

Students Intention towards Entrepreneurship as a Career among Final Year Engineering Students in Puducherry

OPEN ACCESS

Manuscript ID:
MGT-2021-08033559

Volume: 8

Issue: 3

Month: January

Year: 2021

P-ISSN: 2321-4643

E-ISSN: 2581-9402

Received: 07.10.2020

Accepted: 26.11.2020

Published: 01.01.2021

Citation:

Ellikkal, Adil, and S. Rajamohan. "Students Intention towards Entrepreneurship as a Career among Final Year Engineering Students in Puducherry." *Shanlax International Journal of Management*, vol. 8, no. 3, 2021, pp. 66-73.

DOI:

<https://doi.org/10.34293/management.v8i3.3559>



This work is licensed under a Creative Commons Attribution-ShareAlike 4.0 International License.

Adil Ellikkal

Ph.D. Scholar, Alagappa Institute of Management,
Alagappa University, Karaikudi, Tamil Nadu, India

S. Rajamohan

Senior Professor and Director i/c, Alagappa Institute of Management
Alagappa University, Karaikudi, Tamil Nadu, India

Abstract

Purpose: The purpose of this paper is to study the intention of students towards entrepreneurship as a career choice. This paper aims to determine the impact of various factors on entrepreneurial intention among final year engineering students.

Design / Methodology / Approach: A structured questionnaire was administered to 120 final year engineering students in Pondicherry. The data is obtained analyzed using a logistic regression model. The relationship between the significant factors was also examined using the chi-square test.

Findings: The authors find from the estimation of this paper shows that different entrepreneurial factors like family, environment and curriculum are not creating any impact on student's entrepreneurial intention. Thus our education system needs to provide better habitat for creating new entrepreneurs.

Originality / Value: This paper presents an interesting viewpoint on the intention of students towards starting a new business. Students were not getting proper entrepreneurial education in colleges and universities. All the data collected was original.

Keywords: Entrepreneurship education, Entrepreneurial intention, Career choice

Introduction

Today smaller businesses and entrepreneurs play a central role in the Indian economy. Entrepreneurship is a significant driver of innovation, competitiveness and growth. The primordial question one is faced with in literature when entering the field is "can entrepreneurship be taught?" also appears (Fayolle, 2013; Hytti & O'gorman, 2004; Liguori et al., 2018; Neck & Corbett, 2018; O'Connor, 2013; Pittaway & Cope, 2007, Williams Middleton & Donnellon, 2014). Entrepreneurship, in general, has been looked at through personality-based and competency-based approaches (Wagner, et al., 2010). In the personality-based process, which is also the more traditional viewpoint, Fisher and Koch (2008) believed that genetics play a decisive factor in shaping entrepreneurs; born entrepreneurs who have inherited the behavior they display. On the other hand, in the more recently developed competency-based approach, Robles and Zarraga-Rodriguez (2015) emphasized the competencies which entrepreneurs had and believed people could be trained to become entrepreneurs.

Anuradha Basu and Meghna Virick (2008) studied the entrepreneurial intentions and antecedents among 123 students from San Jose State University. It was reported that education, attitude towards entrepreneurship

and self-efficacy influence the decision to become an entrepreneur. The impact of education and practical exposure to entrepreneurship moderate the entrepreneurial intention outcomes. Moy and Luk (2008) have used a psychological model of new venture creation to study the career choice intent of Chinese graduates. The study showed that gender and parental role positively affected career choice intent and entrepreneurial alertness was found to moderate the relationship between self-efficacy and career choice intention.

This paper is organized as follows. First, we present a review of the literature on entrepreneurship, entrepreneurship intention and its education. We then develop objectives and then a research hypothesis. This is followed by the research methodology we used. Next, we present our findings and discuss this result with the help of SPSS. Finally, we conclude by highlighting key contributions, limitations and implications of this work for both research and practice.

Theoretical and Conceptual Foundations

Entrepreneurship has been variously defined over the years, but Morris (1998) provides a summarised definition of entrepreneurship as “a process through which individuals and teams can create value by bringing together unique packages of resource inputs to exploit opportunities in the environment.”

Entrepreneurship helps identify an opportunity, to produce value addition or economic success (European Commission, 2003). The Global Entrepreneurship Monitor (GEM) (2004) and highlights the current importance of entrepreneurship. According to GEM, entrepreneurship activities in any country boost economic development, jobs, investments and growth through knowledge, venture dynamics and innovation. Entrepreneurship is a significant employment source, economic growth and innovation, promoting product and service quality, competition and economic feasibility. Further, it is a mechanism through which people enter the society’s economic and social mainstream, aiding culture formation, population integration and social mobility Hisrich, et al., (2007). The importance of entrepreneurship stems from its vital contribution to the national economy through increasing economic

efficiencies, bringing innovation to market, and creating new jobs.

According to Say (1803), ‘An entrepreneur is an economic agent who unites means of production, land of one, the labor of another and the capital of yet another and thus produces a product. By selling the product in the market, he pays rent to land, wages to labor, interest on capital and what remains is his profit’. Thus, an entrepreneur is an organizer who combines various production factors to produce a socially viable product. An entrepreneur is usually termed to have the initiative, skill and motivation to set up a business or enterprise of his own and who always looks for higher levels of achievements.

Schumpeter (1934) viewed an entrepreneur as a person who carries out new combinations, causing discontinuity. Carrying out of new varieties can include producing a new well or enhancing the quality of a good, a new method of production, opening up of a new market, the conquest of a new source of raw materials, or the reorganization of any industry. Leibenstein (1968) defined an entrepreneur as marshal all resources necessary to produce and market a product. According to Cole (1968), entrepreneurship is a purposeful activity to initiate, maintain and develop profit-oriented business. In the opinion of Kirzner (1985), an entrepreneur is one who perceived profit opportunities and commenced an action to fill current unsatisfied needs. Drucker’s (1985) entrepreneurship is an act of innovation that involves endowing existing resources with new wealth-producing capacity. Gartner (1985) defined entrepreneurship as the process of creating a new organization.

Hisrich and Peters (1989) outlined entrepreneurship as the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying financial, psychological and social risks and receiving the resulting rewards of monetary and personal satisfaction. Stevenson, et al., (1989) opined that entrepreneurship is the pursuit of an opportunity irrespective of existing resources. According to Herron and Robinson (1993), entrepreneurship is the set of behavior that initiates and manages the reallocation of economic resources and the purpose is value creation through such means. Nybakk and

Hansen (2008) viewed entrepreneurs as drivers of economic development because they create a new order. Entrepreneurs are regarded as individuals who carry out new combinations, which come in different forms such as new goods or new quality products, new production methods, new markets and new sources of supply or a new way of organization.

Alvarez and Barney (2007) highlighted two theories that explain how entrepreneurs identify and make the best of opportunities as discovery and creative ideas. They explained that these theories look into “entrepreneurial actions in terms of their impact on the ability of entrepreneurs to form and exploit opportunities.” The discovery theory postulates that only entrepreneurs can identify opportunities and exploit them beneficially. These opportunities are created by factors that are beyond the power of the entrepreneur. Entrepreneurs in this sphere also operate in an environment where their actions class them as risk-takers to gather and analyze information before making their decisions. However, in creative theory, entrepreneurs act in a situation where data or facts to support decisions to be made are not available or accessible but decisions are made all the same. They create opportunities, products, trends, which are then explored further after observing it, refining it and finally making something out of it. These individuals, over time, based on creation theory, will have specific attributes better developed than those of others, which will aid them along this path as entrepreneurs. In accessing financing, about either of these theories, entrepreneurs under the discovery theory are found to be best at accessing funds via banks specialist funds. In contrast, for the creation theory, entrepreneurs are the best at accessing funds via savings, friends, and family.

Objective of the Study

- To analyze the factors influencing the entrepreneurial intention of engineering students in Pondicherry.
- To find out the relationship between demographic factors and factors influencing entrepreneurial intention.
- To examine the impact of entrepreneurial factors on entrepreneurial intention.

Hypotheses of the Study

Ho1: There is no association between demographic factors and entrepreneurial intention

Ho2: There is no impact on Personality factors on entrepreneurial intention

Ho3: There is no impact on Family factors on entrepreneurial intention

Ho4: There is no impact on Environmental factors on entrepreneurial intention

Ho5: There is no impact of Curriculum factors on entrepreneurial intention

Methodology

Descriptive research has been conducted to describe the current state of affairs in education institutions regarding entrepreneurship. Primary data are collected from the students of various educational institutions in Pondicherry. Secondary sources like websites, journals and books have been referred to gather additional research inputs.

The research population consists of all the students in colleges and Universities offering engineering courses in Pondicherry. A sample of 120 students has been chosen using convenience sampling to collect primary data with a structured questionnaire.

Result in Analysis

Analysis of association between Demographic factors on entrepreneurial intention

Ho1: There is no association between the age of the respondent and willingness to start their own business.

Table 1: Chi-Square Analysis between Age of the respondents and willingness to Start Own Business

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	2.558	2	.278
Likelihood Ratio	3.690	2	.158
Linear-by-Linear Association	.783	1	.376
N of Valid Cases	120		

The results of the chi-square test between age and start of their own business are summarized in table 1. It shows that the value of Pearson chi-square is 2.558 with the degree of freedom at 2. Further, it

is represented that the p-value is at 0.278. Since the p-value for chi-square is more than 0.05 for age and start their own business, it leads to accepting the null hypothesis.

Ho2: There is no association between the Gender of the respondent and willingness to start their own business.

Table 2: Chi-Square Analysis between Gender of the Respondents and Willingness to Start Own Business

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	4.150	1	.042
Continuity Correction ^b	3.436	1	.064
Likelihood Ratio	4.177	1	.041
Fisher's Exact Test			
Linear-by-Linear Association	4.115	1	.043
N of Valid Cases	120		

The association between gender and start their own business is tested and results are summarized in Table 2. It displays that the value of Pearson chi-square is 4.150 with the degree of freedom at 1. Further, it is represented that the p-value is at 0.042. Since the p-value for chi-square is less than 0.05 for age and start their own business, it leads to rejecting the null hypothesis.

Ho3: There is no association between the Income of the respondent and willingness to start their own business

Table 3: Chi-Square Analysis between Income of the Respondents and willingness to Start Own Business

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	8.222	3	.042
Likelihood Ratio	8.383	3	.039
Linear-by-Linear Association	4.442	1	.035
N of Valid Cases	120		

The above Table summarizes the chi-square analysis between the respondents' income and starts their own business. It outlines that the value of Pearson chi-square is 8.222 with the degree of

freedom at 3. Further, it represents that the p-value is at 0.042. Since the p-value for chi-square is less than 0.05 for the respondents' income and willingness to start their own business; it rejects the null hypothesis.

Ho4: There is no association between types of colleges and willingness to start their own business

Table 4: Chi-Square Analysis between Types of College opted by the respondents and willingness to Start Own Business

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	.552	1	.457
Continuity Correction ^b	.209	1	.647
Likelihood Ratio	.561	1	.454
Fisher's Exact Test			
Linear-by-Linear Association	.548	1	.459
N of Valid Cases	120		

The above Table summarizes the result of chi-square analysis between types of colleges and starts their own business. It outlines that the value of Pearson chi-square is 0.552 with the degree of freedom at 1. Further, it represents that the p-value is at 0.457. Since the p-value for chi-square is more significant than 0.05 for college types and start their own business, it leads to accepting the null hypothesis.

Analysis of Impact of Personality Factors on Entrepreneurial Intention

The result of regression analysis is shown in Table 5. It displays the Result of the Regression Analysis of Personality Factors on Entrepreneurial Intention from the sample respondents. It indicates that the coefficient values are -.074, .012, .252, -.125, -.066 and -.010 for Need for achievement, Locus of control, Innovation, Tolerance for ambiguity, Self-confidence, and Conscientiousness, respectively. Further, R square's value is 0.135 and Durbin Watson statistics is .266 with a probability value of 0.010. It indicates that there is a significant impact of Personality Factors on Entrepreneurial Intention. It leads to rejecting the null hypothesis that "There is no impact of personality factors on entrepreneurial intention".

Table 5: Result of Regression Analysis of Personality Factors on Entrepreneurial Intention

Model		Unstandardized Coefficients		Std. Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.460	.250		5.838	.000
	Need for achievement	-.074	.055	-.135	-1.352	.179
	Locus of control	.012	.063	.021	.188	.851
	Innovation	.252	.066	.469	3.831	.000
	Tolerance for ambiguity	-.125	.063	-.212	-1.983	.050
	Self confidence	-.066	.047	-.153	-1.404	.163
	Conscientiousness	-.010	.051	-.021	-.190	.850

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
				R Square Change	F Change	df1	df2	Sig. F Change	
.368	.135	.089	.477	.135	2.947	6	113	.010	.266

Analysis of the Impact of Family Factors on Entrepreneurial Intention

The above Table depicts the result of regression analysis. It summarizes the impact of family Factors (Parents' influence, Family business, behaviors of parents, Parent-child relationships, Suffered during adolescents and Financial background) on Entrepreneurial intention from the sample respondents. It summarizes the coefficient for

Parents' influence, family business, attitudes and behaviors of parents, parent-child relationships, adolescents and financial background are -.034, .022, -.023, .092, -.083 and .050. More to this, R square's value is 0.67 and Durbin Watson statistics is .165 with a probability value of 0.243. It indicates that there is no significant impact of family factors on entrepreneurial intention.

Table 6: Result of Regression Analysis of Family Factors on Entrepreneurial Intention

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.461	.204		7.175	.000
	Parents influence	-.034	.047	-.080	-.732	.466
	Family business.	.022	.043	.053	.511	.611
	Behaviors of parents	-.023	.053	-.046	-.436	.664
	Parent-child relationships.	.092	.044	.242	2.094	.038
	Suffered during adolescence	-.083	.047	-.202	-1.781	.078
	Financial background	.050	.040	.135	1.260	.210

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
				R Square Change	F Change	df1	df2	Sig. F Change	
.258 ^a	.067	.017	.495	.067	1.346	6	113	.243	.165

Analysis of the Impact of Environmental Factors on Entrepreneurship Intention

The impact of Environmental Factors on Entrepreneurial Intention is analyzed, and the results are summarized below Table. It outlines that the coefficient values are -.069, .021, -.126, .088, .015, and .014 for friends' approval, colleagues, and

culture in the country, entrepreneurial activity in-country, friend's support, and other entrepreneurs. Further, R squared value is 0.066 and Durbin Watson statistics is .148 with a probability value of 0.251. It indicates that there is no significant impact of environmental factors on entrepreneurial intention. It leads to accepting the null hypothesis.

Table 7: Result of Regression Analysis of Environmental Factors on Entrepreneurial Intention

Variable		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.642	.227		7.242	.000
	My friends approve	-.069	.058	-.147	-1.201	.232
	My colleagues approve	.021	.063	.042	.341	.734
	The culture in my country.	-.126	.063	-.218	-2.009	.047
	Entrepreneurial activity in my country	.088	.048	.183	1.812	.073
	I can rely on my friend's	.015	.054	.033	.272	.786
	Rely on other entrepreneurs	.014	.052	.031	.261	.794

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
				R Square Change	F Change	df1	df2	Sig. F Change	
.256 ^a	.066	.016	.496	.066	1.326	6	113	.251	.148

Analysis of the Impact of Curriculum Factors on Entrepreneurship Intention

The below table depicts the result of regression analysis. It summarizes the coefficient for courses at my institution, strong network, the institution helps to create a business plan, Institution helps me to know idea to market, courses at my institution, and

awareness of entrepreneurship were -.081, -.087, .002, .065, .099 and .016. More to this, the value of R squared is 0.077 and Durbin Watson statistics is .158 with a probability value of 0.165. It indicates that there is no significant impact of curriculum factors on entrepreneurial Intention.

Table 8: Result of Regression Analysis of Curriculum Factors on Entrepreneurship Intention

Variable		Unstd. Coefficients		Std. Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.443	.209		6.912	.000
	The courses at my Institution	-.081	.055	-.172	-1.468	.145
	My Institution provides a strong network	-.087	.067	-.170	-1.289	.200
	My Institution helps to create a business plan	.002	.067	.005	.033	.974
	Institution help me to understand market	.065	.070	.146	.928	.355
	The courses at my Institution	.099	.065	.218	1.523	.131
	Institution promotes an awareness	.016	.055	.035	.296	.768

R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
				R Square Change	F Change	df1	df2	Sig. F Change	
.277 ^a	.077	.027	.493	.077	1.560	6	113	.165	.158

Conclusions

This paper examines the intention of students towards entrepreneurship as a career choice among final year engineering in Pondicherry using regression and chi-square analysis. A questionnaire-based study was conducted among 120 engineering students at different colleges in Pondicherry. The result of the study showed that there is no association

between ages, types of colleges concerning the intention of the students to start a business. Similarly, there is an association between genders, income of the respondents concerning willingness to start a business. The result of various impact factors like personality, family, environment and curricula on students entrepreneurial intention showed that there is an impact of personality factors

on entrepreneurial intention, there is no impact of family factors on entrepreneurial intention, there is no impact of environmental factors on purpose, there is no impact of curriculum factors on entrepreneurial intention. This means that the family, environment and curriculum of the students have not created any effect on student's entrepreneurial choice. Our main findings show that these factors are not making any impact on students' entrepreneurial intention. Thus our education system needs to provide a better environment for creating new entrepreneurs. This indicates there is a scope for entrepreneurship education in our country.

References

- Aardt, Isa Van, and Carl Van Aardt. *Entrepreneurship and New Venture Management*, International Thomson Publishing, 1997.
- Agbim, Kenneth Chuckwujioke, et al. "Factors Influencing Entrepreneurial Intentions among Graduates of Nigerian Tertiary Institutions." *International Journal of Business and Management Invention*, vol. 2, no. 4, 2013, pp. 36-44.
- Basu, Anuradha, and Meghna Virick. "Assessing Entrepreneurial Intentions amongst Students: A Comparative Study." *Peer Reviewed Papers*, 2008, pp. 79-86.
- Beeka, Beem H., and Mike Rimmington. "Entrepreneurship as a Career Option for African Youths." *Journal of Development Entrepreneurship*, vol. 16, no. 1, 2011, pp. 145-164.
- Choo, Stephen, and Melvin Wong. "Entrepreneurial Intention: Triggers and Barriers to New Venture Creations in Singapore." *Singapore Management Review*, vol. 28, no. 2, 2006, pp. 47-64.
- Crant, J. Michael. "The Proactive Personality Scale as a Predictor of Entrepreneurial Intentions." *Journal of Small Business Management*, vol. 29, no. 3, 1996, pp. 42-49.
- Dhose, Dirk, and Sascha G. Walter. *The Role of Entrepreneurship Education and Regional Career in Forming Entrepreneurial Intentions*, 2010.
- Florin, Juan, et al. "Fostering Entrepreneurial Drive in Business Education: An Attitudinal Approach." *Journal of Management Education*, vol. 31, no. 1, 2007, pp. 17-42.
- Gird, Anthony, and Jeffrey J. Bagraim. "The Theory of Planned Behaviour as Predictor of Entrepreneurial Intent amongst Final-Year University Students." *South African Journal of Psychology*, vol. 38, no. 4, 2008, pp. 711-724.
- Gurbuz, Gulruh, and Sinem Aykol. "Entrepreneurial Intentions of Young Educated Public in Turkey." *Journal of Global Strategic Management*, vol. 4, no. 2, 2008, pp. 47-56.
- Hattab, Hala W. "Impact of Entrepreneurship Education on Entrepreneurial Intentions of University Students in Egypt." *The Journal of Entrepreneurship*, vol. 23, no. 1, 2014, pp. 1-18.
- Izedonmi, Prince Famous, and Chinonye Okafor. "The Effect of Entrepreneurship Education on Students' Entrepreneurial Intentions." *Global Journal of Management and Business Research*, vol. 10, no. 6, 2010, pp. 49-60.
- Kundu, Subash C., and Sunita Rani. "Personality and Attitudes of Indian Young Female Workforce: Entrepreneurial Orientation by Education and Regions." *Managing Global Transitions*, vol. 5, no. 3, 2007, pp. 229-252.
- Maheswari, Deepti, and Supriya Sahu. "Present Scenario of Entrepreneurship in India." *AISECT University Journal*, vol. 2, no. 4, 2013.
- Rashid, Umi Kartini, et al. "Entrepreneurial Intentions among Technical Students." *American Journal of Economics*, 2012, pp. 73-76.
- Remeikiene, Rita, et al. "Explaining Entrepreneurial Intention of University Students: The Role of Entrepreneurial Education." *Proceedings of the International Conference on Management Knowledge and Learning*, 2013, pp. 299-307.
- Rittippant, Nattharika, et al. "Measure of Entrepreneurial Intention of Young Adults in Thailand." *Proceedings of the International Conference on Engineering Project and Production Management*, 2011, pp. 215-226.

- Sahinidis, Alexandros G., et al. "The Role of Gender on Entrepreneurial Intention among Students: An Empirical Test of the Theory of Planned Behaviour in Greek University." *International Journal on Integrated Information Management*, vol. 1, no. 1, 2012, pp. 61-79.
- Samuel, Yeboah Asuaman, et al. "An Assessment of Entrepreneurship Intention among Sunyani Polytechnic Marketing Students." *International Review of Management and Marketing*, vol. 3, no. 1, 2013, pp. 37-49.
- Sathish, A., and S. Rajamohan. "Role of Industrial Promotional Agencies in India for the Entrepreneurship Development." *ZENITH International Journal of Multidisciplinary Research*, vol. 9, no. 6, 2019, pp. 455-463.
- Schwarz, Erich J., et al. "A Structural Model of Entrepreneurial Intent among Students: Findings from Austria." *Diversity in Entrepreneurship*, edited by David Urbano, European Council for Small Business and Entrepreneurship, 2003, pp. 29-43.
- Scott, Michael G., and Daniel F. Twomey. "The Long-Term Supply of Entrepreneurs: Students' Career Aspiration in Relation to Entrepreneurship." *Journal of Small Business Management*, 1988, pp. 5-13.
- Turker, Duygu, and Senem Sonmez Solcuk. "Which Factors Affect Entrepreneurial Intention of University Students?" *Journal of European Industrial Training*, vol. 33, no. 2, 2009, pp. 142-159.
- Zain, Zahariah Mohd, et al. "Entrepreneurship Intentions among Malaysian Business Students." *Canadian Social Science*, vol. 6, no. 3, 2010, pp. 34-44.

Author Details

Adil Ellikkal, Ph. D. Scholar, Alagappa Institute of Management, Alagappa University, Karaikudi, Tamil Nadu, India, **Email ID:** adhilvengara@gmail.com

Dr. S. Rajamohan, Senior Professor and Director i/c, Alagappa Institute of Management, Alagappa University, Karaikudi, Tamil Nadu, India, **Email ID:** srajamohan1988@gmail.com.