

# A study on entrepreneurial attitude

Business



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A Study on Entrepreneurial Attitude and the Influential Factors for Business Department Students in Technological Colleges/Universities in Taiwan  
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Abstract This study verifies an entrepreneurship attitude model and the influential factors for business department students at technology colleges and universities.

This study is based on a literature analysis and theory to construct the entrepreneurship attitude model and the influential factors for students.

Student personal characteristics are adopted as independent variable, environment cognition as the intervening variable, and attitude toward entrepreneurship as the dependent variable. The survey sample is students studying in the business department at National or Private Colleges and Universities of Technology. One thousand eighty-five copies of a survey questionnaire were distributed with 881 copies returned, of which 792 questionnaires were valid.

The responses were analyzed using stepwise regression and LISERL. The results indicated that student attitude toward entrepreneurship was affected by environment cognition and personal traits, which indirectly affected attitude toward entrepreneurship.

Key Words: Attitude toward entrepreneurship? environmental cognition?

personal traits. 1. Introduction The entrepreneurial revolution has taken hold across the globe and has undeniably impacted the world of business.

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The younger generation of the 21st century is becoming the most entrepreneurial generation since the Industrial Revolution. About 5.6 million Americans are actively trying to start their own businesses today.

They are younger than age 34 and nearly 80% of would-be entrepreneurs are between the ages 18 and 34. These explosive numbers have come with similar increases in the field of entrepreneurship education (Donald, 2005).

In Taiwan, remarkable growth and development in research in curricula and programs has occurred in the field of entrepreneurship and new-venture creation.

Colleges and universities offer courses to students to prepare for the future. According to this trend, we ought to understand student needs for entrepreneurship studies.

The impact of entrepreneurship education has been recognized as one of the crucial factors that help youths to understand and foster an Attitude toward entrepreneurship (Gorman, Fanlon & King, 1997; Kourilsky & Walstad, 1998). The attitude and knowledge of entrepreneurship are likely to shape their inclination to start their own business in the future (Wang & Wong, 2004).

We need to understand how to develop and nurture potential entrepreneurs while they are still students in school. We are exploring and confirming the factors that influence student attitude toward entrepreneurship to help colleges and universities design and develop effective entrepreneurial programs. This study surveyed a sample of technological college and university students in Taiwan to examine their attitude toward entrepreneurship and the main factors affecting their attitude.

We reviewed the past literatures to construct the research framework.

2. Literature review There are various personal characteristics, cognitions, and social conditions that affect an individual's choice to pursue entrepreneurial activities (Carter, Gartner, Gatewood and Shaver, 2003). This article focuses on a specific set of environmental cognitions and personal traits, and examines the reasons individuals offer for student entrepreneurial attitudes. 2. 1 Attitude toward entrepreneurship

Schame pointed out that entrepreneurship is a part of the company management processes which focus on investment into new ventures, creating a new venture, building new organization departments, and supplying new products and services (Wang, 1991).

Low and MacMillan (1988) thought that entrepreneurship means to build a new venture. Zhang (2002) defined entrepreneurial attitude according to the following four statements: 1. Attitude is an individual's tendency toward a specific thing and environment. It is a person's inclination with persistence and consistency. In addition, this inclination could be inferred by the individual's behavior.

However, the intention in an attitude is not discerned only through behavior. Attitude encompasses general knowledge and comprises the cognitive, emotions and actions. 2. The attitude must have a target. The target of an attitude is a concrete person or thing and could also be an abstract idea or thought.

3. Attitude is analogous to inclination. When people hold a positive attitude toward a given target, they will hold the same positive attitude towards a

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similar target. 4. The person's cultural traditions, family environment and educational environment are the environmental factors that affect the formation of attitude.

In general, an attitude is a collection of personal traits that can be learned.

Because external behavior might be restricted by a situation, an attitude might be reflected only in thought. The attitude includes the following three factors: 1. Cognitive composition: brief and idea 2. Emotion composition: The value and emotion 3. Behavior composition: Behavior and inclination toward action (Huang, 1986). In summary, the attitude is a mentally prepared state for any known subject.

It is a subjective consciousness and that is affected by the environment. The attitude is a kind of lasting inclination.

It can be an idiosyncrasy that could be shaped or changed via experience or study. The attitude toward entrepreneurship is an individual's concept about entrepreneurship, assessment and inclination towards entrepreneurial behavior or self-employment. If the individual has a strong attitude for starting a new venture the relationship between attitude and behavior is strong.

This individual has a strong inclination towards entrepreneurship. 2. 2

Influence factor on the attitude toward entrepreneurship Greenberger ;

Sexton (1988) discussed why the entrepreneur wants to start an enterprise.

There were four reasons. First, they would like to take a chance in the market. Second, they believe their managerial skills are more efficient than those of other people.

Third, they believe that their specialty could be developed into an enterprise. Fourth, they have already developed a product or service and they believe that can find a niche in the market. Fifth, this is the only way to start an enterprise and their other options are limited. Ghosh ; Kwan (1996) focused on entrepreneurs from Singapore and Australia. They found that there were several reasons that these entrepreneurs started enterprises: 1.

The individual wants personal growth. 2. They like the challenge. 3. There is more freedom in being a business owner.

4. The chance to use one's own knowledge and experience. 5. Do not like working for others. 6. They are affected by family or friends.

7. Family tradition. Carter, Gartner, Shaver ; Gatewood (2003) explored and compared the reasons that nascent entrepreneurs and non-entrepreneurs start enterprises and make career choices. The results of their research indicated that the main reasons individual's start enterprises are self-realization, financial success, roles, innovation, recognition and independence.

Wang ; Wong (2004) investigated the determinants of interest in entrepreneurship among university students in Singapore. Gender, family experience with business and educational level were found to be significant factors in entrepreneurial interests.

The factors that influence entrepreneurs in starting an enterprise are divided into two classes. The first class involves the entrepreneur's own individual factors, including personal traits and conditions. The second class involves external factors such as family, friends and the external environment. This research focuses on the individual's personal traits and environmental cognition.

These are important variables that influence college and university student attitudes toward entrepreneurship in Taiwan.

Personality is a person's inherent external behavior. The personality dominates a person's words, deeds and role in life. Moreover, individual actions, looks, posture and thinking are derived from the personality (Yu Zhao, 1989). Costa; McCrae (1992) thought that the personality shows the individual's degree of inclination towards a certain thing or action. The personality is a model of consistency that shows thought, emotion and action.

They thought that personality is different in kind and degree for all persons.

In other words, all people own every kind of personal trait, but the degree that each trait is individually manifested is different. In characteristics or traits-based research the researcher attempted to describe the entrepreneurial personality as the key component in creating a venture. In past research on personal traits and entrepreneurship the researchers indicated that the need for achievement, locus of control, risk-taking propensity, Type-A behavior and tolerance for ambiguity are the kinds of

personal traits necessary to entrepreneurs. The Big-Five personality theory is comprised of the complete entrepreneurial traits.

As outlined in Carter et al (2003), innovation, independence, self-realization, financial success, roles and recognition are the important reasons an entrepreneur chooses to start an enterprise.

In 1946, Raymond Cattell used emerging computer technology to analyze the Allport-Odbert personality list. The hypothesis that individuals describe themselves and each other according to sixteen different independent factors was examined. With these sixteen factors as a basis Cattell went on to construct the 16PF Personality Questionnaire, which remains in use by universities and businesses for personnel selection.

The current 16PF takes these findings into account and is considered to be a very good test. In 1963 W.

T. Norman replicated Cattell's work and suggested that five factors would be sufficient (Wikipedia, 2006)The Big-Five model is therefore suitable for measuring individual personality. The potential for entrepreneurs today is greater than ever. The entrepreneur perhaps possesses some personal traits that make them more likely to start an enterprise than others (Li, 2000). For this reason, understanding the individual's personal traits could help us know the potential characteristics required for entrepreneurs.

We will explore different personality traits and environmental factors that produce entrepreneurship. In the Big Five personality theory personalities are classified into the following categories; agreeableness, conscientiousness, extraversion, neuroticism and openness to experience.

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The Big Five are five broad factors or personal trait dimensions discovered through empirical research (Goldberg, 1993). Although psychologists have developed theories to account for the Big Five, the Big Five is a descriptive model of personality and not a theory (Wikipedia, 2006).

Table 1 is a comparative list of the Big-Five personal traits and entrepreneurial personality.

According to the comparison, the Big Five characteristics are similar to the traits for an entrepreneur. For example agreeableness is same as Type-A behavior and paying attention to human relationships. Conscientiousness is similar to the entrepreneurial goal-directed and responsibility characteristics. Third, extraversion is similar to entrepreneur characteristics such as likes challenge? need for authority? aspiration? need for achievement and confidence.

Neuroticism is similar to characteristics such as locus of control and risk-taking. Openness to experience is similar to innovative and independence characteristics.

Therefore, adopting the Big-Five five personal traits to measure the entrepreneurial personality is useful in examining entrepreneurial characteristics. Table 1 The list of comparison of Big-Five personality and entrepreneur traits | Big-Five Type of personality | Personality characteristic(s) | The entrepreneur trait | | Agreeableness | friendly? generous? helpful? decent? rustwor| Type-A behavior? human relationship | | | Conscientiousness | control? regulate? acting spontaneously | Goal-direction? responsibility | | Extraversion | Enjoy being with people? full of |

challenge? attempt? need for | | | energy? positive | authority? aspiration?  
 Need for achievement | | | emotions? action-oriented? enthusiastic? |?  
 confidence | | | Neuroticism | Tendency to experience negative feeling such |  
 locus of control? risk-taking | | | as anxiety? anger or depression. | | |  
 Openness to Experience | imaginative? creative? conventional? more |  
 Innovation? independence | | | aware of art | |

The environment is a comprehensive factor in influencing entrepreneurs to start an enterprise. This includes economic, social culture and policy factors. The environment affects individual entrepreneurial will and ability. (Gnyawaii ; Fogel, 1994).

According to past research, a nation's entrepreneurial environment appeared at the lowest limitation, which includes tax and other incident factors. The entrepreneurial environment includes all of the training and advisory services to any person that creates a new business. Government organizations can offer training and consultation services to improve the environment for starting enterprises.

Therefore, the environment affects the entrepreneur's motivation and the entrepreneur's cognition of this environment would affect the individual's attitude toward entrepreneurship. These factors affect the individual's entrepreneurial behavior.

Entrepreneurial environmental factors are described in Table 2 Table 2 The influential factors of entrepreneurial environmental | Researcher | Influential factors of entrepreneurial environmental | | Scott & Toney | 1. Predisposing Factors : roles of parents. | |( 1988) | 2.

Triggering Factors: seeking jobs, unemployment and job alertness. ||| 3.

Enterprise's ideas. || Bird( 1988) | 1. Society, policy and economic changes.  
2. changes of the market.

3. rescind the control || Xu S. J ( 1990) | 1. Microeconomic environment. || |  
2.

The society and political environment. || Zhang J. S ( 1991) | 1. Economic  
chance situation: Three items of economic chance situation, such as fund  
supplying, || | supply of labor and the market scale. || Wang Q.

H ( 1991) | 1.

Government policies 2. The place of starting an enterprise 3. Industrial  
structure. 4. Market| || situation is 5.

The fund and labor. 6. Attraction of human. 7. Site of factory and products.

8. || | The workforce supply and policy stability || Cai S. Z ( 2001) | 1. The  
industrial structure changes. 2. The economic change.

3. The changes of the society. 4. || | The government's stability. 5.

The stability of the political situation is 6.

The changes of the| || law. 7. Changes of science and technology | 3.

Methodology 1. Sample This survey included undergraduates in the business  
management departments of technological colleges and universities in  
Taiwan.

The sample size consists of 812 undergraduate students in Taiwan, which represents a 73 % response rate from the total number of questionnaires distributed. 2. Instruments The survey instrument was based on an academic review of the entrepreneurship study field.

The way the variables were derived and measured is described below. 1.

Personal traits Personal traits were the independent variables. In this study, the personal traits scale was revised from the NEO-EFI (Costa&McCrae, 1986)and Cai(2001)Big-Five personality questionnaires. The personal traits scale is a paper and pencil measure based on a five-factor personality model. This research divides student personal traits into five areas, including: (1) Human relationships; (2) Goal direction; (3) Need for achievement; (4) Locus of control; (5) Creative thinking. 2.

Environmental cognition

In this study, environmental cognition is the independent variable. The strength of the influential factors upon action is proposed in starting an enterprise involving the society and political environment. This is based on Bird (1988), who proposed that human behavior is affected by the external environment. Environmental cognition is divided into four factors. (1) Family environment; (2) Educational environment; (3) Social environment and (4) Economic environment.

3. Attitude toward entrepreneurship The attitude toward entrepreneurship is the dependent variable.

The attitude was measured according to the method of the social psychologists Rosenber & Hovland (1960), who developed the concepts of putting forward an attitude. Attitude was divided into: (1) Cognition; (2) Emotion; (3) Motivation; (4) Behavioral intention. 4.

Measures In this study, respondents were asked to respond to each item on a 5-point response scale ranging from 1 (strongly disagree) to 5 (strongly agree). 3. 3 Validity and reliability We followed a two-step procedure using SPSS software to assess the validity and reliability.

An exploratory analysis was conducted first that assessed the underlying factor structure of the scale items. To do so, we removed factor load items reliability and validity, the personality traits consisted of 19 items, divided into five dimensions. Environmental cognition consisted of 14 items divided into four dimensions.

The attitude toward entrepreneurship consisted of 21 items, divided into four dimensions. Table 3 Reliabilities of dimensions of instrument | domain | Item | Item no | Cronbach's  $\alpha$  | | Human relationship | 4 | 7? 1? 22? 23 |. 77 | | Goal direction | 6 | 10? 12? 13? 15? 18? 19 |. 80 | | Need for achievement | 4 | 25? 26? 27? 28 |. 73 | | Locus of control | 3 | 20? 33? 47 |. 58 | | Creating thinking | 2 | 41? 46 |.

64 | | Personality traits reliability Cronbach  $\alpha$  . 83 | | Family environment | 3 | 1? 2? 3 |. 70 | | Education environment | 4 | 4? 5? 6? 7 |. 82 | | Social environment | 4 | 8? 11? 12? 13 |. 76 | | Economic environment | 3 | 9? 10? 14 |.

74 | | Environmental cognition reliability Cronbach's  $\alpha$  | .5 | | cognition | 4 | 1?  
 3? 4? 5 | .82 | | emotion | 5 | 15? 16? 17? 18? 19 | .88 | | motivation | 5 | 12?  
 14? 20? 21? 22 | .87 | | Behavior intention | 7 | 13? 23? 24? 25? 26? 27? 28  
 | .89 | | Attitude toward entrepreneurship reliability Cronbach's  $\alpha$  | .

94 | . Data analysis and results 4. 1 Research and data analysis We conducted regression and structural equation models (SEM) in this research. Our research model included two independent variables and one dependent. The dependent variable was the attitude toward entrepreneurship. Environmental cognition and personal traits were the independent variables.

We conducted regression analysis to test the efficiency among the variables. We conducted structural equation models (SEM) to test our research model. This is a general method for determining if the theoretical models fit the empirical data.

The general SEM model can be divided in two submodels: a measurement model and a structural model. The measurement model defines relations between the observed and the unobserved variables, and it specifies the manner by which each measure loads on a particular factor. In contrast, the structural model defines the relations among the unobserved variables.

It specifies the manner by which particular latent variables directly or indirectly influence. We used the SEM to identify the relations and influence among attitude toward entrepreneurship, environmental cognition and personal traits. . 2 Regression analysis We applied regression analysis to estimate if the environmental cognition and personal traits were predictors of attitude toward entrepreneurship or not. As Table 4 shows, the dependent

variable is the attitude toward entrepreneurship and the independent variables were environmental cognition and personality traits. The results supported that environmental cognition and personal traits were significant predictors of attitude toward entrepreneurship.

Furthermore, environmental cognition is an important predictor of attitude toward entrepreneurship.

This could explain the attitude toward entrepreneurship better than personality traits (based on Adjusted R<sup>2</sup>). The parameter estimates (based on the ? ) showed that environmental cognition and personal traits were positively and significantly related to attitude toward entrepreneurship.

Table 4 Results of regression on Attitude toward entrepreneurship |  
 Dependent Variable | Attitude toward entrepreneurship | | Independent  
 variable | | ? | SE | R<sup>2</sup> | Adjusted R<sup>2</sup> | | Environmental cognition |. 552\*\*\* |.  
 047 |.

305\*\* |. 304\* | | Environmental cognition Personality traits |. 465\*\*\* |. 049 |.  
 352\*\* |.

350\* | | |. 234\*\*\* |. 042 | | | \*p \*\*p \*\*\*p 4. 3 Structural Equation Model 4. 3.

1 The model data fit The structural equation model was described in Fig. and Table 5. The figure describes the model and the table shows its parameters.

The SEM analysis was conducted using the LISERL program, based on the covariance matrix generated from this sample. All of the relationships entered into the model were significant, according to a maximum likelihood

discrepancy function. This model was found to fit the data chi-square ( $n=300$ ) = 225.

33, GFI = 0.89, RMSEA = .088, NFI = 0.92, RFI = 0.89, CFI = 0.94, and all parameters were found to be significant ( $p$  Fit Indicators | | indices | Critical index | |  $N=300$   $df=62$  | 200;; 0.

9 | | RMSEA = .088 | 0.9 | | RFI = 0.89 |; 0.9 | | CFI = 0.4 |; 0.

9 | 4.3.2 The influence effects among the variables According to theory of this research, the relations and the influence effects among the Attitude toward entrepreneurship, environmental cognition and personal traits are supposed by the statistical result.

The result in the Table 6 shows that the personality traits did not directly affect the attitude toward entrepreneurship significantly ( $\beta = 0.13$ ,  $t = 1.87$ ,  $p > .05$ ), but the personality traits could directly affect environmental

cognition significantly ( $\beta = 0.47$ ,  $t = 4.99$ ,  $p < .05$ ).

In addition, environmental cognition could directly affect the attitude toward entrepreneurship, and the coefficient was 0.60 ( $\beta = .60$ ,  $t = 5.7$ ,  $p < .05$ ).

The results show that only the personal traits have indirect effects in this research model. They could affect the attitude toward entrepreneurship through environmental cognition. The indirect influence value is 0.28 (0.47 \* 0.60).



According to the above research results personal traits were directly influential factors into the attitude toward entrepreneurship and environmental cognition.

Environmental cognition is a direct influential factor into the attitude toward entrepreneurship. Moreover, personal traits are indirect influential factor on the attitude toward entrepreneurship ( $0.28 + 0.13 = 0.41$ ).

41). Table 6 The results of influence among the variables | variables | Direct/indirect effect | Personality traits | Attitude toward entrepreneurship | | Attitude toward | Efficient value |  $0.13/0.28$  | | | entrepreneurship | Standard error |  $0.07/0.$

6 | | | | t-value |  $1.87/4.73$  | | | | Total effect | | | | Efficient value |  $0.41^*$  | | | | Standard error |  $0.07$  | | | | t-value |  $5.$

7 | | | | Environmental cognition | Efficient value |  $0.47^*$  |  $0.60$  | | | Standard error |  $0.09$  |  $0.10$  | | | | t-value |  $4.$

99 | 5.70 | 5. Conclusion and suggestions This study tested an influential model on the attitude toward entrepreneurship.

The model was found to fit the data. Moreover, it was found that personal traits and environmental cognition were the important factors in entrepreneurship. Previous research, such as Carter et al.

(2003) and Wang ; Wong (2004), called for studies on entrepreneurs and students with similar factors that affected their entrepreneurial interest and actions. Although there are some differences from previous research on personal traits, the result of this research was confirmed by the research of <https://assignbuster.com/a-study-on-entrepreneurial-attitude/>

Gnyawaii ; Gogel (1994), and could be explain by Bandura's Social Learning Theory.

The Social learning theory explains human behavior in terms of a continuous reciprocal interaction between cognitive, behavioral and environmental determinants. Accordingly, the environmental cognition could affect the individual attitude toward entrepreneurship. The personal traits could affect the attitude toward entrepreneurship through environmental cognition.

According to the analysis result, the need for achievement, locus of control and creative thinking are the most important characteristics for entrepreneurship. The family, society, education and economic environment are also important factors.

We could enhance the attitude toward entrepreneurship in students at technological colleges and universities through entrepreneurship education. We could supply entrepreneurial knowledge to students. We could also promote more entrepreneurial actions and foster entrepreneurial personalities. Finally, we could provide some suggestion as below.

We should encourage students to attend entrepreneurial competitions and join workshops on entrepreneurship. They could get more information and resources and add to their cognition of the environment.

There are two ways to help students. 1. We could offer students more information via the school educational system. We could promote students in the pursuit of achievement and innovation.

The government departments, enterprises, communities and social organizations are the suitable organizations for this assignment. 2. Hold relevant lectures and classes to help students understand policies, resources and the entrepreneurial environment. We should teach them to analyze the direction and chances for entrepreneurship.

This could increase student confidence about entrepreneurship We should foster student's positive employment attitude to improve their cognition of the environment and establish a foundation for entrepreneurship in the future.

In accordance with result of this research, the attitude toward entrepreneurship in undergraduates is affected by the environment. If students have a more positive employment attitude they would to know about the environment for critical occupations. The school should request that students be responsible, conscientious, and pay attention to learning achievement and attend entrepreneurial directed activities.

When students possess a good employment attitude, this would increase their attitude toward entrepreneurship