

A STUDY ON ENTREPRENEURSHIP INTENTION AMONG MBA STUDENTS AT PRIMS, PERIYAR UNIVERSITY, SALEM

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ABSTRACT:

In India most of the Universities offer entrepreneurship courses, but still the students who aspire to become as entrepreneur struggle in starting up and sustaining a new venture. This study examines and determines the intentions on entrepreneurship of the students. The study examined the factors like skills, attitudinal factors that may influence an individual to take entrepreneurship as career choice. The study was conducted among final year MBA students of Periyar University. The study revealed that gender and birth order affects one's entrepreneurial intention significantly. The results of the empirical study showed that gender was a significant factor in assessment of entrepreneurial capital. Presence or influence of family members who are already running business showed significant influence in moulding student's inclination towards entrepreneurship. The results of the study help the stakeholders to draft appropriate strategies to nurture entrepreneurial culture among the students.

Key words: Entrepreneurial Intention, Entrepreneurial images, Personal Attitudes.

INTRODUCTION:

Entrepreneurship plays an important role in economic prosperity and social stability of any country. India faces massive challenges with its high levels of unemployment among the youth especially University graduates due to lack of work experience; low skills base and draw backs of education system. The unemployment amongst the graduate youth that happened to be 19.6 percent in 2011-2012 increased to 30 percent during 2012-2013. The promotion and development of entrepreneurship both in agricultural and industrial sectors are crucial for accelerating growth in the primary and secondary sectors and is also aimed at achieving social objectives of economic growth.

No country in the world can ignore the development of entrepreneurship as the economic development depends upon it. Entrepreneurship has been a buzzword especially among young people. Entrepreneurship is the activity of establishing and managing a business for profit and growth. Entrepreneurship is the professional application of knowledge, skills and competencies and monetizing a new idea. Entrepreneurship contributes immensely to the economic growth and thereby plays a vital role in the development process.

The intentions towards the entrepreneur, entrepreneurial activity, and its social function are determinant factors for students to decide an entrepreneurial career. This study aims at assessing the intentions of students towards entrepreneurship and enterprise formation in Salem District of TamilNadu. The study also examines if there is any difference in the intentions of Management Students.

REVIEW OF LITERATURE:

¹To specify the context, Bangladeshi MBA students were the rational choice to explore their dynamics of entrepreneurial intentions. Bangladesh is one of the emerging developing countries of the world where a large number of students are pursuing MBA in leading domestic and different foreign Universities. Nevertheless, it is still equivocal whether this degree is regarded as an important criterion of securing new job, or employing the entrepreneurial abilities where increasing unemployment has become a main economic problem. Thus, MBA as an enterprise education program, it is important to understand what factors that influence Bangladeshi MBA students.

²By Surveying 100 leading entrepreneurs and chief executive officers of fastest growing entrepreneurial firms in America they found that knowledge is addressed on Business education. Leadership, communication and maintaining a good relation with peers are the most important skills of the successful entrepreneurs. Man, Lau and Chan made a study about entrepreneurial competency on small and medium enterprises owners in the Hong Kong service sector they found that opportunity, strategies and commitment competencies are involved to sustain in the business.

³By evaluating the results of the intentional and exhibited behaviours of the MBA students (i.e. PVQ and post-PVQ, business simulation game), it can be seen that the principle drivers of intentional entrepreneurial behaviour are power (impact), achievement (excellence) and affiliation (relationships); and of exhibited entrepreneurial behaviours are centred around information evaluation capability (hence arbitrageur skills of taking advantage of asymmetries of information), and risk taking.

⁴According to the Theory of Planned Behavior, the relative importance of attitude, subjective norm and perceived behavioral control in the prediction of intention is expected to vary across behaviors and situations. In the same way, Shapero states that in the new venture creation process, no single variable or factor can account for the outcome of the process. A number of outcomes are necessary but no one is sufficient. However, Krueger presents evidence that perceived credibility, perceived desirability and propensity to act explain well “over half” of the variance of the intentions toward entrepreneurship.

⁵The problem of educated unemployment poises many issues in itself and to the economy. Long term unemployment of the youth actually means that the fresh entrants to the workforce are without any job. Education in India is highly subsidised and making of a graduate or postgraduate entails substantial cost to the State & society. Huge educated youth unemployment is a major threat to social stability and internal security. The possible reasons for this phenomenon could be low demand; excess supply and skill mismatch.

⁶entrepreneurship education is not a single event, but rather a continuous process comprised of a series of events. In consequence, the role of education and training in entrepreneurship and in the identification of endowment of entrepreneurial potential at a young age, are becoming evident for students, politicians and educators

⁷Although much effort have been initiated and done by the Malaysian Government to promote more people, in particular students at institutions of higher learning, to become entrepreneurs, however, the knowledge about students’ motivation as well as obstacles faced when starting up a venture, especially at the level of postgraduate, is still sketchy. Hence, in order to foster the growth of entrepreneurs in the country as well as to assist them to face any imminent obstacles confidently, it is imperative to understand the whole process of establishing a venture, namely why and how a venture was established and operated.

OBJECTIVES:

To examine the intention of MBA students in becoming an entrepreneur after graduation.

To analyze the factors that prevents MBA students as to become entrepreneurs.

To assess the various opinion about entrepreneur images

LIMITATIONS OF THE STUDY:

The samples of the respondents are from PRIMS, Periyar University, which may limit the generalization of the outcomes. The data are based on individual opinion which may bring in some bias.

STATEMENT OF THE PROBLEM:

Entrepreneurship has become the main agenda in the country with the introduction of entrepreneurial programmes and mechanisms that cater for the development of entrepreneurship activity. Though the MBA students have exposure about entrepreneurial activities, they lag in developing their skills and activity. In this connection students have to develop their entrepreneurial knowledge and skills.

RESEARCH METHODOLOGY:

This research design of the study is descriptive by nature. The sample size is 120. Primary data were used for the study. The primary data were collected through well structured questionnaire. The questionnaire consisted of 12 closed ended items. A five point Likert's scale was constructed to collect the data, ranging from "Agree" to "Strongly disagree" The data analysis for this study conducted through SPSS software. Percentage analysis, Independent sample t test, Weighted average method were used for statistical analysis. Questionnaire responses were coded and entered to summarize the student's intention about entrepreneurial interest and personal attitudes.

Reliability analysis was undertaken to determine the internal consistency of data. Cronbach's alpha, if greater than 0.719 is accepted which indicate the internal consistency. For the present study, value of alpha obtained was 0.830 indicating high degree of internal consistency. Cronbach's alpha test shows that the data is valid and reliable for further analysis.

Table .1 Socio economic factors of the respondents

SNo	Components	Categories	Percentage
1.	Gender	Male	55
		Female	45
2.	Age	20-25 years	95.8
		26 - 30 years	4.2
3.	Birthorder	First child	41.7
		Second child	41.7
		Third child	13.3

		Fourth child	3.3
4.	Place of orgin	Rural area	72.5
		Urban area	21.7
		Other	5.8
5.	Programme of the study	Operations	6.7
		HR	39.2
		Finance	43.3
		Marketing	10.8
6.	Father’s occupation	Employed	60.8
		Un-employed	10.0
		Business	28.3
		Retired	0.8
7.	Household Income	Below 10000	41.7
		10000 – 20000	34.2
		20000-30000	10.0
		Above 30000	14.2
8.	Household asset position	Less than 25lkhs	80.8
		25lakhs -50lakhs	10.8
		50lakhs-1 crore	4.2
		Above 1crore	4.2
9.	Entrepreneur compared to other profession	Low	9.2
		Medium	62.5
		High	28.3
10.	Intention to start own firm	Yes	64.2
		No	35.8

Table.2 Opinion to the Entrepreneur Images

Factors	Test Value = 5					
	t	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
EDP	-48.788	119	.000	-3.342	-3.48	-3.21
EGOS	-39.371	119	.000	-3.050	-3.20	-2.90
EGFMS	-33.129	119	.000	-2.942	-3.12	-2.77
EI	-30.896	119	.000	-2.883	-3.07	-2.70
EPWP	-25.884	119	.000	-2.575	-2.77	-2.38
EWTS	-32.019	119	.000	-2.983	-3.17	-2.80
EGEV	-40.184	119	.000	-3.025	-3.17	-2.88

EI	-26.162	119	.000	-2.642	-2.84	-2.44
ECJ	-29.685	119	.000	-2.825	-3.01	-2.64
EEDC	-33.236	119	.000	-3.008	-3.19	-2.83
EELM	-28.274	119	.000	-2.633	-2.82	-2.45
EHM	-26.271	119	.000	-2.650	-2.85	-2.45
ESJ	-25.329	119	.000	-2.542	-2.74	-2.34

- *EDP – Entrepreneurs should be dynamic persons;
- EGOS - Entrepreneurs should have good organization skills ;
- EGFMS - Entrepreneurs should have good financial and management skills ;
- EI - Entrepreneurs should be very innovative ;
- EPWP - Entrepreneurs should be professionally well prepared ;
- EWTS - Entrepreneurs should be able and willing to take risks;
- EGEV - Entrepreneurs should have a good entrepreneurial vision ;
- EI - Entrepreneurs should invest ;
- ECJ - Entrepreneurs should create jobs;
- EEDC - Entrepreneurs should help the economic development of the country;
- EELM - Entrepreneurs should earn a lot of money;
- EHM – Entrepreneur should be honest and moral;
- ESJ – Entrepreneur should have a sense of social justice

Table .3 Intention to become an entrepreneur after graduation

Factors	Test Value = 5					
	T	Df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
PEEC	-40.144	119	.000	-3.175	-3.33	-3.02
PGPE	-33.268	119	.000	-2.675	-2.83	-2.52
HSSBC	-28.433	119	.000	-2.717	-2.91	-2.53
DCFF	-27.019	119	.000	-2.717	-2.92	-2.52
WMOB	-27.738	119	.000	-2.775	-2.97	-2.58
PE	-27.970	119	.000	-2.658	-2.85	-2.47
ORSB	-33.399	119	.000	-2.858	-3.03	-2.69
WSB	-24.934	119	.000	-2.650	-2.86	-2.44
ECC	-25.337	119	.000	-2.558	-2.76	-2.36

- *PEEC - Prefer to be an entrepreneur rather than an employee in a company
- PGPE - Professional goal is to be an entrepreneur
- HSSBC - Have thought seriously to start own business after completing study
- DCFF - Determined to create a firm in the future

WMOB - Want to be my own boss

PE - Prepared to do anything to be an Entrepreneur

ORSB - If had opportunity and resources, like to start a business

WSB - Will start business in the next 5 years

ECC - Entrepreneurship as career choice

Table .4 Factors that prevent to become an Entrepreneur

S.no	Factors	R1 11	R2 10	R3 9	R4 8	R5 7	R6 6	R7 5	R8 4	R9 3	R10 2	R11 1	Total	Average	Rank
1	LBEE	15	10	12	9	16	9	16	12	7	7	7	791	71.91	4
		165	100	108	72	112	54	90	48	21	14	7			
2	UM	3	14	16	17	12	20	6	11	7	8	6	774	70.36	5
		33	140	144	136	84	120	30	44	21	16	6			
3	LC	24	14	9	9	20	12	8	11	4	6	3	880	80.00	2
		264	140	81	72	140	72	40	44	12	12	3			
4	LBI	24	16	16	14	11	9	7	3	9	5	6	901	81.91	1
		264	160	144	112	77	54	35	12	27	10	6			
5	LBS	11	18	18	14	9	10	14	9	3	6	8	833	75.73	3
		121	180	162	112	63	60	70	36	9	12	8			
6	LA	8	13	14	14	11	13	4	8	8	16	11	730	66.36	7
		88	130	126	112	77	78	20	32	24	32	11			
7	LFS	15	11	10	17	8	5	9	16	9	13	7	756	68.73	6
		165	110	90	136	56	30	45	64	27	26	7			
8	LM	7	8	10	11	10	14	12	18	9	10	11	679	61.73	8
		77	80	90	88	70	84	60	72	27	20	11			
9	FS	6	5	7	4	8	13	20	11	19	12	15	585	53.18	9
		66	50	63	32	56	78	100	44	57	24	15			
10	UCO	2	6	3	8	8	5	12	16	21	19	20	504	45.82	11
		22	60	27	64	56	30	60	64	63	38	20			
11	FF	3	7	6	4	7	11	12	6	21	18	25	512	46.55	10
		33	70	54	32	49	66	60	24	63	36	25			

*LBEE- Lack of business experience and exposure

UM - Unstable market

LC - Lack of capital

LBI - Lack of business idea

LBS - Lack of business skills

LA - Lack of attitude

LFS - Lack of family support

- LM - Lack of motivation
- FS - Fear of society
- UCO - Unattractive career option
- FF - Fear of failure

FINDINGS:

1. Majority of the students have the intention to start own business
2. It was observed that the entrepreneur should be a dynamic and innovative person.
3. Most of the students said that the Entrepreneurs should have a good entrepreneurial vision and also should create jobs.
4. Very closed intention to become an entrepreneur than an employee after graduation.
5. Lack of resources would be the hurdle to start a new business.
6. The major weakness among the students that prevents to become an entrepreneur is the innovative ideas.
7. Inexperience and exposure to the business is a concern to the students to become an entrepreneur.
8. The unstable market makes the students to hesitate in starting a business.

SUGGESTIONS:

1. It is strongly recommended that Universities should play a more proactive role by introducing a special entrepreneurial short term courses to students.
2. Valuable business related information such as source of funding, procedure to start up a venture have to be made familiar to the students.
3. The inexperienced graduates should be trained to set up a new business and run them successfully.
4. Individuals may be confident in facing the challenges of self-employment and have higher perceptions of the attractiveness and feasibility of starting their own business.
5. University entrepreneurship educators should facilitate the entrepreneurial process by creating awareness among the students.
6. A business incubation centre can be established to support the prospective entrepreneurs in all phases of the business.

CONCLUSION:

A possible explanation for these results is that students are having more intentions about the process and implications of start up and new venture. It may be important for educational institutions to provide more guidance on business start-ups. Those who are attracted by an entrepreneurial career are committed to become an entrepreneur. This effort can be achieved by providing a comprehensive entrepreneurship education as well as equip students with a range of entrepreneurial knowledge and skills to encourage higher interest in entrepreneurship.

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