

## Students' Intention Towards Entrepreneurship: A Study On Engineering Students In Central Chhattisgarh

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### Abstract

Entrepreneurship has been being encouraged more emphatically for a decade amongst youth in the country. Various schemes like Swarajgar Yojna, Kaushal Vikas Yojna, Anganbadi etc. are running in urban and rural areas. The study is an attempt to measure the intention of entrepreneurship among the engineering students and also to identify the determinants of such intention. The study has been planned through causal model based on primary data collected from the engineering students of central Chhattisgarh. The study is expected to contribute to the entrepreneurship model for students as well as to the further studies.

**Keywords:** Entrepreneurship, Personality, Perception, Motivation, Attitude and Learning.

### 1. Introduction

The last decade has marked a radical change in the occupation intention of young minds. A large number of students have been being observed with an intention of entrepreneurship. This intention might have been mounted over as the impact of either rising avenues in industry or the government emphasis on the schemes like Atmnirbhar Bharat, Swarozgar Yojna, Kaushal Vikas Yojna, Start-ups in multi-sectors etc. It has influenced to a larger extent to the occupational intention of graduates. This dramatic change leads to a new setup of economy. A study is planned to

identify the determinants of entrepreneurship intention among graduating engineers.

Global Entrepreneurship Monitor (GEM) ranks India ninth amongst entrepreneurial countries. It is highest amongst 28 countries in “Necessity based entrepreneurship”, while 5th from the lowest in “opportunity based entrepreneurship”. Research indicates that opportunity based entrepreneurs contribute more to overall economic growth than necessity based entrepreneurs, this is an evidence to that fact that entrepreneurship in India is still far from what it could be. Further, among medium or low income countries, while China’s nascent and new entrepreneurs appear to be the most growth oriented, with more than 10% of them anticipating high growth, the early stage entrepreneurial activity in India is marked by low levels of growth expectations. This is despite the tremendous high levels of potential entrepreneurial activity as perceived by the non-entrepreneurially active population in the country (Lal, 2016).

To develop any entrepreneurial ecosystem, Incubators plays a very important role. Apart from mentoring, Incubators also provides infrastructure, myriad of business networks & connections, as well as also invites early-stage venture capitalists and investors. This can lead to the successful commercialisation of business idea. But, in comparison to the global status, India is far behind in Incubation centres. The irony is displayed when we compare ourselves to China, as in, in India we have 120 incubators currently, which incubates around 500 companies in a year, whereas in China, 8000 companies are incubated per year. Overviewing the current situation, the Planning Commission of India approximates a demand of 1000 additional incubators in Tier I and Tier II cities in the country in coming 10 years. It is being estimated that it is an US\$ 55 Billion investment project inviting angel investors, venture capitalists, incubators, banks and financial institutions over the next 10 years to promote entrepreneurship in the country. (IBEF, 2013).

It is being observed that educational institutes build and encourage entrepreneurship in a very effective way. One example of the same is that in the year 2012, 63 students from 7 top

Business schools in India chose to start their own ventures and opted out themselves from the placement process of their institutes. And it is evident in a recent survey, that around 20% of MBA students in India wants to start their own entrepreneurial venture, as compared to 10 per cent in the US and 12 per cent in Germany. Similarly, 26 per cent of IT students and 16 per cent of engineering students surveyed in India expressed the desire to start their own business (IBEF, 2013).

In the light of this information a study on entrepreneurship intention among students is desired.

## **2. Literature Review**

Tiwari et al (2019) find that job seekers appreciate the relevance of the selection process which increases their chances of being selected. They also intend to the relevance of job suitability. The authors find that applicants recommend the employer to others if they perceive the selection procedures to be relevant on perceived predicative validity.

Many studies have been conducted on individual behaviour. Extensive literature has examined various aspects of individual behaviour on present as well as prospective employees (Bauer et al., 2012; Sachdeva et al., 2010; Gupta and Tyagi, 2009).

Bauer et al. (2012) argue that applicants' perception of unfair recruitment process leads to damaging for both organisations and applicants. Applicants' perception includes applicants' views on the various aspects of organisational justice, their thoughts and feelings about its evaluation, and selection procedures (Hausknecht et al., 2004). Most of the research conducted in the field of applicant's reaction is based on Gilliland's (1993).

Truxillo et al (2015) talk of organisational justice framework as a very important factor in the study of applicant's reactions. Gilliland (1993) examined and suggests many of justice rules like job- relatedness, opportunities to perform and the opportunity to consider reapplying at later stages, as procedure characteristics of the same. Amongst the above factor, job-

relatedness is particular, is focussed more in research in the context that applicants will assume selection more favourably to the extent that techniques are supposed as face valid and predictive of job performance. Gilliland (1994) explains job-relatedness with the selection process which results in enriching the applicants' self-efficacy levels. In another study, Schinkel et al (2013) observe that a fair selection results in highest well-being and organisational attractiveness.

Pathak and Srivastava (2017) find perceived emotional bonds as the factors of organisational commitment.

All the studies above are confined to organisational decisions on both levels selection as well as function. But few studies are on student intentions of self-decision maker in terms of right from strategy formulation to implementation.

Islam et al (2018) conducted a study on female students and found that a lack of understanding of the attitudes and perceptions of female students towards entrepreneurship as well as the ways of operationalizing them is a major barrier to national progress. However, they find that some studies about women entrepreneur are developed, still no study is found exploring female students' career aspirations in starting their own businesses. They emphasize a crucial need to study about young educated women and their views concerning starting their own businesses.

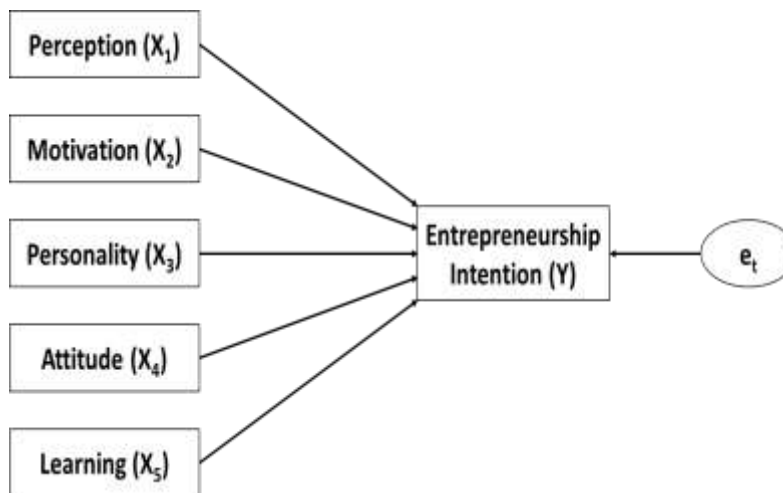
### **Literature Gap**

The individual factors viz. perception, motivation, personality, attitude and learning (Aswathappa, 2018) and their impact on other behaviours have been studied by the authors. But these factors and their influences have been studied separately. No study is found to have been conducted where all the factors are taken to be the predictors at a time. Scientifically, there is a difference of beta values when the variable is taken as an alone from when it is in group. This study is aimed at conducting when all the individual variables are taken simultaneously.

### 3. Framework and Hypotheses

Perception, Motivation, Personality, Attitude and Learning have been identified as the explanatory variables of Intention to Entrepreneurship.

#### Conceptual Framework of the Study



Source: Researchers' own construct based on literature

#### Mathematical Framework

$$\hat{Y} = \beta_0 + \sum_{i=1}^5 \beta_i X_i + e_t$$

#### Hypotheses

H<sub>1</sub>: Perception has a significant impact on entrepreneurship intention;

H<sub>2</sub>: Motivation has a significant impact on entrepreneurship intention;

H<sub>3</sub>: Personality has a significant impact on entrepreneurship intention;

H<sub>4</sub>: Attitude has a significant impact on entrepreneurship intention; and

H<sub>5</sub>: Learning has a significant impact on entrepreneurship intention.

#### 4. Research Methodology

The study has been planned to be conducted thorough causal model with primary data collected through structured questionnaires on seven point Likert's scale from engineering students studying at different colleges of Chhattisgarh. Since the study follows causal model, systematic random sampling has been used to collect data. The population is infinitely large, Cochran's Method has been used to determine sample size according to which a sample of 385 respondents has been considered at 5% level of significance.

#### 5. Data Analysis and Interpretation

The study is focused on finding out the impact of individual behaviour, multiple regression analysis has been used to analyse the data and test the hypotheses.

#### Multiple Regression Analysis

Table 1										
Model Summary					ANOVA					
R	R Square	Adjusted R Square	Standard Error of the Estimate	Durbin-Watson		Sum of Squares	df	Mean Square	F	Sig.
0.762	0.581	0.576	5	2.059	Regression	326.738	5	65.348	105.206	0.000
a. Predictors: (Constant) X <sub>1</sub> , X <sub>2</sub> , X <sub>3</sub> , X <sub>4</sub> , X <sub>5</sub>					Residual	235.411	379	0.621		

b. Dependent Variable: Y	Total	562.148	384			
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**Interpretation**

It is evident from Table 1 that the model explains 58% variance. Durbin Watson statistics declares that there is no chance of autocorrelation. ANOVA declares that the model is fit for data confirmation.

**Table 2: Coefficients**

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
Constant	3.684	1.024		3.598	0.000		
X <sub>1</sub>	0.178	0.032	0.242	5.535	0.000	0.577	1.734
X <sub>2</sub>	-0.382	0.181	-0.097	-2.114	0.035	0.523	1.912
X <sub>3</sub>	-0.736	0.081	-0.472	-9.098	0.000	0.411	2.433
X <sub>4</sub>	1.718	0.172	0.349	9.982	0.000	0.906	1.104
X <sub>5</sub>	-0.137	0.050	-0.142	-2.728	0.007	0.407	2.459

**Interpretation**

It is evident from Table 2 that all the hypotheses are accepted. There is no chance of multicollinearity.

**6. Conclusion**

It can be concluded from the findings of data analyses that there is a high intention amongst the engineering graduates towards entrepreneurship. Schemes like Swarojgar Yojna, Kaushal Vikas Yojna, Anganbadi etc. are able to create positive effect on entrepreneurship intention. The model considered five individual psychological behavioural factors and all of them have been accepted in hypothesis testing. Perception, Motivation, Personality, Attitude and Learning play a significant role in influencing entrepreneurship intention in graduating engineers.

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