

Influencing Entrepreneurial Behavior among Engineering College Students in Madurai District: An Empirical Study

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Abstract

Entrepreneurship has been found as an important driver of economic growth, productivity and social development; hence the need for entrepreneurial graduate is on the increase. The objective of the present paper is to explore the factors that influence the entrepreneurial behaviors of engineering college students in Madurai district. The study was empirically tested on a sample of 200 students in the city. The result of the survey showed that all the profile factors impacts on students entrepreneurial behavior. The findings of this study have important implications for those who formulate, deliver and evaluate educational policies in Tamilnadu. Based on the findings policy makers may make changes to foster students interest in entrepreneurship.

Keywords: Education, Entrepreneurship Behaviour, Entrepreneurial Intention.

1. Introduction

Entrepreneurship is recognized as an important source of job growth and economic development of a country. The rate of growth for entrepreneurship varies from country to country as well as from time to time for the same country. Entrepreneurship is defined as “the process of creating new venture and new organization (S. Shane and S. Venkataraman, 2000). Kelley et al (2010) opined that entrepreneurship can provide a source of income when an economy cannot supply enough jobs or other alternatives for generating wages or salaries, and

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providing positive social value is in place. Further as per, Indarti, et al. (2010) background of non-economic and business education significantly influenced the intentions to be an entrepreneur in the future.

Many researchers have been trying to identify the causes of entrepreneurship intention with plenty of literatures conducted over the past decades. The present research is carried out to identify the factors influencing the entrepreneurial behaviour of engineering college students in Madurai district, with an aim to provide deeper understanding about the entrepreneurship and to practically provide important implications for educational and political reforming as well as to assist policy makers in entrepreneurial training and support new business founders.

2. Literature Review

The entrepreneurial intention of students has been widely studied by many authors (Henderson and Robertson, 2000; Lee et al., 2005; Veciana et al., 2005; Wang and Wong, 2004). Wang and Wong (2004) in a Singapore based study reveals that gender, family business experience, and education level are significant factors in explaining entrepreneurial interest. Shapero (1982) concluded that the entrepreneurial intention arises from the perception of feasibility and desirability of a person and this path is affected by the cultural and social context. Many studies have proved that entrepreneurial education considerably influences students' intention to start their own businesses (Wu & Wu 2008; Fayolle et al. 2006). Pihie (2009) found that the students had moderate score on all constructs related to entrepreneurial intention and entrepreneurial self-efficacy in the aspects of management, financial and marketing. Ahmed et. al. (2010) further highlighted that the respondents are moderately interested to opt for entrepreneurial venture in the future. Dell (2008) in his study mentioned that desirability to be entrepreneur is the measure of individuals' attitude toward entrepreneurship.

3. Objectives of the Study

- 1) To identify the pertinent factors influencing the entrepreneurship behavior of students

2) To understand whether there is difference in entrepreneurial intention with regard to profile of the respondents

4. Methodology

This is a descriptive study mainly based on primary data. Secondary data necessary for the study is collected from various published sources. Primary data has been collected from 200 students of various engineering colleges in Madurai district with the help of a structured questionnaire.

The questionnaire comprises of two sections. The first part consists of the profile of the students and the second part is related to the various factors influencing the entrepreneurship behavior. Likert scale is used to measure the responses on a five point scale ranging from extremely agree to extremely disagree. Random sampling technique has been used for the study. Relevant statistical tools such as percentage analysis, factor analysis and Anova were used to analyse the data. This study was a descriptive and a cross-sectional survey design. Before completing the questionnaire, the subjects were assured that the information contained in the questionnaire would remain completely confidential.

5. Results and Discussion

Data collected has been analyzed using different statistical tools. SPSS version 20 was used for assessment of the data and for testing the hypothesis. This part discusses the analysis and interpretation of the collected data. The descriptive analysis of the study includes the personal profile and academic profile of the respondents. The data necessary for the study will be critically studied from various dimensions of entrepreneurial behavior.

Profile of the Respondents

Respondents of the present study were asked about their personal profile, which included gender, family type, and family size, Nature of Admission and Place of Residence. The Responses are presented in form of table in the section that follows at table1.

Table1 - Profile of the Respondents

Profile	Category	Frequency	Percent
Family Type	Nuclear	129	64.5
	Joint	71	35.5
Gender	Male	102	51.0
	Female	98	49.0
Family Size	Upto 3	22	11.0
	More than 3	178	89.0
Nature of Admission	Merit	84	42.0
	Management	116	58.0
Place of Residence	Urban	67	33.5
	Semi Urban	27	13.5
	Rural	106	53.0

Out of the total of 200 respondents 51.0 per cent of the sample size is male and 49.0 per cent are female. Also it is inferred that 64.5% of the respondents belong to Nuclear family. Further 89.0 % have more than 3 members in their family and 11.0 % respondents have up to 3 members in their family. 53.0 % have their residence rural area, 33.5% respondents have their native place in urban area and 13.5 % in semi urban areas. Further 58.0 % of the respondents joined through management quota.

Identifying key Entrepreneurship Behavioural Factors

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For measuring Entrepreneurship behavioural factors, a questionnaire containing 28 items consisting of a scale ranging from “extremely agree to extremely disagree” were constructed. The number of items loaded under each factor, its reliability (Cronbach alpha) and total variance explained by each factor are explained in Table 2.

Table 2

Factor Analysis and Cronbach alpha values for Entrepreneurship Initiative factors

Factors	Items	Loadings	Reliability	Variance Explained
Self-Reliance	Sr5	.879	0.781	14.451
	Sr2	.856		
	Sr3	.852		
	Sr4	.742		
	Sr1	.667		
Entrepreneurial Intention	Er2	.881	0.721	12.011
	Er3	.871		
	Er4	.862		
	Er1	.794		
	Er5	.643		
Success Orientation	So2	.809	0.881	10.040
	So3	.764		
	So1	.752		
	So4	.642		
Societal Responsiveness	Sr4	.834	0.725	8.422
	Sr1	.821		
	Sr3	.718		
	Sr2	.701		
Self-	Sa1	.937	0.804	7.612

Attentiveness	Sa2	.935		
	Sa3	.418		
Trade Initiativeness	Ti1	.733	0.788	7.011
	Ti2	.702		
	Ti3	.622		
	Ti4	.548		
Societal Interaction	Si2	.732	0.822	6.872
	Si1	.694		
	Si3	.460		

Table 1 clearly shows the factor loadings of the respective items under each construct, depicting the structural validity of the scales used, along with the Cronbach values for each extracted factors exceeding .70 indicating the reliability of the scales.

Hypothesis Testing

Comparison of Entrepreneurial Intention across the profile of the respondents

Hypothesis H_0 = There is no significant mean difference among the profile of the respondents with respect to Entrepreneurial Intention To determine how far the mean score of entrepreneurial intention varies between the personal profiles of the sample respondents an f test (ANOVA) was conducted to analyse the significant mean differences. The results are shown in the bellow table.

Table 3

F test between Personal profile of the respondents and Entrepreneurial Intention

Independent Variables	Category	Entrepreneurial Intention		
		Mean	SD	F
Gender	Male	3.35	0.551	10.112*

	Female	2.21	0.236	
Place of Residence	Rural	1.87	0.422	11.241*
	Semi Urban	2.89	0.513	
	Urban	3.29	0.61	
Family type	Joint Family	3.04	0.665	4.812*
	Nuclear Family	3.07	0.762	
Family size	Up to 3	3.52	0.421	12.012*
	4- 5	2.11	0.234	
	6 and above	2.08	0.377	
Nature of Admission	Merit	3.05	0.743	11.115*
	Management	3.07	0.795	

* Significance at 5 per cent level

From table3, significant mean differences between the Gender ($F= 10.112$, $P < 0.05$), place of residence ($F= 11.2241$, $P < 0.05$), Family type ($F= 4.812$, $P < 0.05$), Family size ($F= 12.012$, $P < 0.05$) and Nature of Admission($F= 11.115$, $P < 0.05$)were found with regard to Entrepreneurial Intention. Comparing the respondents mean value of Entrepreneurial Intention among the gender male ($M= 3.35$) respondents have a higher mean score value. The respondents mean value of Entrepreneurial Intention across the place of residence revealed that students from urban area have a higher ($M= 3.29$) mean score. On comparing the mean value of Entrepreneurial Intention among the family type no major difference was found. An elevated Entrepreneurial Intention score was found among respondents with up to 3 family members ($M = 3.52$). On comparing the mean value of Entrepreneurial Intention among the respondents on the basis of nature of admission, respondents belonging to both the categories of institutes have an identical score.

6. Conclusion

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This research observed several significant findings through the descriptive and inferential analyses that were carried out to identify the relationship between personal profile factors, demographic profiles and entrepreneurship intention among engineering graduates. All the profiles have a significant effect on the entrepreneurial intention. The findings indicate that the students who are male and hailing from urban area have a higher entrepreneurial intention. But no major difference was found with regard to nature of admission and family type. The findings will therefore, offer an insight to advance analysis and will provide the understanding of why and how this may be assorted in an intensifying environment viewpoint. However, the findings of this study need to be taken with precaution because of the low percentage respondents and is clearly not representative for the general population. Future perspective of the research posed unanswered questions in terms of what factors help in realization of intentions is warranted. What prerequisite and process suitable to implement the entrepreneurial intention.

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