



## AN INVESTIGATION OF FACTORS THAT INFLUENCE POSTGRADUATE STUDENTS' ENTREPRENEURIAL INTENTIONS

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**ABSTRACT** To undertake certain business activity, turn it into profitable ones and contribute towards economic development, how good it seems to read, right? According to the Global Entrepreneurship Monitor India report, 11 percent of the Indian adult population is engaged in early-stage entrepreneurial activities out of which only 5 percent manage to establish their business that survives more than 42 months. It is secondary how many survive for longer, the main concern is how many intend to be an entrepreneur. This study aims at finding out the impact of demographic profile, personality traits, social and cultural factors, and educational factors affecting the intention of MBA postgraduates of MGM Institute of Management & Research, Aurangabad.

**KEYWORDS** : Entrepreneurial Intention, personality traits, social and cultural support, educational support, Entrepreneurial Ecosystem.

### INTRODUCTION

The importance of entrepreneurship as a contributor to job creation, innovation, and economic development is widely acknowledged (Sesen, 2013; Hopp & Stephen, 2012; Nabi & Linan, 2011). Entrepreneurial activity is dependent on entrepreneurs who recognize, evaluate and exploit opportunities (Ardichvil, Cardozo & Ray, 2003; Shane, Locke & Collins, 2003; Shane & Venkataraman, 2000). Most of the studies carried out reveals that in entrepreneurship intention of the individual plays an important role in venturing into the business. Delanoe (2013); Zhang and Yang (2006) and Kolvereid and Isaken (2006) have positively related entrepreneurial intention with entrepreneurial behavior. Entrepreneurial intention is the key leading to versatile business dimensions.

Entrepreneurship is given more attention now a day given optimum utilization of resources, economic advancement, the solution to the problem of unemployment, and catering to changing facets of social problems and solutions to it. Even having an ocean of opportunities many MBA graduates are not turning towards entrepreneurship; "We win half the battle when we make up our minds" the question is what are these factors one needs to seriously look into this issue? In this study, serious efforts are made to find out the impact of demographic, personality, socio-cultural and educational support on venturing into the business.

### Literature Review

1. Demographic profile of the students like age, gender, educational background, prior employment or entrepreneurial experience, parent's occupation, family background, etc, have an impact on entrepreneurial intention (Kristiansen and Indarti, 2004). In general, gender has a greater impact on entrepreneurial intention. Studies carried out by previous researchers are of opinion that women are less likely to start a business (Crant, 1996; Zhao et al., 2005; Phan et al. 2002; Kourilsky and Walstad, 1998; Shay and Tejensen, 2005; Daim, 2016). In the same way age, the educational level also has a great impact on intention (Choo and Wong, 2006; Curran and Blackburn, 2001; Levesque and Minniti, 2006) while Choudhary 2017 has contrary views on this. As far as experience and other family factors are concerned Basu and Virick, 2008; Mcstay, 2008; Shane, 2008; Matthews and Moser, 1995; Papadaki, 2002; Fairlie and Robb, 2007 strongly argue that prior employment and family background has a greater impact on entrepreneurial intent.

2. Locus of Control (LoC) is a measure of the belief of people in their ability for controlling the environment through their actions (Ahu Tugba Karabulut, 2016). In a way personality traits, control feelings. Internal expectancy shows a propensity to affect a person's

environment (Lefcourt, 1972). Most of the previous studies depict that entrepreneurs are internally controlled (Panday and Tewary, 1979; Dailey and Morgan, 1978, Brockhaus, 1982, Bonet and Furnham, 1991).

3. Supportive culture can be the reason for social justice, from which the entrepreneurial process begins, formation of different cultural values influences the creation of new business, and entrepreneurship is all about people who search for and evaluate opportunities (Ankita Abrik, Bhavesh Vanparia, Lal Bihari Barik, 2017), Socio-cultural factors include various schemes, financial aids, simplified rules and regulations, taxation policies, inheritance of entrepreneurial culture, etc. The national culture, and cooperation between national culture and entrepreneurs have a significant impact on entrepreneurial intention (Hayton, 2002). Luthje, 2003 survey depicts that perceived contextual barriers and support play a significant role in the entrepreneurial behavior of professional students.

4. To strengthen the capacity of idea creation and innovation and application of these to solve real-time problems that society is facing and convert them into possible profit-making as well as to promote entrepreneurial knowledge and impart entrepreneurial skills entrepreneurial education plays a vital role. The previous studies carried out highlight a greater impact of perceived educational factors on entrepreneurial intention. Lazer (2003) is of opinion that individuals with balanced skills and familiarity with different fields and professions are more likely to become an entrepreneur. According to Hisrich and Peters (2003) the environment, institute, and all educational levels play an important role in this regard. Gourmont (1997) refers to the work done by Bondura who argued that education can be a basic principle about establishing or starting a business, through which it is expected that knowledge transfer and acquisition and also the development of entrepreneurial skills lead to an increase in efficiency and effectiveness of potential entrepreneurs.

### Research Methodology

#### Data Collection

For conducting the study desk research has been carried out, which helped us to identify and prepare the parameters to study. The primary data has been used to carry out the study with the help of a structured questionnaire. The questionnaire was segregated into five segments, primary introduction of the study, demographic section, personality traits assessment, socio-cultural assessment, and educational factors.

#### Study sample

All the students in MBA first and second year were chosen under the purposive sampling method. The institute has an intake of 360 students out of which 100 have responded to the study and almost all were

having almost prior knowledge about business and entrepreneurship.

**Data analysis**

**a. Demographic information of the respondents**

Variable		N	%
Gender	Male	62	62
	Female	38	38
Age Group	18-20	09	09
	21-23	66	66
	24-25	21	21
	>25	04	04
Place of Origin	Rural	26	26
	Semi-urban	11	11
	Urban	63	63
Year of study	First	74	74
	Second	26	26
Specialization	Finance	48	48
	HRM	17	17
	Marketing	33	33
	POM	02	02
Work Experience	Yes	69	69
	No	31	31
Business Experience	Yes	44	44
	No	56	56
Business History	Yes	51	51
	No	49	49

(Source: Primary Survey)

From the demographic profile observed during the survey, it has been observed that most of the respondents were male; despite their specialization and place of origin it can be very easily concluded that those who were having prior work experience either in the job or a firm were very keen in starting their venture within five years of completion of their post-graduation program. So, as far as the influence of demographic factors on entrepreneurial intention is concerned it was observed that demographic factors do not majorly contribute to entrepreneurial intention. It was also found during the study that those who are already engaged with family business activities intended to go for entrepreneurial activity in near future.

**b. Personality and motivational traits of the respondents**

Indicator	SA	A	N	D	SD
Entrepreneurship is my ultimate aim	32	50	18	0	0
Entrepreneurship allows independency	39	38	15	05	03
Venturing into an entrepreneur is a risky business	03	44	45	05	03
Those who cannot get a decent job venture into entrepreneurship	02	28	39	25	06
Entrepreneurship creates new job opportunities	65	25	09	01	00
I am likely to start my business immediately after my MBA	58	21	14	04	03
I am likely to start my business within the next five years of completion of my MBA	79	07	14	-	-

(Source: Primary Data)

During the study, it was observed that personality and motivational factor plays a vital role as certain questions were asked to the students based on the personality test.

82 percent of the respondents believe in pursuing their career in the field of entrepreneurship, while 77 percent of the respondent may like to opt for it on the basis that it gives them independence. One of the major factors i.e. risk still stood between students' intentions and entrepreneurial behavior. While knowing the intentions of the student it has been seen that 31 percent of the respondent were not clear, whether entrepreneurship is for self-fulfillment or the need of the society. 89 percent of the respondents believe that they must run a business as it creates greater job opportunities. Relating all the four factors it was found that 63 percent will start their business

immediately after completion of their post-graduation and 79 percent will start their own business within five years of completion of the post-graduation program, it is quite difficult to arrive at a concrete conclusion when linked with the first question that entrepreneurship is my ultimate aim where 18 percent said NO but response to know their start-up period averages somewhere between 17 percent. In the end, what is good to know is that personality and motivational factors play an important role in building entrepreneurial intention.

	Ultimate Aim	Independency	Risk	No Decent Job leads to Entresp	Entr creates new job
Chi-Square	40.960a	25.300b	100.200b	48.500b	95.440c
df	1	4	4	4	3
Asymp. Sig.	.000	.000	.000	.000	.000

**Interpretation: -**

Chi-Square test has been applied to analyze if personality trait significantly influences the entrepreneurial intention, the P-value of the Chi-Square test is 0.00010 which is less than 0.5 which implies the assumption is true that personality traits significantly influence the entrepreneurial intention of the respondents.

**c. Socio-cultural factors influencing entrepreneurial intention**

Indicator	SA	A	N	D	SD
My environment promotes entrepreneurship	21	34	27	12	06
My social and professional network promotes entrepreneurship	25	35	29	07	04
Govt. has adequate schemes to promote entrepreneurship	11	48	31	06	04
There are not many institutions providing finance for a new business	06	38	41	11	04

(Source: Primary Data)

The study continued to dig into the contextually related factors to find out their impact on entrepreneurial intention. It was found that relational support is key to building entrepreneurial intention wherein relational support means social connections of an individual which results in positive in terms of creating entrepreneurial intention as it motivates an individual to go for it. 60 percent of the respondents were of this opinion while 29 percent who stood neutral might have not understood the question well. 'The one who is thirsty will find the well', exactly applies when socio-cultural factors are seen, as the structural factors do not majorly help in building the entrepreneurial intention but assist in promoting entrepreneurial culture, in India, the structural changes are happening rapidly which is a very good sign for entrepreneurs to be. The study depicts that there should be more focus on creating awareness about these structural factors in association with educational institutes, local bodies, and NGOs working for it then it might lead to motivate the entrepreneurs to be.

	SocioProfessi onal N/W	Envnt	GovtSche meInfo	Financial Institute Awareness
Chi-Square	37.800a	25.300a	71.900a	64.900a
df	4	4	4	4
Asymp. Sig.	.000	.000	.000	.000

**Interpretation: -**

Chi-Square test has been applied to analyze if Socio-Cultural factors significantly influence the entrepreneurial intention, the P-value of the Chi-Square test is 0.00015 which is less than 0.5 which implies the assumption is true that the Socio-Cultural factors significantly influence the entrepreneurial intention of the respondents.

**d. Educational and Institutional support influencing entrepreneurial intention**

Indicator	SA	A	N	D	SD
I have knowledge of entrepreneurial development agencies in my region	12	17	42	22	07

Educational Infrastructure affects entrepreneurial intention	11	44	34	06	05
Institutional help assists in setting up entrepreneurship	17	50	25	04	04
Institute's encouragement is a must to promote a new business idea	11	56	29	03	01
Does your curriculum encourage and prepare you to be an entrepreneur	19	33	25	12	11
Relevant training programs boost intention	20	32	35	09	04

(Source: Primary Data)

Prior studies carried out highlight very clearly that educational institutes except Management studies have no significant role to play in creating entrepreneurial intention, the current study also hints the same as most of the respondents are not aware of agencies that develop entrepreneurship intention among the students, it can be clearly understood from this fact that those agencies lack in promoting themselves in this regards or a policy shift is needed for the same. 55 percent of the respondents were of opinion that proper infrastructure facilities may lead to developing entrepreneurial intention while 11 percent disagreed with this thing and 34 percent remain neutral on this view. 67 percent of respondents were like institute's help is necessary for creating intention and promoting new business ideas while 25 and 29 percent were neutral on this view. Still 25 percent of the management science students were confused that their curriculum prepares them for future entrepreneurs, relating this to prior studies carries out by various researchers it depicts that a concrete change in the present curriculum is needed. 79 percent of the respondents were of opinion that relevant training and development programs are needed to boost them up for entrepreneurial activity; despite few advantages, this is simply an indication that the present educational system fails in creating entrepreneurial intent among the students, and its only priorly mentioned few things which result in entrepreneurial intention. This is one of the reasons why we need to shift from a placement-driven institute to an entrepreneurship-oriented institute.

**Table 4.1**  
Chi-Square Test

	EduIn fra	Knowle dgeofAg encies	Idea Encoura gement	Supportive Curriculum	Program and Training	Business Knowledge support
Chi-Square	60.000a	36.500a	105.400a	17.000a	37.300a	60.000a
df	4	4	4	4	4	4
Asymp. Sig.	.000	.000	.000	.002	.000	.000

**Interpretation:-**

Chi-Square test has been applied to analyze if Educational factors significantly influence entrepreneurial intention, the P-value of the Chi-Square test is 0.002 which is less than 0.5 which implies the assumption is true that the Educational factors significantly influence the entrepreneurial intention of the respondents.

**Recommendations and suggestions:**

1. It has been found in the study that personality traits majorly affect the entrepreneurial intention, so If I am scared of a snake, I am going to avoid it, if not I believe they are dangerous; here comes a role of educational institutes to the built affective, behavioral and cognitive component of personality in the positive direction.
2. To accomplish this professional support must be provided by the institutes not only management but all.
3. Curriculum revision according to the need of the hour is a must, else we have an Entrepreneurship development subject on paper only!
4. A strong Government/Private bond has to be established with educational institutes to facilitate the base of creating entrepreneurial intention.
5. Student and faculty exchange programs to be carried out to update faculty and students.

**CONCLUSION:**

Entrepreneurship starts with mindset first of all; in this study, the sample size is too small to arrive at a concrete conclusion yet four

factors were identified to study the entrepreneurial intention among the students of MGM IOM. It is very clear from the study that Personal attitude, Relational support, and perception towards entrepreneurial activity impact majorly on entrepreneurial intention. The findings of this study are restricted to the institute where the study has been carried out. Overall from the study, it can be inferred that the existing educational support is too less to promote entrepreneurial activities.

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