vibrant and dynamic economy. Based on the above facts the following hypothesis was framed

H1: There is a significant difference between Afghan and Indian respondents in terms of opinions related to ideology of ruling political party of respective country as one of the motivating factor for budding entrepreneurs.

2.2 Influential Role of Family:

In a research Robinson, Huefner, & Hunt (1991) finds that there is strong relationship between the self-efficacy and entrepreneurial orientations, youths with passion and strong feelings can decide whether they would like to be entrepreneurs or not. Risk taking is a distinct dimension of entrepreneurial orientation in family firms it is also associated positively with innovation. Those family firms who do take risk are more engaged in entrepreneurial activities compared to nonfamily firms. Moreover, risk taking is negatively related with performance. (Naldi, Nordqvist, Sjöberg, & Wiklund, 2007). Based on the above arguments we developed the following hypotheses.

H2: There is a significant difference between opinions of Afghan and Indian respondents in terms of influential role of having a business background or having any family member involved in the business.

H3: There is a significant difference between Afghan and Indian respondents in terms of opinions related to the importance of Family capital resources for entrepreneurship.

2.3 Entrepreneurial orientation and socio-cultural factors

N. Levenburg & Schwarz (2008) mentions that escalating the level of entrepreneurial activity within all nations is an increasingly imperative political and economic goal, specifically for developing countries. As the current study focused on Afghanistan and India, this resonates more with the study. Despite a combination of social structures and cultural values within India that historically constrained entrepreneurship, a number of efforts in recent years seem to have significantly shifted the national mindset regarding entrepreneurship, particularly among India’s youth who were found to demonstrate a significantly higher level of interest in starting new ventures.

Entrepreneurial orientation is individual inclination to start new venture, there are some socio demographical factors such as family background, education, age, gender and marital status which have influential role on entrepreneurial orientation. Mason et al (2015) in a study imply that some socio demographical factors such as family background, education and age has influential role on entrepreneurial education. In their study they mentioned eleven factors that yielded significant relation with while one factor named as ‘persistence’, yielded a perfect positive correlation with family background while others were inversely correlated. The inverse nature of the correlation establish that the intensity of these factors tend to decrease while the occupational difference increase and vice versa. Based on the above arguments the researchers developed the following hypothesis.

H4: There is a significant difference between Afghan and Indian respondents in terms of opinions related to society’s views about entrepreneurs as a prospective bridegroom can be a deciding factor in promoting entrepreneurship.

2.4 Teaching Pedagogies in Educational Institutions and Entrepreneurship

Kirby (2004) mentioned that traditional education system is a barrier in developing entrepreneurial orientation or producing entrepreneurs. Hence, there is great need for newer teaching methodologies and pedagogies in shaping those students with entrepreneurial career intentions. In alignment with the same, Bjornali & Anne Støren (2012) implied that individual competencies and characteristics has links with educational programme. These programme emphasizes the development of entrepreneurial skills and problem-based learning to promote innovation. According to the research, giving more projects, cases and assignments on entrepreneurial education can develop the entrepreneurial skills in students.

Mok (2005) in his research sets out in a wider context to examine how and what strategies universities in Hong Kong have adopted to promote entrepreneurial spirit and practices by encouraging academic staff to venture in industrial, business and commercial fields. In addition, this scholarly work examines how universities in Hong Kong reform their curricula to make students more creative, innovative and international.

In continuation with the same, Maresch et al (2016) says that entrepreneurial education increase entrepreneurial intention and abilities. Entrepreneurship education is very important in the universities. (Karimi, Chizari, Biemans, & Mulder, 2010). The reorientation of educational institutions in developing countries will lead to overall development, schools and universities should poster enterprising, behaviour, entrepreneurship education is very important for third world(Singh, 1990).
Kirby (2004) pointed out that traditional education system is barrier rather than to develop entrepreneurial skills to produce entrepreneurs and propose that if entrepreneurship is to be developed, the learning process and contents both need considerable changes. In his study he also emphasized on entrepreneurship education and concluded that a new learning process is required to enable students develop their right brain entrepreneurial capabilities. Another hypothesis was based on the above discussion:

H5: There is a significant difference between Afghan and Indian respondents in terms of opinions related to need of giving more project work/ assignments related to Entrepreneurship.

2.5 Entrepreneurial Career Intention

A study conducted by Bangash & Niazi (2018) focused on influence of entrepreneurial intention of Kabul university (MBA) students in Afghanistan concluded that family business experience is one of the other important influencing factors for the entrepreneurial intention of Afghan business students and supports the research of Aldrich & Cliff (2003). Therefore, based on the results of the study, the study concluded that the exogenous variables included in this study (professional appeal, self- independence, and entrepreneurial capability) indicate the significant influence.

Various other factors were studied like Entrepreneurship offers graduate self-employment opportunity. Fatoki (2014); Beeka and Rimington (2011) mentioned that it is a career option for youth and graduates by providing employability. It reduces social harms and public policy makers are accentuating and engaging students of higher learning institution in entrepreneurship to improve employability rate (Branchet et al., 2011). Krueger et al., (2000) pictured that entrepreneurial preference can be better determine through entrepreneurship goal rather than personality traits, demographic features, or situational factors. Kim-Soon et al., (2013) in their study on investigating the motivators and obstacles to youth entrepreneurship with entrepreneurial intention of young entrepreneurs implies that youths who are really serious to start and own a business as would be entrepreneurs can be identified and targeted to develop through government entrepreneurship interventions initiatives. On the basis of given literature the following hypothesis was derived

H6: There is a significant difference between Afghan and Indian respondents in terms of taking any course or module related to entrepreneurship during their graduation/ post-graduation.

H7: There is a significant difference between Afghan and Indian respondents in terms of opinion related to choosing entrepreneurship over other career options.

III. Research methodology

Non probability -convenience sampling method was adopted for the study. A structured questionnaire was used as a sole research instrument both in Afghanistan and India. Questionnaire was distributed to budding entrepreneurs and students who had intention to pursue entrepreneurial career. Around 300 questionnaires were distributed out of which 247 were collected back. However, only 219 responses were found complete and usable for this study. Hence, 109 samples were considered for Afghanistan while 110 samples were considered for India. Content validity was done. The value of Cronbach’s alpha was 0.952 and the total number of item is 44. The profile of the respondents is displayed in Table 1. In order to assess the respondents’ viewpoints on the topic being investigated, the respondents were asked to indicate their level of agreement of the different factors that are likely to impact their entrepreneurial intention like governmental and political factors, family factors, personal factors, society and cultural factors and current educational system. As a means to test the structural relationship among variable that influence respondents’ entrepreneurial career intentions Structural Equation Modelling (SEM) has been employed by the researchers.

Table 1: Profile of the Respondents

<table>
<thead>
<tr>
<th>Particulars</th>
<th>Afghan (%)</th>
<th>Indian (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sample Size</td>
<td>109 (100%)</td>
<td>110 (100%)</td>
</tr>
<tr>
<td>Respondents with Business Background</td>
<td>88 (80.73%)</td>
<td>85% (77.27%)</td>
</tr>
<tr>
<td>Age of the respondents</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-30 Years</td>
<td>99 (90.82%)</td>
<td>102 (92.73%)</td>
</tr>
<tr>
<td>31-45 Years</td>
<td>9 (8.26%)</td>
<td>7 (6.36%)</td>
</tr>
<tr>
<td>46-55 Years</td>
<td>1 (0.92%)</td>
<td>1 (0.91%)</td>
</tr>
<tr>
<td>Educational Qualifications (Highest degree achieved)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Up to 12th Grade (HSC)</td>
<td>15 (13.76%)</td>
<td>23 (20.91%)</td>
</tr>
<tr>
<td>Bachelors (Graduation)</td>
<td>54 (49.54%)</td>
<td>57 (51.82%)</td>
</tr>
<tr>
<td>Masters</td>
<td>37 (33.94%)</td>
<td>27 (24.54%)</td>
</tr>
<tr>
<td>PhD</td>
<td>3 (2.75%)</td>
<td>3 (2.72%)</td>
</tr>
<tr>
<td>Whether any course or module related to entrepreneurship taken</td>
<td>64 (58.71%)</td>
<td>44 (40%)</td>
</tr>
</tbody>
</table>

Source: Field Survey
IV. Data Analysis and Findings from the study

Results obtained by hypotheses testing is summarized below:

Table 2: Hypotheses Testing

<table>
<thead>
<tr>
<th>No</th>
<th>Hypothesis</th>
<th>p-value</th>
<th>Test</th>
<th>Result</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$H_1$: There is a significant difference between Afghan and Indian respondents in terms of opinions related to ideology of ruling political party of respective country as one of the motivating factor for budding entrepreneurs.</td>
<td>0.613</td>
<td>Mann–Whitney U test</td>
<td>Result is not significant</td>
</tr>
<tr>
<td>2</td>
<td>$H_2$: There is a significant difference between opinions of Afghan and Indian respondents in terms of influential role of having a business background or having any family member involved in the business.</td>
<td>0.507</td>
<td>chi-square test</td>
<td>Result is not significant</td>
</tr>
<tr>
<td>3</td>
<td>$H_3$: There is a significant difference between Indians and Afghans in terms of opinions related to the importance of Family capital resources for entrepreneurship.</td>
<td>0.023</td>
<td>Mann–Whitney U test</td>
<td>Significant</td>
</tr>
<tr>
<td>4</td>
<td>$H_4$: There is a significant difference between Afghan and Indian respondents in terms of opinions related to society’s views about entrepreneurs as a prospective bridegroom can be a deciding factor in promoting entrepreneurship.</td>
<td>0.015</td>
<td>Mann–Whitney U test</td>
<td>Significant</td>
</tr>
<tr>
<td>5</td>
<td>$H_5$: There is a significant difference between Afghan and Indian respondents in terms of opinions related to need of giving more project work/assignments related to Entrepreneurship.</td>
<td>0.017</td>
<td>Mann–Whitney U test</td>
<td>Significant</td>
</tr>
<tr>
<td>6</td>
<td>$H_6$: There is a significant difference between Indians and Afghans in terms of taking any course or module related to entrepreneurship during their graduation/post-graduation.</td>
<td>0.007</td>
<td>chi-square test</td>
<td>Significant</td>
</tr>
<tr>
<td>7</td>
<td>There is a significant difference between Afghan and Indian respondents in terms of opinion related to choosing entrepreneurship over other career option.</td>
<td>0.007</td>
<td>Mann–Whitney U test</td>
<td>Significant</td>
</tr>
</tbody>
</table>

4.1 Factor Analysis

A factor analysis of the results was performed using the Maximum Likelihood method of extraction. Bartlett’s test of sphericity, which tests the overall significance of all the correlations within the correlation matrix, was significant ($\chi^2 (528) =4749.259$, p<0.001), indicating that it was appropriate to use the factor analytic model on this set of data. The KMO measure of sampling adequacy that the strength of the relationship among variables was high (KMO=0.933), thus it was acceptable to proceed with the analysis. Initially, 5 factors with eigenvalues greater than one were extruded. A series of factor analysis were conducted which indicated that five factors gave the most interpretable solution. A varimax rotation was performed. The first factor was robust, with a high eigenvalue of 13.164 and it accounted for 39.890% of variance in the data. Factor two had an eigenvalue of 3.188 and accounted for a further 9.662% of the variance. The eigenvalues for factors three; four and five were 1.185, 1.598 and 1.322 with variance of 5.500, 4.842 and 4.005 respectively.

Factor analysis of 33 items used in the current study revealed 5 factors were sufficient to explain the underlying structure of entrepreneurial career intentions among the youth of Afghanistan and India. The matrix mentioned in the below table revealed factor one to consist of 13 items. This factor was labeled as Revivals in the Current Education System and demonstrated a high internal consistency. The second factor consisted of 7 items and labeled as Family factors affecting entrepreneurship and reflected a high internal consistency. Factor three contained 5 items related to views about the importance of Social and cultural factors affecting entrepreneurial orientation. The fourth factor was labeled as Personal factors affecting entrepreneurship and was considered highly reliable with 3 items. The fifth factor was made up of 4 items and was labeled as Role of Government and Policy. These five factors were considered as subscales of Entrepreneurial Career Intention among youth of Afghanistan and India for further analyses.

4.2 Model Validation

The validation process of the study followed the inferences suggested by Kline, R. B (2005) as the study used Structural Equation Model. In this respect model specification, identification and estimation, testing and model fit were performed to derive the final outcome.

Hypothesis of the current study were generated acknowledging the inferences, therefore the model testing was performed and standardized estimates were observed and subsequently model fit was observed with incremental and absolute model fit indices were observed.
A measurement model has been derived for the current study (Refer Figure 1). It represents the covariance based Structural Equation Modelling. The modifications led the model to be fitted optimally. This is evident by the model fit indices observed and those have depicted in the Table no.3 mentioned below.

**Validity analysis: Covariance Based Structural Equation Modeling (CB-SEM).**

**Measurement Model**

![Figure 1](image)

Sun (2005) recommended that when a CFA is being used to validate the factor structure of a measurement model. The following fit indices should be interpreted: Tucker-Lewis Index (TLI), Normed Fit Index (NFI), Root Mean Square Error of Approximation (RMSEA) and Comparative Fit Index (CFI). All these suggested fit indices are produced by the AMOS 23 software. These fit indices are also recommended to be used, because they have agree upon cut-off values (Sun, 2005). The overall measurement model had adequate fit with the obtained data (RMSEA = 0.059, NFI = 0.917, and CFI = 0.962). Please refer Table: 3 for model fit summary.

### 4.3 Model Fit Summary:

<table>
<thead>
<tr>
<th>Index</th>
<th>Level of acceptance</th>
<th>Observed value</th>
<th>Literature review</th>
<th>Comment</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chi-square</td>
<td>P &gt; 0.05</td>
<td>0.000*</td>
<td>Wheaton et. Al. (1997)</td>
<td>Rejected</td>
</tr>
<tr>
<td>RMSEA</td>
<td>RMSEA &lt; 0.08</td>
<td>0.059</td>
<td>Browne and Cudeck (1993)</td>
<td>Accepted</td>
</tr>
<tr>
<td>GFI</td>
<td>GFI &gt; 0.90</td>
<td>0.908</td>
<td>Joreskog and</td>
<td>Accepted</td>
</tr>
</tbody>
</table>
*Chi-square value is ignored here, because it is sensitive towards sample size (Hair et al.1996: Joreskog and Sorbom, 1996).

### V .Conclusion

The motivation for this study was to explore the factors that influence the entrepreneurial intentions among male youth who are budding entrepreneurs or such students who intends to pursue entrepreneurship as a career option in Afghanistan and India. Results from the hypothesis testing showed that there is a significant difference in both the countries regarding few aspects like importance of availability of capital resources from the family and choosing entrepreneurship as a career option. However, both Afghani and Indian respondents mentioned about the influential role of family members already in business so as to choose entrepreneurship as a career option.

The confirmatory factor analysis emphasized on the four main factors viz; Current Education, Family factors, Socio-cultural factors and Personal factors. These results thus confirm the findings of the previous studies in terms of the significant relationship between these factors.

The study also suggested that factors like government policies and scheme and bottlenecks for promoting entrepreneurship were not a significant indicators.

In the context of the socio-economic environment in Afghanistan and India, promotion of small enterprises can be a good option. Entrepreneurial education may be effective to provide skills and keep the graduates of both the countries applying their skills. It is imperative that Ministry of Higher Education and Universities need to come forward for creating a conducive environment for entrepreneurship. There is need to make entrepreneurship development a compulsory subject in schools/colleges so as to ignite the essence of entrepreneurship right from the when they are very young. It can be concluded that universities need to design comprehensive entrepreneurship courses, programmes and activities to explain the concepts of entrepreneur and entrepreneurship, and advantages of entrepreneurship as a career choice to their students. There is a dire need to focus more on Case Studies which link curricula to real-world Business Challenges. Higher Education Institutes in Afghanistan specially can create opportunities for students to participate in social entrepreneurship contests. They can partner with businesses by inviting Business Executives to deliver lectures. Other ways to foster change is to provide consulting services to small businesses and non-profits and help students launch their own businesses. Fostering Global Exchange Programmes with other Institutions and encouraging Student-in-Residence Programmes will also be beneficial.

Following the footsteps of Make in India campaign, Afghanistan can focus on formation of entrepreneurial activity a government priority – The formulation of effective policy for entrepreneurial ecosystems requires the active involvement of Government Ministers working with senior public servants who act as ‘institutional entrepreneurs’ to shape and empower policies and programmes.

In conclusion, this research study furthers our understanding of factors that influence individual entrepreneurial career intentions among budding entrepreneurs and students of both the nations. This understanding will help authorities to put in place the effective policies that would promote sustained economic development through entrepreneurial activities. The sample size of the research was small and focused only on a few cities of India and Afghanistan, it is thus recommended that further research be conducted to investigate the intentions of entrepreneurship across all cities. The study did not consider female respondents and so further studies can be conducted to assess whether these factors will differ significantly between both genders or not.

### VI .ACKNOWLEDGEMENT

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VI. REFERENCES


