



STUDY ON DETERMINANTS OF ENTREPRENEURSHIP AMONG THE STUDENTS

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ABSTRACT

Entrepreneurship is the important key for the growth of economic development of country. Entrepreneurship plays important role in the handling unemployment and poverty issues in the developing country. The present study focuses on the determinants of entrepreneurship among the students. For the study descriptive research design was employed and 64 respondents were surveyed. Out of the 64 respondents 79.7 percent respondents were male while 20.3 percent were female. Majority (93.8) respondents have age between 21-25 years and 25 percent respondents have their own family business where as 85.9 percent respondents wants to start own business while 14.1 percent do not want to start their business. The Exploratory Factor Analysis approach was applied to the entrepreneurial intentions statements. The exploratory factor analysis yielded four factors namely will power and perseverance, perceived benefit, self-efficacy and conducive entrepreneurship environment

KEYWORDS: *Entrepreneurship, Determinants of Entrepreneurship, Start-Up, Entrepreneurship Intension, Entrepreneurship attributes*

INTRODUCTION

The Entrepreneurship can be define as “ capacity and willingness to develop, organize and manage a business venture along with any of its risks in order to make a profit”. Entrepreneurship is an important element in the dynamics of national economies and it is seen as the driving engine in economic growth and job creation. (Manikandan and Palanivelu, 2016). Entrepreneurship has a more critical role for economies - especially in developing countries - since it can be an engine of economic progress, job creation, and social adjustment. Entrepreneurship is the new revolution and it’s about continual creativity and innovation. (Amma, 2013).Entrepreneurs and entrepreneurship are arguably the pillars on which economic health ofsocieties werebuilt.Their role has been highlighted in opportunity creation through new ventures and maintenance of existing ones (Bidarkundi and Ramachandra,2015).Entrepreneurship contributes immensely to the economic growth and thereby plays

a vital role in the development process. (Karim and Reddy, 2014) Government of India recognizes the importance of entrepreneurship to the economy and its central role in generating jobs, developing human potential, because in recent years the unemployment is high among the young generation in India. (Ponmani, 2014). The present study try to investigate the entrepreneurial intentions among students.

REVIEW OF LITERATURE

Matharu *et.al*(2014) studied on “Perception of B-school Students towards Entrepreneurship” where they applied factor analysis and found 10 factors namely Conducive Entrepreneurial Environment, Challenging, Opportunity Seeker, Status, Confidence, Perseverance, Institutional Support, Business Oriented, Influence, and Economic Independence indicating the entrepreneurial traits of the students. The results of t-test show that there is no significant difference in the perception of students on the basis



of gender towards factors affecting the spirit of entrepreneurship.

Yeng Keat, Ooi and Shuhymee Ahmad (2012) studied “ A Study among University Students in Business Start-Ups in Malaysia: Motivations and Obstacles to Become Entrepreneurs” and found that males students were found to be significantly higher entrepreneurial intention, motivational factors (intrinsic rewards, extrinsic rewards, independence and autonomy, family security and change management) and obstacles and challenges (endogenous factors, exogenous factors–personal and endogenous factors–financial and operational) as compared to the female students. Further The factor analysis was employed by grouping the obstacles/challenges items into three categories: exogenous factors, exogenous factors (personal) and endogenous factors (financial and operational). Respondents perceived the endogenous factors (such as lack of working capital/investment, high operating cost and fund) and exogenous factors (such as strong competitors, high interest rate, high labour cost) would be obstacles/challenges for them when starting up and sustaining new ventures.

Flora *et.al* (2014) “An investigation of students’ readiness towards entrepreneurial intentions at Kigali Independent University (ULK)” and results of the study revealed a positive attitude towards entrepreneurship, and a willingness to venture into a new business. It also revealed that gender and family background have no influence on students’ attitude towards entrepreneurship, while perceived desirability, propensity to act and social desirability positively have an impact on entrepreneurial intentions of students.

Sulaiman *et.al* (2014) studied “Factors That Influence the Interest of Youths in Agricultural Entrepreneurship” and found that all respondent agrees that attitude, acceptance and knowledge are the factors that influence youth to become agriculture entrepreneurs. The study also identified other significant factors such as family support, government support and promotion through of

festivals and carnivals. The findings of the study indicated that the attitude and acceptance has significant relationship with the interest of youth to become entrepreneur while the knowledge has no significant relationship with interest of youth to become entrepreneurs.

METHODOLOGY

The present study aims to understand the determinants of entrepreneurship among students. To fulfil the stated objective for present study, descriptive research design was applied. The cross sectional data from the respondents were collected for the present study. The structured questionnaire was used as data collection instrument. The questionnaire contains questions related to demographic profile of respondent such as gender, age, education etc. and the research questions. The survey conducted on online as well as offline platforms at Agricultural University in Navsari (Gujarat). Total 64 respondents were surveyed. To find out determinants of entrepreneurship among students, respondents were asked to answer 21 prepared statements using 5-point likert scales where 1 is strongly agree and 5 is strongly disagree. The factor analysis approach was applied to the statements to find out factors affecting entrepreneurial intentions among the students.

RESULT AND DISCUSSION

The collected data were tabulated and analysed with help of computer software. The statistical tools employed for present study are frequencies, percentage and Exploratory Factor Analysis. Exploratory factor analysis using principal component analysis approach was used to determine the most important variables from the large number of variables in the set of data to find out factors affecting entrepreneurial intentions among the students.

**Table: 1 Demographic Profile of Respondents**

Parameters	Frequency	Percent
Age of the Respondents		
Below 20 Years	3	4.7
21-25	60	93.8
26-30	1	1.6
Total	64	100.0
Gender of Respondents		
Male	51	79.7
Female	13	20.3
Total	64	100.0
Specialization of Under graduation		
Agriculture	47	73.4
Non Agriculture	17	26.6
Total	64	100.0
Own family business		
Yes	16	25.0
NO	48	75.0
Total	64	100.0
Willingness to Start own business		
Yes	55	85.9
No	9	14.1
Total	64	100.0

The table no 1 shows demographic profile of respondents. Out of the surveyed respondents 79.7 percent respondents were male while 20.3 percent were female. Majority (93.8) respondents have age between 21-25 years, 4.7 percent respondents having age below 20 years, while 1.6 percent respondents having age between 26-30 years. Out of the surveyed respondents 25 percent respondents have their own family business where as majority of respondents do not have any business. 85.9 percent respondents wants to start own business while 14.1 percent do not want to start their business.

Reliability test Alpha

The respondents were asked to respond on 5 point Likert scale for 21 statements. To check reliability cronbach's Alpha was calculated and it was found 0.737 for 21 items. The reliability test Alpha was developed by Lee Cronbach in 1951 to provide a measure of the internal consistency of a test or scale; it is expressed as a number between 0 and 1. (Tavakol *et al.* 2011). As a rule of thumb the value greater than 0.7 is good and acceptable. For the present study cronbach's alpha based on standardized items obtained 0.737. So the data are reliable for further analysis.

Table: 2 Reliability test (Cronbach alpha)

Reliability Statistics	
Cronbach's Alpha	N of Items
0.737	21

The Bartlett's test of Sphericity and Kaiser Meyer –Olkin (KMO statistics) measure of sample adequacy were used to assess the suitability of data for carrying out the factor analysis. Generally the value of Kaiser-Meyer-Olkin Measure of Sampling Adequacy test is accepted greater than 0.6. For the present data it is obtained 0.619 and Bartlett's Test of

Sphericity found significant. So, the factor analysis can be performed for the present data.



Table 3: KMO and Bartlett's Test

KMO and Bartlett's Test		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		0.618
Bartlett's Test of Sphericity	Approx. Chi-Square	512.031
	Df	210
	Sig.	.000

Factor Analysis

Respondents were asked to answer 21 prepared statements using 5-point Likert scales where 1 is strongly agree and 5 is strongly disagree. The principle component extraction performed where the eigenvalue greater than 1.5 was considered. Varimax

with Kaiser Normalization rotation method was employed. The Rotated Component Matrix was presented sorted by size and the coefficients were suppressed having value below 0.4. The factor analysis yielded 4 factors were which explain 50.755% of total variance as shown in below table.

Table 4: Total Variance Explained

Total Variance Explained									
Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.853	23.111	23.111	4.853	23.111	23.111	2.987	14.225	14.225
2	2.104	10.017	33.128	2.104	10.017	33.128	2.906	13.839	28.064
3	2.022	9.627	42.756	2.022	9.627	42.756	2.559	12.188	40.252
4	1.680	8.000	50.755	1.680	8.000	50.755	2.206	10.503	50.755
5	1.480	7.049	57.805						
6	1.274	6.065	63.870						
7	1.126	5.361	69.231						
8	.971	4.626	73.857						
9	.895	4.261	78.118						
10	.843	4.014	82.132						
11	.655	3.118	85.250						
12	.628	2.993	88.243						
13	.477	2.271	90.514						
14	.417	1.987	92.501						
15	.328	1.563	94.064						
16	.293	1.393	95.457						
17	.251	1.195	96.652						
18	.230	1.093	97.746						
19	.184	.875	98.620						
20	.161	.765	99.385						
21	.129	.615	100.000						

Extraction Method: Principal Component Analysis.



Table 4 : Rotated Component Matrix

	Component			
	1	2	3	4
I don't like to work for others so I will choose Entrepreneurship	.676			
Entrepreneurs have enjoyment of job giver.	.676			
I want To be my own boss	.619			
I would like to become entrepreneur as I am Risk Taking	.560		.490	
My country has good environment for start up.	.505			
I think Entrepreneurship is better than job.		.664		
I have good management ability.		.661		
Entrepreneurship is good source of more income		.587		
I have good relation with people that help me in Entrepreneurship		.540		
My role model gets success in Entrepreneurship so I think for same.		.529		
Entrepreneurship provides control on own destiny		.490		-.474
The Entrepreneurs have good image in the society so I will choose.	.401	.462		
I would like to become entrepreneur as I am Creative.			.850	
I would like to become entrepreneur as I am innovative			.789	
I would like to become entrepreneur as I am confident			.639	
Entrepreneurship provides autonomy			.402	
The taxation and duties provides positive environment.				.637
I would prefer to be self-employed and independent.				.626
I have social support to start Entrepreneurship.				.544
Entrepreneurship gives need of attachment				.538
The governmental policies provides positive environment.	.491			.522
Extraction Method: Principal Component Analysis.				
Rotation Method: Varimax with Kaiser Normalization.				
a. Rotation converged in 6 iterations.				

The exploratory factor analysis yielded four factors namely will power and perseverance, perceived benefit, self-efficacy and conducive entrepreneurship environment.

The first factor termed as will power and perseverance due to high loading to the statements “I don't like to work for others so I will choose Entrepreneurship”, “Entrepreneurs have enjoyment

of job giver”, “I want To be my own boss”, “I would like to become entrepreneur as I am Risk Taking” and “My country has good environment for startup.”, the factor explained 14.225 percent of total variance. The second factors termed as perceived benefit due to the high loading of the statements like “I think Entrepreneurship is better than job”, “I have good management ability”, “Entrepreneurship is good source of more income”, “I have good relation with



people that help me in Entrepreneurship”, “My role model gets success in Entrepreneurship so I think for same”, “Entrepreneurship provides control on own destiny” and “The Entrepreneurs have good image in the society so I will choose”, the factor explained 13.839 percent of total variance. The third factor termed as self-efficacy due to high loading of the statements like “I would like to become entrepreneur as I am Creative.”, “I would like to become entrepreneur as I am innovative”, “I would like to become entrepreneur as I am confident”, and “Entrepreneurship provides autonomy” the factor explained 12.188 percent of total variance. The last factor termed as conducive entrepreneurship environment due to high loading to the statements like “The taxation and duties provides positive environment.”, “I would prefer to be self-employed and independent.”, “I have social support to start Entrepreneurship.”, “Entrepreneurship gives need of attachment”, and “The governmental policies provides positive environment.”, the factor explained 10.503 percent of total variance. These four factors explain 50.755% of total variance.

CONCLUSION AND IMPLICATIONS

The present paper focuses on entrepreneurial determinants among the students. Total 64 respondents were surveyed. Out of the 64 respondents 79.7 percent respondents were male while 20.3 percent were female. 93.8 percent respondents have age between 21-25 years and 25 percent respondents have their own family business where as 85.9 percent respondents wants to start own business while 14.1 percent do not want to start their business. The Exploratory Factor Analysis approach was applied to the entrepreneurial intentions statements and found that four factors namely will power and perseverance, perceived benefit, self-efficacy and conducive entrepreneurship environment are affecting entrepreneurial intentions among the students. The government should maintain and improve the conducive entrepreneurship environment by designing the favourable policies for Entrepreneurship.

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