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Demographic Variables Predicts Entrepreneurship Development

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Abstract:

This study aims to investigate the relationship of demographic variables with entrepreneurial intention among the professional students of Uttarakhand, India. An attempt has been made to examine the impact of demographic variables on entrepreneurial intention. A sample of 462 students was taken from professional courses through a well structured questionnaire. Statistical techniques such as averages, percentages and t-test were performed to analyze the data. Results revealed that gender, type of family, family background and degree of course were found to have a significant impact on entrepreneurial intentions.

Key words: entrepreneurship, demographic variables.

Introduction:-

Entrepreneurship is necessary for turning general knowledge into economic knowledge and thus innovation. Countries with a higher level of entrepreneurship also have higher levels of

innovation and technological change. Entrepreneurs create new business, new jobs, intensify competition, and may even increase productivity through technological advancement.

While entrepreneurship is all about the activities carried out by individuals, the concept of economic growth has often been relevant at firm, industrial, national and regional levels (Robbins, Pantuosso, Parker & Fuller, 2000). Linking entrepreneurship to economic growth will be to amalgamate individual to aggregate levels. Entrepreneurs, either as individuals or a team, manifest their willingness and abilities to create new opportunities in economy (Todtling & Wanzanbock, 2003). Thus, novel products, production modalities, organizational schemes and product-market combinations are created. The entrepreneurs seek to introduce their newly crafted ideas in the existing market in the face of obstacles and uncertainties. They also make critical decisions in terms of business location, forms and the utilization of available resources and institutions (Acs & Armington, 2004). In a nutshell, entrepreneurship refers to the behavioral attributes of individuals and (Lloyd-Ellis & Bernhardt, 2000).

High measured levels of entrepreneurship will thus translate directly in to high level of economic growth. Some low-income countries like India and China have high levels of opportunity for entrepreneurship development, at least in certain parts of the country. As more and more of the population of the country are involved in entrepreneurship development, more will the economic development take place.

In order to realize India's potential for innovation and to grow from grassroots to the large firms, certain key actions such as reforms in higher education, investment in research and building formal and informal academia – industry linkage have become very important. In management institutions, now days a transformation is being seen of developing job givers rather than job seekers. Here comes the need to study the relation of demographic variables with the entrepreneurship

development. Given this importance, it is no surprise that reams of research have been devoted to understanding the phenomenon of entrepreneurship and the factors that lead a person to be an entrepreneur. It is argued many times that whether female shows more entrepreneurial intension than man or does enrollment in different courses lays any impact on the entrepreneurial intention. Likewise, does family background explain the differences in entrepreneurial intentions? Whether types of family (joint or nuclear) explain the basis of variances towards entrepreneurial intention.

Today, entrepreneurship development has become the focused priority of the society. This is well known fact that creation of business is a driving force for economic growth, job creation and innovation (Parker, 2004; Wennekers and Thurik, 1999; Audretsch, Keilbach and Lehmann, 2006; Guzman and Santos, 2001; Westall, Ramsden and Foley, 2000).Researchers have been suggesting that values lead to behavior, supporting the belief that situation is perceived relevant to a value which is directly related to the self-concept, there is a motivational and cognitive process that causes action (Verplanken & Holland, 2002).Decision to become an entrepreneur is a voluntary and conscious one (Krueger, Reilly and Carsrud, 2000). It is essential to study the ways which govern the decision of a student to become an entrepreneur. This will help in identifying their entrepreneurial intentions. Particularly, the entrepreneurial intention process embarks with the personal values of individuals, their needs, desires, habits and beliefs (Bird, 1988).Educational institutions are the places where foundation of new firms and enterprises can be laid as they are the source for new products and processes. Specifically, it can be said that college students are the most promising sources of entrepreneurship (Veciana et al., 2005).

Previous studies have examined that entrepreneurial desirability and feasibility will come from family, education, availability of financial and social support as well as cultural

values. Entrepreneurial intentions are influenced by family business background has been proved by researchers that students from Business background are more inclined towards becoming an entrepreneur. (Hout et al., 1999, Blanchflower et al. 2007,White, et al. 2007). Due to the example of the self-employed parents, children with family business background have a higher probability to become entrepreneurs. Moreover, self-employed parents can provide more financial and (or) social support to their family to start their own business. In particular, a rising number of contributions have focused on the entrepreneurial orientation of university students (Zhao et al., 2005; Kolvereid, 1996). The focus on young potential entrepreneurs is justified by the possibility to anticipate future trends in the entrepreneurial supply (Autio et al., 2001). Moreover, the interest in the most educated segment of the population originates from the observation that entrepreneurs' education is generally associated with higher levels of entrepreneurial skills (Lucas, 1978; Van Praag and Cramer, 2001), higher rates of firms' hiring (Galloway and Brown, 2002) and better firm performance (Van der Sluis et al., 2008).

Literature review has provided useful insights on the factors shaping students' entrepreneurial orientation for a large set of countries. To the best of the authors' knowledge, however, no such study has been conducted for Uttarakhand specifically targeting Dehradun and Haridwar. So far this contribution is expressly aimed at filling this gap.

RESEARCH METHODOLOGY

The research design used for the purposes of this study is empirical research design with the following objectives

1. To measure the entrepreneurial intention of students of professional courses.
2. To investigate the impact of demographic factors on entrepreneurial intentions.

Following hypothesis were formulated

H_0: the demographic factors have no significant impact on the entrepreneurship development.

H_a: the demographic factors have significant impact on the entrepreneurship development.

Measures

The entrepreneurship development questionnaire, designed and validated by Prof. S.P. Singh, 2005 was used to measure entrepreneurship development of college students of Uttarakhand, India. A section of the questionnaire sought demographic information of the respondents. The instrument consisted of 50 items concerning 12 dimensions namely need for achievement, search for opportunities, persistence, information seeking, concern for high quality of work, commitment to work, efficiency orientation, systematic planning, problem solving, self-confidence, assertiveness, use of influential strategies. The entrepreneurial development scale used 5 point Likert scale ranging from 1=strongly disagree to 5= strongly agree.

The internal reliability of the scale was measured by Cronbach Alpha method. For all the items Cronbach's alpha a = 0.738 which shows adequate reliability of the scale.

Sample and Sampling Technique

A sample of 600 students was randomly selected from a list of 2000 students of 10 graduate and post graduate professional courses from Uttarakhand.

Administration

Entrepreneurial development questionnaire was administered on students of professional courses of graduate and post-graduate colleges located in Uttarakhand State. A total of 600 questionnaires were distributed out of which 498 were

recovered giving a return rate of 83 percent but 462 questionnaire were found usable for data analysis.

Data Analysis & Findings

The data collected were analyzed using percentages, frequencies and t-test. Respondents were divided into different groups.

RESULTS

Demographic Profile of the respondents are presented in table 1

Table 1: Profile of the Respondents

Demographic Variables		Frequency	Percentage
Gender	Female	189	41
	Male	273	59
Age	16-20	277	60
	21-24	185	40
Marital Status	Married	23	5
	Unmarried	439	95
Education	Bachelor	171	37
	Master	291	63
Family Background	Business	134	29
	Service	254	55
	Other	74	16
Type of Family	Nuclear	379	82
	Joint	83	18

Results on Table 1 indicates that majority of the respondents were male (59%) with age group ranging from 16 years to 20 years pursuing the master's degree (63%) having service background (55%) and belong to nuclear family (82%).

Results of Students t- test are shown in table 2 & 3

Table2 Group Statistics

Demographic Variables	Groups	N	Mean	Std. Deviation	Std. Error Mean
Gender	Male	273	156.29	8.832	.796
	Female	189	153.13	7.652	.825
Course	Bachelor	171	151.98	7.387	.666
	Master	291	159.30	8.137	.877
Family Background	Business	134	159.63	8.421	1.087
	Service/Job	254	151.32	8.871	.827
Type of Family	Nuclear	379	154.36	8.425	.646
	Joint	83	157.74	8.337	1.335

Table 3 Results of t- Statistics

Groups	Variances	Levene's Test for Equality of Variances		t-test for Equality of Means		
		F	Sig.	t	Df	Sig. (2-tailed)
Male & Female	Equal variances assumed	.420	.518	**2.691**	**207**	**.008**
	Equal variances not assumed			2.760	197.630	.006
Bachelor & Master	Equal variances assumed	.289	.591	**-6.766**	**207**	**.000**
	Equal variances not assumed			-6.651	171.501	.000
Business & Service	Equal variances assumed	.260	.611	**-4.962**	**173**	**.002**
	Equal variances not assumed			-4.504	125.350	.004
Nuclear & Joint	Equal variances assumed	.002	.966	**-2.267**	**207**	**.024**
	Equal variances not assumed			-2.282	57.186	.026

The results on table no. 2 & 3, assuming equal variance ($p= 0.518$, $p > .05$) are for Levene's test and taking $p= 0.008$, $p < 0.05$ for t-test (equality of means). The null hypothesis for gender difference is rejected and it can be interpreted that, there is a significant difference of entrepreneurship development of male students among female students. The

group statistics show that male exhibit more (Mean = 156.3, S.D = 8.83) inclination to entrepreneurship development over female (Mean = 153.13, S.D = 7.652). Results from t test, assuming equal variance ($p= 0.591$, $p > 0.05$) for Levene's test and taking $p = 0.000$, $p < 0.05$) revealed that there is a significant difference between the mean score of students from bachelor degree and master degree. It can be inferred that change in level of degree of course lead to change in entrepreneurial intention. Hence null hypothesis for degree of course is rejected. Further, it can be extracted that students from master degree (Mean= 159.30, S.D = 8.137) are more inclined to become an entrepreneur over students from bachelor course (Mean= 151.98, S.D = 7.387). Observing the t value of mean difference for family background it has found that there is no significant difference between the mean score of students having business background and service background towards the entrepreneurial intention as ($p = 0 .621$, $p < 0.05$) (assuming equal variance as $p= 0.611$, $p > 0.05$) and hence it can be said that students belonging to business family background are more intended to become an entrepreneur. Moreover entrepreneurial intention between students from nuclear family and joint family is not same and it can be supported from the t statistics where $p = 0.024$, $p < 0.05$ (assuming equal variance as $p = 0.966$, $p > 0.05$). Additionally, students from joint family (Mean = 157.74, S.D = 8.337) are more persuaded to become entrepreneur as compared to students from nuclear family (Mean = 154.74, S.D = 8.425).

Discussion & Implication

Results of the study showed that there is a significant difference of entrepreneurial intention between of male and female students. Males' are more inclined to become an entrepreneur as compared to females. The results of the study are supported by previous studies (Haus et al., 2013) reported

that the attitudes were slightly but significantly lower for female students as compared to male students. Among entrepreneurially inclined students percentage of males' is high than females' (Gurol & Atsan, 2006) and man is significantly related to entrepreneurial intention (Moriano et.al. (2006), Kelly et.al (2011), Azanza et .al. (2013)) it has been also found that the percentage of female entrepreneurs has increased (Hughes et al., 2012) overtime. The present study also concluded that educational qualifications also make significant difference when it comes to students' inclination towards entrepreneur as their career. These results are in tune with earlier studies that found that students are more intended to become entrepreneur as compared to other professions (Szerb & Imreh, 2007). There are evidences which are in tune with the results of present study that an entrepreneur in the family increases the chances of the students' entrepreneurial choice (Szerb & Imreh, 2007). Students belonging to family having business backgrounds have a higher probability to become entrepreneurs. Moreover, self-employed parents can provide more financial and (or) social support to their children to start their own business (Wang et al., 2011). Once parent is an entrepreneur it has been linked to a more appealing perception of entrepreneurship as a career (Drennan, Kennedy, and Renfrow, 2005). This relationship has been studied by others and found that students with an entrepreneur in their family tend to have more intention to be entrepreneurs Fayolle et al. (2006). The impact of family business background in choosing the entrepreneurial profession has been proven in Hout et al. (1999) Blanchflower et al. (2007) and White, et al. (2007). The present study also found that students belonging to joint family are more inclined to become entrepreneur as compared to students belonging to nuclear family. It is unfortunate that there is no study to support or contradict these results.

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