

Youth and Its Entrepreneurial Motives

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Abstract

Entrepreneurship is very significant in bringing economic changes and progress to any nation. The study was planned to evaluate whether the students would be interested in opting entrepreneurial careers after their study. In order to draw some meaningful inferences regarding student's aspirations towards entrepreneurial career a pretested scale "Entrepreneurial Motivation Scale" was taken up for investigation in the present study. This is a descriptive and empirical type of research which includes surveys and fact-finding enquires of different kinds. The present study is focused on the students pursuing professional courses at the post graduate and undergraduate level enrolled in various universities in the state of Punjab. It was found that majority of the students were interested in opting entrepreneurial careers.

Introduction

Motivation refers to an internal state of mind that makes a person to proceed towards the achievement of goals. It is an inspiring process of routing an individual force and actions towards goals. Motivation is an inner psychological emotion which creates goal intended behaviour. It is an unending process as human needs are never entirely satisfied (**Krishna 2013**).

Researchers and scholars have constantly sought to find out what makes an individual an entrepreneur, or the factors that push or encourage individuals to opt for an entrepreneurial career. Some of the key reasons frequently given for starting a business in North America, Europe and Japan are: to be one's own boss, with additional control over one's work and life; to achieve an alternative for growth from a dead-end job; to gain additional money; and to offer products not available anywhere else. In the UK especially the graduated youth is motivated basically due to a desire for independence, flexibility and not always money (**OECD 2001**). However, in developing country's youth is tending to go into business due to economic

necessity or need to survive. In Malawi most of the youth entrepreneurs considered poverty and unemployment as the primary reason for starting their business (**Kambewa 2001**). **Vijaya and Kamalanabhan (1998)** also stated that in regard to Indian context various negative factors such as lack of employment and inappropriate service conditions has been important factors that pushed technically qualified young men into entrepreneurship.

Bruce Craig Mitchell (2001) and Cromie (1987) have summarized different entrepreneurial motivation factors on the basis of research conducted by different researchers and scholars in different years. The table has been provided below:

Table 1
Motivation factors on the basis of research

Entrepreneurial motivation factor	Researchers
Need for independence/ Autonomy	Cromie (1987); Hisrich and Brush (1984); Kuiper (1991); Schwartz (1976); Singh (1993); O'Connor (1983); Vijaya and Kamalanabhan (1998); Collins and Moore (1969); Roberts and Wainer (1971); Scott (1976); Watkins (1971)
Material incentives/make money	Dubini (1988); Hisrich and Brush (1984); Kuiper (1991); Schwartz (1976); Singh (1993); Collins and Moore (1969); O'Connor (1983); Roberts and Wainer (1971); Susbauer (1972); Watkins (1971)
Need for achievement	Cromie (1987); Dubini (1988); Hisrich and Brush (1984); Schwartz (1976); Shane et al. (1991); Singh (1993)
Job satisfaction	Buttner and Moore (1997); Cromie (1987); Kuiper (1991); Hisrich and Brush (1984); Schwartz (1976); Vijaya and Kamalanabhan (1998)
Need to escape a negative situation	Buttner and Moore (1997); Cromie (1987); Singh (1993)
Contribute to the community	Dubini (1988), Kuiper (1991), Shane et al. (1991)
Flexibility with family, career	Buttner and Moore (1997), Cromie (1987), Dubini (1988), Kuiper (1991)

Veciana et al. (2005) on the basis of empirical study states that need for independence, need for achievement and being “marginalized” are the most dominating motivators for entrepreneurs. **Singh (1993)** conducted a study on 200 women entrepreneurs in Delhi, India and found that the most important motivating factors were to become independent, to prove one, to earn money, job satisfaction, competition, to gain status. Another study conducted by **Vijaya and Kamalanabhan (1998)** on 195 potential women entrepreneurs in Madras, India found out that the motivating factors were needed to take risks, need for independence, need to innovate and achieve, assume leadership roles and achieve social status and due to lack of money.

Entrepreneurial motivation is the drive of an entrepreneur to keep up an entrepreneurial will in all their actions. One of the variables that play significant role in entrepreneurship is achievement motivation. **McClelland and Franz (1992)** defined achievement motivation as a need for removing obstacles, be excellent and live according to superb standards. In his point of view, motivation is an encouraging evolution, which can give power to and guide the behaviour in all situations. The results of his study explain that individuals who have high achievement motivation have a preference towards jobs with high responsibilities. **McClelland and Winter (1969)** also stressed on the fact that those with the need to achieve or excel were inclined towards entrepreneurship.

Cromie (1987) examined the motivations of individuals aspiring to become entrepreneurs in his research “**Motivations of aspiring male and female entrepreneurs**”. The main objectives of the paper were to reveal if entrepreneurs have multiple motives of starting their enterprise, whether non economic motives prove an edge over economic ones and if both men and women find business for the similar reasons. The study was conducted on the motives of 35 male and 34 female would be or very early entrepreneurs based on personal interviews. The study highlighted that both men and women are motivated by autonomy, achievement, a desire for job satisfaction and various other non economic rewards. Money however is not an important motive. It was also found that women are less motivated by money and often choose entrepreneurship as a result of career dissatisfaction and also to fulfill the needs of children.

Dash and Kaur (2012) in their research paper “**Youth Entrepreneurship as a way of Boosting Indian Economic Competitiveness. A study of Orissa**” made an attempt to study the factors leading to the promotion of young entrepreneurs to start their business and to find

out the constraints that restrict and also to study the prospects that motivate the young people to initiate and run a business and to assess the performance of young entrepreneurs in Orissa. The study was conducted in Bhubaneswar and Cuttack, the twin cities of Orissa. It was found that most young entrepreneurs, although had other opportunities chose entrepreneurial careers because of their wish to be independent and earn more. However, most of young entrepreneurs in Orissa faced certain problems, such as lack of working capital, tax regulation and inadequate support of the society.

Wayne et al. (2012) in their research paper entitled “**Affiliation motivation and interest in entrepreneurial careers**” tried to understand, affiliation motivation patterns among students interested in pursuing entrepreneurial careers in comparison to students less interested in entrepreneurial careers. The interpersonal orientation scale was used to measure affiliation motivation. The data were collected from 424 college students pursuing business courses in the mid Atlantic region of the USA. The collected data were empirically analyzed using a number of statistical techniques such as confirmatory factor analysis, chi square of goodness fit and chi square degree of freedom. The study revealed that the interest in entrepreneurial careers was negatively related to the need for emotional support and positively related to the need for positive stimulation from others. Hence it was concluded that persons with entrepreneurial interests, enjoy interacting with other people, but they are not emotionally dependent upon them. However the need for social comparison and need for attention did not vary as a function of entrepreneurial aspiration.

Research methodology

Research methodology is a systematic way to solve the problem under study. This is a descriptive research which includes surveys and fact- finding enquires of different kinds.

Objective: To find out if there is a difference between the motives of the students who were serious and not serious about entrepreneurial careers.

Data collection The research design for the present study cover’s both the primary data and secondary data. The present study is focused on the students pursuing professional courses at the post graduate and undergraduate level enrolled in various universities in the state of Punjab. The sample of the present study comprised of 600 students studying in different professional courses such as (M.B.A, Pharmacy, Engineering and computer applications).The sample was taken from 3 public universities (i.e. Punjabi university, Panjab university and Punjab technical

university) and 3 private universities (i.e. Chitkara university, Chandigarh university and Lovely professional university) providing professional education in the state of Punjab.

Instrument of data collection

After reviewing the literature on a variety of scales used to measure entrepreneurial motivation, the pre tested scale developed by Vijaya and Kamalanabhan (1998) was used to assess motivation for the present study. The scale was developed specifically related to Indian context. Entrepreneurial motivation scale is a 27 item scale measuring five core motivations - entrepreneurial, social, individual, work and economic. In this study, the reliability of the scale was tested by using Cronbach's alpha test. The test indicates how well the terms in a set are positively correlated to one another. The scale was administered on 50 respondents at random. The results of this test show that all variables in this scale are reliable being entrepreneurial core (0.718), work core (0.830), social core (0.639), individual core (0.657) and economic core (0.676). The Cronbach alpha for complete scale was found to be 0.971, which indicated that the internal consistency was quite high and, hence, it was concluded that the instrument was reliable.

Tools used for Data Analysis

1. SPSS 13.0 Update Version (Statistical Package for the Social Sciences) was used for data analysis.
2. Microsoft Office Excel 2007 is used to generate graphs.

Classification of data

In the present investigation an attempt was made to analyze the relative contribution of motivational factors in the entrepreneurial career choice for students of professional courses. Data were obtained from a sample of 600 students pursuing professional courses from different universities of Punjab. Out of this some questionnaires were incomplete and inappropriate and only 566 questionnaires were included in the final survey.

Classification on the basis of Perception towards entrepreneurial careers

The majority of the students (73.6%) responded in favor of entrepreneurial career i.e. they were serious about entrepreneurship as a career option. The respondents have a positive attitude towards entrepreneurship as a career and they may prefer to opt for entrepreneurship as a career sometime in future.

Table 2
Perception towards entrepreneurial careers

	Frequency	Percentage
No	149	26.4
Yes	417	73.6
Total	566	100.0

Comparison between motives of students who were serious and not serious about entrepreneurial careers (t-test)

The hypothesis formulated was:

Hyp_{0(a)}: There is no significant difference between the motives of the students who were serious and not serious about entrepreneurial careers.

Hyp_{1(a)}: There is a significant difference between the motives of the students who were serious and not serious about entrepreneurial careers.

The sample respondents were basically grouped into two, namely, the students who were serious about entrepreneurial careers and those who were not. In order to find out whether the motivational factors differ between such students, t- test of variance was applied.

Assumptions of t-test

- The variances of dependent variable in two samples were equal (homoscedasticity)
- The dependent variable was normally distributed
- The data were independent, i.e. the score of one participant was not related to the score of another

Before applying t-test; the assumptions of t-test i.e. equality of variance (homoscedasticity) and normality and were tested.

Testing for equality of variances

Spss automatically test this assumption of Homoscedasticity with the Levene test for equal variances. In the table below Levene's test for equality of variance helped to determine whether the variance scores of the two groups was the same i.e. if there was variation between students who were serious about entrepreneurial careers and those who were not. The outcome of this test helped to determine which of the value of t-test (i.e either of equal variances assumed or equal variances not assumed) was to be taken for interpretation. If sig value >0.05 then the

assumption of equality of variance assumed was fulfilled vice versa. In the above case for all the entrepreneurial motives the condition for equality of variance assumed was fulfilled as for all the motives sig is >0.05 ; hence equal variance assumed values were taken in table 3:

Table 3
Levene's test for equality of variances

Levene's test for equality of variances		F-value	Sig.
Entrepreneurial core	Equal variances assumed	1.798	.181
Work core	Equal variances assumed	.836	.361
Social core	Equal variances assumed	1.137	.287
Individual core	Equal variances assumed	.160	.689
Economic core	Equal variances assumed	.137	.712
Motivation	Equal variances assumed	.756	.385

Testing for normality

Normality was tested using normal probability plots and Shapiro-wilk test. A Shapiro-wilk's test ($p > 0.05$) showed that overall motivation scores were approximately normally distributed for both students who were serious and not serious about entrepreneurial careers with a skewness of -0.008 (S.E=.139) and a kurtosis of -0.429 (S.E=.277) for students who were serious about entrepreneurial careers and a skewness of 0.124 (S.E=.183) and a kurtosis of -0.106 (S.E=.363) for the students who were not serious about entrepreneurial careers.

At some places skewness, kurtosis, z-value reveal that data was not perfectly normal but did not reveal any significant departure from normality and hence normality of data was assumed and data was considered fit for parametric tests.

Also, as t-test is robust against the departure of the assumption of normality; especially if sample size is large; mild violation of this assumption can be accepted (Malhotra and Dash 2012, Morgan et.al 2004).

Table 4
Testing normality with skewness, kurtosis and Z-value

	Serious about entrepreneurship						Not serious about entrepreneurship					
	Skewness	S.E (Sk)	Z-value	Kurtosis	S.E (K)	Z-value	Skewness	S.E (Sk)	Z-value	Kurtosis	S.E (K)	Z-value
Entrepreneurial core	-.427	.139	-3.072	-.263	.277	-0.949	-.044	.183	-0.240	-.774	.363	-2.132
Work core	-.365	.139	-2.626	.075	.277	0.271	-.224	.183	-1.224	-.080	.363	-0.220
Social core	-.079	.139	-0.568	-.701	.277	-2.531	-.130	.183	-0.710	-.376	.363	-1.035
Individual core	-.417	.139	-3	-.327	.277	-1.180	-.032	.183	-0.175	-.317	.363	-0.873
Economic core	-.191	.139	-1.374	.000	.277	0	.119	.183	0.650	-.237	.363	-0.652
Motivation	-.008	.139	-0.57	-.429	.277	-1.548	.124	.183	0.677	-.106	.363	-0.292

Shapiro-Wilk test of normality

Table 5

	Serious about entrepreneurship		Not serious about entrepreneurship	
	Statistic	Sig.	Statistic	Sig.
Entrepreneurial core	.973	.000	.980	.011
Work core	.985	.003	.986	.075
Social core	.980	.000	.983	.032
Individual core	.969	.000	.977	.005
Economic core	.987	.006	.988	.132
Motivation	.994	.256	.991	.355

Comparison between Motives of students who were serious and who were not serious about entrepreneurial careers (t-test Results)

Entrepreneurial motives were found to be perceived significantly different between the students who were serious about entrepreneurial careers and students who were not serious about entrepreneurial careers (table 6). All the cores of motivation are found to be significant at the 5 % level of significance.

- Motivation to start any career is gathered from entrepreneurial core. Individuals scoring high on entrepreneurial core tend to have risk taking ability, tend to be independent and have the confidence to deal with different things effectively. The study of **Mitchell 2004** confirms that entrepreneurs are primarily motivated by independence and the need to contribute to the economy which is the same as entrepreneurial core. Also, **Maalu et al. 2010** studied university students' motives towards entrepreneurial careers which is in confirmation with the present study. Naturally, students scoring high on entrepreneurial core may tend to opt for entrepreneurship in the future as entrepreneurship is a risk taking activity wherein a person has to take many decisions from time to time and it is very important to be confident.
- Students scoring high on work core are not stereotypes. They rather prefer to choose their innate talent and problem solving skill in any profession and want to be innovative. It is in confirmation with the study of **Karimi et al. 2013** and **Maalu et al. 2010**. All these traits are a must for entrepreneurial careers. That is why students preferring entrepreneurial careers score higher on work core.
- Persons scoring high on social core don't prefer to work under others; rather they would prefer to employ others under them. Such people prefer high social status and leadership roles and may prefer to opt for entrepreneurial careers in the future. This is the same as in the survey conducted by **Cromie 1987**.
- Entrepreneurs are assumed to have a high level of individuality, being distinct from others and desire a personally preferred workstyle and lifestyle. Students scoring high on individual core were serious about entrepreneurial careers to utilize their inner talent. These motives are very similar to those given by **Cromie 1987** and **Maalu et al. 2010**.

- Earnings from jobs are limited. However, in entrepreneurship a person can raise his income to any extent depending on his skills and abilities. Such persons are not satisfied with limited income; rather they want to earn more. Thus the economic core is high among students who are serious about entrepreneurial careers. It has also been confirmed in the previous studies by **Birley and Westhead 1994, Collins and Moore 1969 and Susbauer 1972.**

The effect size for social care, individual core and economic core was small, and that of entrepreneurial and work core was medium (**Cohen 1988**).

Table 6

Comparison between Motives of students who are serious and students who are not serious about entrepreneurial careers (t-test Results)

Entrepreneurial motive	Serious		Not serious		t-value	Df	Sig (P-value)	d-value (effect size)
	Mean	S.D	Mean	S.D				
Entrepreneurial core	3.7265	.70274	3.5011	.74711	-3.325	484	.001	0.31078322
Work core	3.7129	.60784	3.4629	.66065	-4.226	484	.000	0.39382829
Social core	3.5456	.73349	3.3966	.71588	-2.174	484	.030	0.20559140
Individual core	3.6015	.81996	3.4223	.82999	-2.308	484	.021	0.21721469
Economic core	3.5339	.66827	3.3779	.69340	-2.408	484	.016	0.22909140
MOTIVATION	3.6278	.54150	3.4332	.58929	-3.684	484	.000	0.3438771

Conclusion

As unemployment and poverty are big problems in developing countries like India, entrepreneurship seems to be the major tool to solve these problems and lead to the economic upliftment and increase in standards of living of people.

Initially, data was divided on the basis of students who were interested and who were not interested in an entrepreneurial career. It revealed that majority of students were interested in entrepreneurial career and would like to opt it sometime in future. Students of private universities were more inclined towards entrepreneurial careers as compared to students of public universities. Then an attempt was made to know the motives of students who were interested in entrepreneurial careers. The present study consisted of entrepreneurial motivation scale which was grouped into measure 5 cores of motivation, i.e. entrepreneurial core, work core,

social core, individual core and economic core. The results reveal that students inclined towards entrepreneurial careers score higher on all the above scores indicating that such students tend to have risk taking ability, want to be independent, have the talent to deal with things effectively, have problem solving skills which they want to use in their profession, urge to be innovative, prefer not to work under others, rather want to employ others under them, aspire for high social status and leadership roles and have a high level of individuality, a desire to be distinct from others and want to earn more. Above all the motives direct them to opt for entrepreneurial careers which may prove to be the right platform to fulfill all the above motives. As concluding note to the study it is observed that by analyzing entrepreneurial career aspirations of students of professional courses various academicians, practitioners, government, educational policies and career guidance counseling programs can use it as guidance to promote entrepreneurship as a career among students and hence help to overcome the problem of unemployment.

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