

# Perception of B-school Students towards Entrepreneurship

Sukhjeet Matharu\*, Bharti Motwani\*\*, Sharda Haryani\*\*\*

## Abstract

Entrepreneurship is seen as significant source for economic growth and development in today's world. Students of higher educational institutes can be considered as the primary resource for future entrepreneurs as education to a great extent influences the creation and development of entrepreneurial attitudes.

**Purpose:** It is important to identify the characteristics of aspiring entrepreneurs and the variables that influence their entrepreneurial spirit so as to understand the similarities and differences between entrepreneurially oriented male and female students

**Methodology:** A primary survey was conducted amongst the students of business schools in central India. In this empirical study the perception of the students towards entrepreneurial intentions was studied on the basis of responses collected through a five point Likert scale questionnaire.

**Findings:** The pilot study had explored ten factors affecting the students' entrepreneurial intentions. The results of this study showed that there is no significant difference in the perception of students on the basis of gender towards entrepreneurship.

**Practical Implications:** There is a significant scope for promoting entrepreneurship in the cities of central India. The respondents showed a high inclination to become entrepreneurs. Higher education authorities

and policy makers can create more awareness of entrepreneurship as a possible career choice.

**Keyword:** Economic Growth, Aspiring, Entrepreneurial Intentions, Students, Central India

## Introduction

The word "entrepreneur" is derived from the French verb *entreprendre*, and the German word *unternehmen*. It was coined by the French economist, Richard Cantillon in the early eighteenth century (Sharma & Chrisman, 1999). Schumpeter (1934) defined an entrepreneur as an innovator who develops untried technology. This definition places emphasis on innovation in the sense of new products, new production methods, new markets, or new forms of organisation. He concludes that wealth is created, when such innovation results in new demand. Entrepreneurship refers to the act of setting up a new business or reviving an existing business so as to take advantages from new opportunities. Thus, entrepreneurs shape the economy by creating new wealth and new jobs and by inventing new products and services. However, an insight study reveals that it is not about making money, having the greatest ideas, knowing the best sales pitch, and applying the best marketing strategy. In reality, it is an attitude to create something new and an activity which creates value in the entire social eco-system.

Say (1803) used the term to refer to individuals who

\* Assistant Professor, Finance, Prestige Institute of Management and Research, Indore, Madhya Pradesh, India.  
E-mail: [sukhjeet\\_matharu@pimrindore.ac.in](mailto:sukhjeet_matharu@pimrindore.ac.in)

\*\* Assistant Professor, Systems, Prestige Institute of Management and Research, Indore, Madhya Pradesh, India.  
E-mail: [bharti\\_motwani@pimrindore.ac.in](mailto:bharti_motwani@pimrindore.ac.in)

\*\*\* Assistant Professor, Maths and Statistics, Prestige Institute of Management and Research, Indore, Madhya Pradesh India.  
E-mail: [sharda\\_haryani@pimrindore.ac.in](mailto:sharda_haryani@pimrindore.ac.in)

create value in an economy by shifting resources from areas of low productivity to areas of higher productivity. He argued further that the entrepreneur must possess specialised knowledge and judgement so that he is continually aware of the costs and prices of his products and be able to determine how to compare opportunities. It is the psyche makeup of a person. It is a state of mind, which develops naturally, based on his/ her surrounding and experiences, which makes him/ her think about life and career in a given way. He is the one who has a strong desire to win. Most people dream of success, but seldom do anything to implement it. In contrast, entrepreneurs have a strong desire to continuously hit new goals and will not rest until they win. With increase in dependency on service sector, many entrepreneurial opportunities have been created where they can excel their skills.

There are various factors that affect the development of entrepreneurial talents. (Boyd & Vozikis, 1994), therefore suggesting that career self-efficacy may be an important variable when studying how entrepreneurial intentions are formed in the early stages of a person's career. However, they also indicated that entrepreneurial intentions were often a result of previous work experience and therefore were not always very strong immediately after graduation, and moreover even if a graduate student did have strong entrepreneurial intentions they might not be acted upon until they had gained enough experience to provide the level of confidence necessary to anticipate venture success (Boyd & Vozikis, 1994; Shane, 2003).

## Literature Review

The role of gender in economic development processes has been increasingly recognized as crucial, both in terms of the potential for success and in the nature of the impact of particular development strategies and programmes (Beneria, 2003; Kabeer, 1996). Gender becomes especially important to be considered when at the grassroots, micro-enterprise approach is considered, as the traditional home-centered roles of women can make it far easier for women to participate in such programmes, as opposed to the more traditional, large-scale, top-down programmes (Mahmud, 2003; Esim & Sims, 2000). Perhaps women and men have different socio-economic characteristics and, if we were to correct for factors such as education, wealth, family, and work status, those differences would disappear. Indeed, quite a bit of empirical evidence shows

that such differences do exist (Cowling & Taylor, 2001; Blanchflower, 2004; Minniti *et al.*, 2005).

Haiyang & Volpe (2002) conducted a survey of financial literacy among college students in the USA. Their findings show that women generally have less knowledge about personal finance topics. The same study revealed that gender differences remain statistically significant after controlling for other factors such as participants' majors, class rank, work experience, and age. The authors, however, found that education and experience can have a significant impact on the financial literacy of both men and women. They observed further that women generally have less enthusiasm and the willingness to learn about personal finance topics than men do. The idea of becoming an entrepreneur is more and more attractive to students, especially the females, because it is seen as a valuable way of participating in the labor market without losing one's independence (Martínez *et al.*, 2007).

Evidence to date suggests that a variety of reasons contribute to explaining observed differences in entrepreneurial behaviour across gender and that such differences have significant implications at the macroeconomic level (Minniti *et al.*, 2006). One could also argue that men and women have different preferences and that women like being self-employed less than men do (Kanazawa, 2005). This combination of social structure and cultural values has constrained entrepreneurship in India. However, in recent years, there have been a number of efforts to shift the national mindset regarding entrepreneurship, particularly among India's youth, in whom it is hoped an entrepreneurial personality can be developed. Despite impediments, levels of entrepreneurship as high as 17.9 percent have recently been reported in India (Manimala *et al.*, 2002). Venkatachalam & Waqif (2005) attribute this growing interest in entrepreneurship to rising unemployment rates due to worker displacement associated with the introduction of new technologies, high population growth rate, growth rate in labor force and the declining mortality rate.

## Research Methodology

**The Study:** The study is undertaken to provide insight into the perception of B-school students towards the identified factors of entrepreneurship. The study examines the differences in the perception regarding entrepreneurship due to gender.

**The Sample:** The sample of the study constituted of 106 respondents. Sample for the survey constituted of the postgraduate students from B-schools of Indore city.

**Tools for Data Collection:** A self-structured questionnaire was used for collecting the responses of the students. The questionnaires were distributed to all 110 selected respondents in person by the researcher. After careful and repeated persuasion only 106 filled questionnaires were received.

In the pilot study, *Item-total-correlation* was calculated on data collected for 35 items to find out which items significantly contribute towards measuring the factors motivating the spirit of entrepreneurship among the Indian youth. In the first iteration three variables found insignificant at 0.05 level of significance were dropped and the remaining items were retained to explore the factors. The data were finally, subjected to Principal Component Method of Factor Analysis.

**Tools for Data Analysis:** The analysis of data was carried out using Statistical Package of Social Science (SPSS 16.0). A statistical analysis (t-test) has been made to understand the perception of students' on the basis of gender towards factors affecting the spirit of entrepreneurship.

The results of the pilot study using Principal Component of Factor Analysis explored 10 factors namely Conducive Entrepreneurial Environment, Challenging, Opportunity Seeker, Status, Confidence, Perseverance, Institutional Support, Business Oriented, Influence, and Economic Independence indicating the entrepreneurial traits of the students (Annexure 1). A statistical analysis (t-test) has been applied to understand the perception of students' on the basis of gender towards factors affecting the spirit of entrepreneurship.

## Results and Discussion

**H<sub>01</sub>:** There is no significant difference between male and female respondents in their perception of conducive entrepreneurial environment factor.

**Table 1: Perception of Conducive Entrepreneurial Environment Factor**

GENDER	N	Mean	T	Df	P
Male	61	.80583	.968	104	0.067
Female	45	.80583			

Mean perception score of male and female respondents is 0.80583. The impact of gender towards the perception of conducive environmental factor is statistically not significant as ( $P = 0.067 > 0.05$ ). Therefore the null hypothesis H<sub>01</sub> is accepted, i.e. there is no significant difference between male and female respondents in their perception of conducive entrepreneurial environment factor.

**H<sub>02</sub>:** There is no significant difference between male and female respondents in their perception of challenging factor.

**Table 2: Perception of Challenging Factor**

GENDER	N	Mean	T	Df	P
Male	61	.11330	0.270	104	0.373
Female	45				

Mean perception score of male and female respondents is 0.11330. The impact of gender towards the perception of challenging factor is statistically not significant as ( $P = 0.373 > 0.05$ ). Therefore the null hypothesis H<sub>02</sub> is accepted, i.e. there is no significant difference between male and female respondents in their perception of challenging factor in entrepreneurship spirit.

**H<sub>03</sub>:** There is no significant difference between male and female respondents in their perception of innovative factor.

**Table 3: Perception of Innovative Factor**

GENDER	N	Mean	T	Df	P
Male	61	.33151	0.639	104	0.160
Female	45				

Mean perception score of male and female respondents is 0.33151. The impact of gender towards the perception of opportunity seeker factor is statistically not significant as ( $P = 0.160 > 0.05$ ). Therefore the null hypothesis H<sub>03</sub> is accepted, i.e. there is no significant difference between male and female respondents in their perception of innovative factor.

**H<sub>04</sub>:** There is no significant difference between male and female respondents in their perception of status factor.

**Table 4: Perception of Status Factor**

GENDER	N	Mean	T	Df	P
Male	61	.380331	.058	104	1.552
Female	45				

Mean perception score of male and female respondents is 0.380331. The impact of gender towards the perception of status factor is statistically not significant as ( $P = 1.552 > 0.05$ ). Therefore the null hypothesis  $H_{04}$  is accepted, i.e. there is no significant difference between male and female respondents in their perception of status factor.

$H_{05}$ : There is no significant difference between male and female respondents in their perception of confidence factor.

**Table 5: Perception of Confidence Factor**

GENDER	N	Mean	T	Df	P
Male	61	.06302	0.158	104	0.512
Female	45				

Mean perception score of male and female respondents is 0.06302. The impact of gender towards the perception of confidence factor is statistically not significant as ( $P = 0.512 > 0.05$ ). Therefore the null hypothesis  $H_{05}$  is accepted, i.e. there is no significant difference between male and female respondents in their perception of confidence factor.

$H_{06}$ : There is no significant difference between male and female respondents in their perception of perseverance factor.

**Table 6: Perception of Perseverance Factor**

GENDER	N	Mean	T	Df	P
Male	61	0.13552	0.443	104	1.219
Female	45				

Mean perception score of male and female respondents is 0.13552. The impact of gender towards the perception of perseverance factor is statistically not significant as ( $P = 1.219 > 0.05$ ). Therefore the null hypothesis  $H_{06}$  is accepted, i.e. there is no significant difference between male and female respondents in their perception of perseverance factor.

$H_{07}$ : There is no significant difference between male and female respondents in their perception of institutional support factor.

**Table 7: Perception of Institutional Support Factor**

GENDER	N	Mean	T	Df	P
Male	61	.00947	.028	104	1.079
Female	45				

Mean perception score of male and female respondents is 0.00947. The impact of gender towards the perception of institutional support factor is statistically not significant as ( $P = 1.079 > 0.05$ ). Therefore the null hypothesis  $H_{07}$  is accepted, i.e. there is no significant difference between male and female respondents in their perception of institutional support factor.

$H_{08}$ : There is no significant difference between male and female respondents in their perception of business oriented factor.

**Table 8: Perception of Business Oriented Factor**

GENDER	N	Mean	T	Df	P
Male	61	.02914	.082	104	0.414
Female	45				

Mean perception score of male and female respondents is 0.02914. The impact of gender towards the perception of business oriented factor is statistically not significant as ( $P = 0.414 > 0.05$ ). Therefore the null hypothesis  $H_{08}$  is accepted, i.e. there is no significant difference between male and female respondents in their perception of business oriented factor.

$H_{09}$ : There is no significant difference between male and female respondents in their perception of influence factor.

**Table 9: Perception of Influence Factor**

GENDER	N	Mean	T	Df	P
Male	61	0.56430	1.148	104	0.414
Female	45				

Mean perception score of male and female respondents is 0.80583. The impact of gender towards the perception of influence factor is statistically not significant as ( $P = 0.414 > 0.05$ ). Therefore the null hypothesis  $H_{09}$  is accepted, i.e. there is no significant difference between male and female respondents in their perception of influence factor.

$H_{10}$ : There is no significant difference between male and female respondents in their perception of economic independence factor.

**Table 10: Perception of Economic Independence Factor**

GENDER	N	Mean	T	Df	P
Male	61	0.15082	0.378	104	6.940
Female	45				

Mean perception score of male and female respondents is 0.15082. The impact of gender towards the perception of economic independence factor is statistically not significant as ( $P = 6.940 > 0.05$ ). Therefore the null hypothesis  $H_{10}$  is accepted, i.e. there is no significant difference between male and female respondents in their perception of economic independence factor affecting entrepreneurial spirit.

## Conclusion and Implication

Entrepreneurship is a self-sustaining activity as creation of ventures helps in job creation and generation of wealth. The need of the hour is to encourage and promote entrepreneurship amongst youth. Educational institutions at various levels can play a major role by providing entrepreneurial education and training. In most of the developing countries females constitute a significant portion of the population and thus female entrepreneurs can represent a vital source of growth and economic as well as social development. The results of the study indicate that majority of the students who were inclined to start a new venture or were interested in entrepreneurship studies were those who had some exposure to entrepreneurship either through family or through relatives. Various past studies have proved that apart from personality characteristics an entrepreneur also has a high core competency, decision making ability, managerial ability, innovative orientation, internal locus of control, and focus on opportunities rather than problems. The results of t-test show that there is no significant difference in the perception of students on the basis of gender towards factors affecting the spirit of entrepreneurship.

Major challenge faced by the Entrepreneurship Development Institutes is to identify people with talent, nurture them and then help those people to develop entrepreneurial skills, and encouraging more people to behave entrepreneurially. At full intensity, this process will result in outcomes that radically infuse and energise economies, society and industries thus creating long term and sustainable benefits for society as a whole. The spirit of entrepreneurship can be encouraged by the growing number of centers for entrepreneurship on college/universities campuses, newly established academic departments and major/minor programmes of entrepreneurial studies.

## Limitations

The study was done by taking the views of the 106 respondents from the Indore city. The study could have more reliable and would have yield different results if the target demographic was broader than now. Studies can be conducted at international level on the basis of the present empirical analysis can provide a base for a further study to be conducted at the international level for identifying the gender-based perception of the factors affecting the spirit of entrepreneurship amongst the youths abroad. Like every study involving human feedback, there is always a big room for bias. Respondents could have provided with false information due to the thought that it might reflect their personality.

## References

- Beugelsdijk, S., & Noorderhaven, N. (2005). Personality characteristics of self-employed: An empirical study. *Small Business Economics*, 24, 159-167.
- Blanchflower, D. G. (2004). Self-employment: More may not be better. *Swedish Economic Policy Review*, 11, 15-73.
- Boyd, N. G., & Vozikis, G. S. (1994). The influence of self-efficacy on the development of entrepreneurial intentions and actions. *Entrepreneurship Theory & Practice*. Summer, 63-77.
- Cowling, M., & Taylor, M. (2001). Entrepreneurial women and men: Two different species? *Small Business Economics*, 16(3), 167-176.
- Crant, M. J. (1996). The proactive personality scale as a predictor of entrepreneurial intentions. *Journal of Small Business Management*, 34,42-49.
- Dana, L. P. (2000). Creating entrepreneurs in India. *Journal of Small Business Management*, 38, 86-91.
- Esim, S., & Sims, M. (2000). Home-based work in Turkey: Issues & strategies for organizing. *The International Journal of Sociology & Social Policy*, 209(10), 95-104.
- Garavan, T. N., & O'Cinneide, B. (1994). Entrepreneurship Education and Training Programmes: A Review and Evaluation – Part 1. *Journal of European Industrial Training*, 18, 3-12.
- Haiyang, C., & Volpe, R. P. (2002). Gender differences in personal financial literacy among college students. *Financial Services Review*, 11, 289-307.

- Naila, K. (1996). Agency, Well-being and inequality: Reflections on the gender dimensions of poverty. *IDS Bulletin*, 27(1), 11-21.
- Kanazawa, S. (2005). Is 'discrimination' necessary to explain the sex gap in earnings? *Journal of Economic Psychology*, 26(2), 269-287.
- Krueger N. F., & Carsrud, A. L. (1993). Entrepreneurial intentions: Applying theory of planned behaviour. *Entrepreneurship and Regional Development*, 5, 315-330.
- Mahmud, S. (2003). Women & the transformation of domestic spaces for income generation in Dhaka bustees. *Cities*, 20(5), 321-329.
- Manimala, M. J., Gopal, M. V., & Sridhar, P. (2002). India Report 2002. Global Entrepreneurship Monitor, NS. Raghavan Centre for Entrepreneurial Learning, Indian Institute of Management, Bangalore, India.
- Martínez, D., Mora, J. G., & Vila, L. (2007). Entrepreneurs, the self-employed and employees amongst young European higher education graduates. *European Journal of Education*, 42(1), 99-117.
- Minniti, M., Arenius, P., & Langowitz, N. (2005). The 2004 Global Entrepreneurship Monitor Special Topic Report: Women in Entrepreneurship. Center for Women Leadership, Babson College. Babson Park, MA.
- Phan, P., Wong, P., & Wang, C. (2002). Antecedent to Entrepreneurship Among University Students in Singapore: Beliefs, Attitudes and Background. *Journal of Enterprising Culture*, 10,151-174.
- Robinson, P. B., Simpson, D. V., Huefner, J. C., & Hunt, H. K. (1991). An attitude approach to the prediction of entrepreneurship. *Entrepreneurship Theory and Practice*, 15, 13-31.
- Say, J. B. (1803). *A treatise on political economy*. Lippincott, Grambo, Philadelphia, PA.
- Schumpeter, J. (1934). *The theory of economic development*, Harvard University Press, Cambridge, MA.
- Sharma, P., & Chrisman, J. J. (1999). Toward a reconciliation of the definitional issues in the field of corporate entrepreneurship. *Entrepreneurship Theory and Practice*. 23(3),11-27.
- Venkatachalam, V. B., & Waqif, A. A. (2005). Outlook on integrating entrepreneurship management education in India. *Decision*, 32, 57-71.
- Vijaya, V., & Kamalanabhan, T. J. (1998). A scale to assess entrepreneurial motivation. *The Journal of Entrepreneurship*, 7, 183-198.

## Annexure 1

Table A1: Factor Analysis

Factor	Item	Item Load	Factor Load	Eigen Value	% of Variance
Conducive Environment	Finance is affordable	.814	3.73	5.086	15.895
	Easy availability of finance	.768			
	Favorable economic policies	.753			
	Availability of venture capital	.744			
	Ease of formation of an enterprise	.651			
Challenging	Prefer to take independent decisions	.796	2.152	3.345	10.455
	Welcome challenges & threats	.722			
	Prefer to do risky ventures	.634			
Innovative	Think of many new ideas	.771	2.921	2.261	7.064
	Look for new opportunities like a watch-dog	.770			
	Take advantage of opportunities as and when they arise	.605			
	Maximum return from limited resources	.431			
	Work systematically and logically	.343			
Status	Establish my own identity	.777	1.509	1.844	5.763
	Acquire status in the society	.732			
Confidence	I am optimistic	.850	2.042	1.738	5.433
	I have full confidence that I will succeed	.643			
	I do not let my work be interfered by others	.549			
Perseverance	Try to take lessons from my past doings	.733	1.412	1.607	5.021
	Try to take lessons from my past doings	.679			
Institutional support	Availability of institutional support	.654	1.66	1.459	4.560
	Motivation by educational institutions	.522			
	Supportive government policies	.484			
Business Oriented	Family background is business oriented	.820	1.834	1.453	4.540
	Relatives are into business	.525			
	Limited scope in service	.489			
Influence	My family influences me to start a venture	.857	1.999	1.216	3.801
	Entrepreneurship development programmes run by the institute influence me	.692			
	contribute to the society	.450			
Economic independence	To acquire self economic independence	.762	1.969	1.044	3.262
	To attain unlimited growth	.736			
	To establish my own venture	.471			