

The New Creators in God's Own Country: Analysis of Entrepreneurial Intention among Business Students in Kerala

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Abstract

Student entrepreneurship is gaining traction in an unprecedented manner in Kerala, the south west region of India, better known as God's own country. After years of sluggish employment opportunities, the state is now witnessing a sudden upsurge in the number of student businesses where youngsters become self-employed and create jobs for others. This paper attempts to analyze the preceding factors behind the newly found growth of entrepreneurial intention among students. The data was collected from a sample of 178 post graduate business students identified through systematic random sampling across the business schools in Kerala. Findings prove that contextual factors which includes changes in college environment and family support are the main precedents for the sudden growth in entrepreneurial intention among Kerala's business students. Other factors which influence business students are individual characteristics which includes planned behavior and risk propensity.

Keywords: Contextual Factors, Entrepreneurial Intention, Planned Behaviour, Student Entrepreneurship, Student Business.

1. Introduction

Over the past few years, India is marching on a new entrepreneurial trail with student businessmen as torch bearers. A conducive environment is evolving with strong support from academia and policy makers, thanks to the felt need of developing more job creators than job seekers. Further, the increasing family support may be because of decreasing number of jobs offered in the traditional public sector or improved image of entrepreneur, have considerably impacted the career decision of a huge number of young educated individuals who are actively trying to establish their own business venture. NASSCOM reported that key indicators such as opportunities existing in the domestic market, access to capital/mentors, and increased M&A and consolidation activities clearly point towards the new evolution of the ecosystem. Given this pace of growth, if the landscape continues to evolve, then by the end of 2020 more than 11,500 start-ups are expected to get established in India, generating employment opportunities for more than 250,000 people. (NASSCOM, 2015). The ripples are felt in the state of Kerala also where the public employment opportunities are sluggish though education environment is extremely developed.

Traditionally, Kerala is considered as a consumer state. Literature indicates that as a consumer State, Kerala produces very little in terms of consumer goods. But at the same time the tiny State's 32 million people make up 12 per cent of the country's consumers (K.M. Basheer, 2008). This points towards the dearth of business and trade in the state and dependence on others. Also, there were several barriers, actual and perceived which hindered the entrepreneurial aspirations of many in the state. In the Kerala context, the many complexities involved in pursuing an entrepreneurial career and the problems faced by existing entrepreneurs demotivate and discourage the unemployed from taking up entrepreneurial careers. They prefer wage/salary employment to entrepreneurship. There is a common belief that 'all business is risky', and there is considerable truth in this belief. The entrepreneur has to choose from among several possible alternatives in performing his/her task successfully. If his/her planning or estimation about the future were to go wrong he/she will face problems. (Reji, 2003)

But things are taking a new turn now in the state of Kerala. Many youngsters who decided to pursue MBA or any other equivalent business programme aspiring to land up in plush jobs change their minds and decide to be entrepreneur by the time they finish the course. More and more youngsters are looking at becoming their own bosses and not working for someone else. These

assertive youngsters want to set their life-agenda themselves. In addition to the individual characteristics, the introduction to the vast possibilities of Information technology during the course period and learning about the nuances of business has had a big role to play in empowering aspiring young managers and emboldening them to take the entrepreneurial plunge. Considering the traditional 'good education, good job' attitude of people in Kerala, this is a paradigm shift which would result in ripple effects in economy as a whole. A rigorous entrepreneurship vigour is instilled in the economy through various activities, startup cells, student entrepreneurship policies, entrepreneurship education etc. Many youth have already taken the major step and started their own start-up ventures parallel to education or immediately after completion of course. (Hareesh Ramanathan, 2015).

Considering the evolving entrepreneurial climate in Kerala, there is a tremendous gap in the research which addresses the real factors which led to upsurge in student entrepreneurship. This paper attempts to narrow this gap by examining the most important factor which influences the entrepreneurial intention of management students in Kerala. Various constructs identified through literature review, namely planned behavior, contextual factors and risk propensity of individuals were analysed to understand the variance among them in explaining the entrepreneurial intention of MBA students in Kerala. The findings provide better understanding of the influencing factors of entrepreneurial intention of business students in the context of Kerala.

Literature Review

A number of studies have examined the antecedents of entrepreneurial intentions. Gartner explains intention as the search for that can be used for the individuals in fulfilling the goals for creating a venture (Gartner, 1988). Among the several entrepreneurial intention models, (Ajzen, 1991) Theory of Planned Behavior (TPB) is widely recognized, well tested and a validated model (Brannback, 2007). TPB focuses on attitudes as the best predictors of intention. The three factors TPB uses to predict entrepreneurial intention are the attitude toward the act, social norms and perceived behavioural control. This was further validated by several researches later. Attitude towards the act of TPB aligned with perceived desirability, and perceived behavioural control approximates perceived feasibility (Autio, 2001).

Krueger's intention model (1993) was drawn based on the TPB with some modifications to adapt to an entrepreneurial environment. Accordingly, intentions toward pursuing an opportunity are best predicted by three critical perceptions as (a) personally desirable, (b) supported by social norms, and (c) feasible (feasibility presumably impacted by perceived self-efficacy). This literature

has brought in the contextual factors in environment also working along with planned behavior of individual as a deciding element in entrepreneurial intention. Another model of intentions was suggested by (Bird, 1989) which considers that entrepreneurial intentions are based on a combination of both personal and contextual factors.

Risk propensity of individual is another factor cited as a strong influencer of entrepreneurial intention. Risk propensity can be treated as a personal aptitude for optimism. It follows that persons who discard entrepreneurship as career option do so not because they necessarily lack the capabilities, but because they believe themselves to lack the requisite capabilities (Kenneth Chukwujioko Agbim, April. 2013)

Many literatures points towards the existence of disparity in entrepreneurial intention among students of various disciplines (Wu, 2008). In their study Grassl and Jones found out that entrepreneurial intent is relatively weak among all students but significantly stronger among business students (Wolfgang Grassl). Concentrated on the entrepreneurial intention among engineering students at MIT and personality traits, entrepreneurial attitude, perceived barriers support factors were the prominent determinants (Lüthje, 2003). According to GUESS report on student entrepreneurship across globe, as a general trend entrepreneurial intentions are stronger in developing countries and weaker in developed countries with a remarkably high entrepreneurial intention among Business/Management, Economics and Law students (Philipp Sieger, 2013/2014). In the light of these literatures there is a scope of studying the entrepreneurial intention of business students in Kerala, a part of a highly developing country, India.

Scale and Data Collection

The main objective of the research was to identify the most important factor which affects Entrepreneurial Intention of Management Students in Kerala. For this, the constructs identified through literature review on TPB model, (Ajzen (1991) contextual factors ((Galloway, 2006), (Wu, 2008) and risk propensity (L. Kolvereid, 2006). Entrepreneurial intention measurement by Linan's scale was adapted to understand entrepreneurial intention. The constructs were presented in a Likert Scale of 25 statements, with reverse coded also. The reliability test was conducted which gave a Cronbach's Alpha score of 0.899 pointing towards a very high reliability of the scale. The questionnaire was pretested among a small sample for pilot study and subsequently refined for a few terminologies.

The sample size for this study was identified statistically. According to All India Council for Technical Education, the total number of Management students in Kerala is 28240. By taking

confidence level as 99% and at a confidence interval of 10, the sample size obtained by calculation is, 165. However, a total of 200 students were contacted for data collection so as to avoid reduction in sample adequacy while editing. The sample units were selected from students of different colleges in Kerala, by the method of systematic sampling. From a mailing list of 600 management students, who have attended the entrepreneurial summit organized by Government, 200 were selected at an interval of every 3rd subject so as to reach the required sample size. Further to that the final questionnaire was administered online through Google Drive. After data collection, 178 responses were found to be complete and usable for analysis—a response rate of 89%.

Analysis and Discussion

Profiling of final sample had average age group ranging 21-25 years with 55.06 % men and the rest 44.94 % women of which 61% pursuing 1st year MBA and 39% in 2nd year of post graduate business course.

To examine the association between the identified factors namely planned behavior, contextual factors and risk propensity, correlation was attempted. The correlation was found to be significant for planned behavior (Pearson r-value = 0.427) and contextual factors (Pearson's r-value = 0.376) whereas risk propensity was not found to be significant.

Correlations			
		Entrepreneurial Intention	Planned behavior
Entrepreneurial Intention	Pearson Correlation	1	.427**
	Sig. (2-tailed)		.000
	N	178	178
Planned behavior	Pearson Correlation	.427**	1
	Sig. (2-tailed)	.000	
	N	178	178

Correlations			
		Entrepreneurial Intention	Risk taking propensity
Entrepreneurial Intention	Pearson Correlation	1	-.002
	Sig. (2-tailed)		.983
	N	178	178
Risk taking propensity	Pearson Correlation	-.002	1
	Sig. (2-tailed)	.983	
	N	178	178

In congruent to the previous literatures, attributes of planned behavior was found to be associated to students' entrepreneurial intention, though not high. The prevailing contextual factors in Kerala was another influencing factor which is a strong evidence of the developing entrepreneur friendly environment in the state. However, risk propensity was found to be not significantly affecting entrepreneurial intention of students in Kerala. This can be attributed to the risk averse characteristic of Kerala people who prefer to be premeditated in every action.

Conclusion

The positive signs in the entrepreneurial milieu of Kerala is definitely making an impact in the mindset of students, parents and academics. This is paving way for transition in the lives of people in Kerala and economy in general towards a self-reliant state. Identifying the students with behavioral traits indicating entrepreneurial intention at early stage itself and nurturing them in right direction would be extremely supportive to the larger cause of molding an entrepreneurial economy in the state. These changes in contextual factors can influence behavioral dimensions of students right from their schooling if introduced by way of incorporating entrepreneurial orientation in curriculum and developing a conducive climate with adequate support for encouraging business trigger. Family and other social elements need to understand the importance of contextual support they can offer and accept the changing aspirations of youth by way of guiding them to mould themselves as the creators of a flourishing God's own country with enough businesses which cater to everyone's needs.

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