

# Entrepreneurship motivation among students business essay



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The Indian economy was previously highly depended on agriculture; however, the current development in the industrial and service sectors requires entrepreneurship to also parallely progress, so, entrepreneurship in India requires ample motivation. Many aspects play a role in developing entrepreneurship:

Educational institutions help develop requisite qualities like leadership and team spirit, help in the development of business plans, and the gaining of financial support, besides setting up TBIs and EDCs.

Established businesses can help with internship, apprenticeship, and collaborations.

Small scale industrial associations can also act as facilitators in prototype labs, and expositions.

It is the view of a number of first generation entrepreneurs that entering into entrepreneurship demands a lot of drive and passion. Not only is the entrepreneur expected to be inspired by the idea behind the business, but business man must also have ample leadership potential in order to be able to take the responsibility in case of failure.

### **Role of educational institutions:**

What students' posses? What is needed in an entrepreneur?

Qualitative transformation required to be an entrepreneur

Educational institutions must for this reason create leaders who are simultaneously both good team players, while at the same time being

capable of exercising absolute control over their employees. With this view in mind educational institutions take active efforts to boost leadership skills through development of business plans, and conducting of best manager competitions. Various team-building games are also conducted.

The concept of developing competitive business plans adds to the soundness of the plans, as each student would want to better upon the plans of the others. Students come from various backgrounds, and so those students from business families could assist students from non-business families in the development of their business plan. In this way even students who may not originally have been interested in business may be drawn into business as a result of their involvement with their business plan.

Self-motivation is a slow process among Indian students, as compare to the youth in Western countries, where people begin work in their teens. Being conventionally risk-taking, western societies do not look to secured jobs, and are willing to experiment with different business enterprises. In India however, entrepreneurship is considered the preserve of a few hereditary business families, who posses the requisite business acumen.

Educational institutions also lack behind in encouraging students to step into entrepreneurship as placement cells are often formed with the sole idea of only getting students into stable jobs, and a comparatively lesser emphasis is laid on the setting up of entrepreneurship development cells. Colleges should also take other steps such as the setting up of Entrepreneurship Development cells (EDCs), where people are called in the raise the awareness of students as regards the marked situation financial and other

resolve available. College libraries must also be well stocked in books by renowned entrepreneurs, such as the books of Subroto Bacghi, which thorough light on the process through which the entrepreneurs have risen to the top.

The lack of sufficient financial resources is another major hurdle faced by first generation entrepreneurs. Colleges step in this regard by sponsoring good business enterprises upto a stage when they are able to stand on their own feet and are well grounded. Initiative on the part of financial institutions, in giving business loans can give a further impetus to this endeavor.

Educational institutions can play a role in connecting those students who have good business ideas, but lack financial resources with sponsors willing to finance them.

### **Role of extant enterprises:**

The concept of internship is the crux of widespread entrepreneurship in foreign countries, and must be propagated in India also. Internship must be avidly encouraged among students at the college level itself, as students will be able to go through stints in various organizations, and form a clear picture of their interest and aptitudes. In this way, the business acumen possessed by the said business families can also be absorbed by those who do not belong to such families. Thus, the lack of confidence found in students, as result of dearth of industrial exposure can also be mitigated.

The effectiveness of internship can be further enhanced by combining it with industrial visits to a varied variety of industries, in order to widen the scope of the students' exposure. Interactive sessions, where students get to meet a

large number of industry leaders can also be encouraged. Successful businessmen must also come forward to take up protégés and apprentices who can be groomed to succeed them.

### **Role of business associations:**

Organizations like SIPCOT play an active role in the propagation of sound business plans and there by setting up the business. Educational institutions will profit by getting actively involved with such organizations in order to foster the growth of their students. Students can also be given a safe atmosphere in which to experiment with the implementation of their ideas if expositions are setup by small-scale industries associations where students can setup stalls, and market their prototypes to the people who come to visit the stalls.

Awareness among educational institutions has also increased, and many colleges now have vibrant Technology Business Incubators (TBIs), which are connected to important industries. These industries carry out the ideas innovated upon by the students. Students are also allowed to directly interact with the industries where their ideas are implemented and can be principal part of the implementation process affording the students better clarity about the viability of their ideas, and awareness as to what and how changes are to be enacted to the idea.

### **Other factors to enhance entrepreneurship:**

Another point to be kept in mind is that a business need not start big. An entrepreneur can always begin with a little organization based on a small idea and then diversify into numerous fields as new and innovative ideas

come to him. Collaborations are also a good idea. Start-up entrepreneurs can begin with the small enterprise, in collaboration with a larger firm, so that they can receive financial support, and mergers are possible in the case of worst case scenario. In this regard, parental support plays a vital part as parents should encourage their children to follow their heart and go after their dreams, however big or small.

The government can do its part by encouraging ancillary support to entrepreneurs from such sources as suppliers, retailers and distributors. Co-operatives can be formed among groups of suppliers, retailers, distributors, and businessmen, so that they can all work towards their common profit. The government has also nowadays become more liberal in its economic policies, providing more space to entrepreneurs.

Risk-taking is a problem area for most first generation entrepreneurs. Many first generation entrepreneurs do not have ample financial resources in order to be able to bare the brunt of heavy losses. This situation may be eased by setting up business on the basis of partnerships. This, not only distributes risk, but also leads to the sharing of ideas, and the best ideas can be selected after detail deliberation. E-commerce is now affording new entrepreneurs fresh pastures, as the investment on tangible assets in a web-based business is very limited, hence reducing the risk of huge financial losses.

Education is a great benefit to students as it makes them more articulate, and so it helps the new-age entrepreneurs build a better rapport with customers, who are the life-blood of the organizations. Industrial training

institutes formed the ideal atmosphere for motivating students to enter into entrepreneurship, as the scope of education at ITIs naturally gives the students the require technical know-how, which will help them fine-tune details at the grassroots level in the enterprise which they setup. In conclusion, India, a country which has produce business masterminds like JRD Tata, has the potential to develop entrepreneurial skills among its sizable working age population, which is slated to grow from 77.5 Crores in 2008 to 95 Crores in 2026, according to the 2008 -09 annual budget.

## **Literature Review**

According to the prevailing literature, entrepreneurial behavior of any society is determined by different factors. These are social, personality and environmental factors (Gurol and Atsan, 2006). Social factors or demographic factors examine the personal background, family background, gender and the early experiences of entrepreneurs and potential entrepreneurs, while the environmental factor model looks at the contextual factors such as the value of wealth, tax reduction and indirect benefits, timing opportunities in career process and the impact of market condition. Personality factors, widely known as trait model, focus on personality characteristics of entrepreneurs. Trait model rests on the assumption that entrepreneurs possess certain inherent characteristics, values and attitudes that provide an impetus for them and distinguish them from others.

## **Personality Traits and Socio-demographic Background**

A number of personality traits, such as risk-taking propensity, the need for achievement, and locus of control, have been discussed as factors affecting people's aspirations to start their own firms.

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### Need for achievement

McClelland's need for achievement theory (1961) highly emphasized that need for achievement is one of the strongest psychological factors influencing entrepreneurial behavior. It is believed that individuals with a high need for achievement has a strong desire to be successful and are consequently more likely to behave entrepreneurially. Individuals, who have a strong need to achievement want to solve problems themselves, set targets and strive for these targets through their own efforts, demonstrate a higher performance in challenging tasks and are innovative in the sense in looking for new and better ways to improve their performance.

### Risk taking propensity

A person's risk-taking propensity can be defined as his/her orientation towards taking chances in uncertain decision-making contexts. According to Cantillion (1775) the main factor in differentiating the entrepreneurs from employed workers was the uncertainty and risk taken by the former. It is believed that entrepreneurs prefer to take moderate risks in situations where they have some degree of control or skill in realizing a profit.

### Locus of control

Another personality trait is locus of control. While individuals with an internal locus of control believe that they are able to control life's events, individuals with an external locus of control believe that life's events are the result of external factors, such as chance, luck or fate. The empirical evidence shows



that small business entrepreneurs are more oriented at the internal level, than the population in general.

The ' socio-demographic background' refers to a person's social background and earlier experiences. It is revealed that the family, particularly, the father or mother, plays the most powerful role in establishing the desirability and credibility of entrepreneurial actions. It was found that significant relationship between small business work experience and interest in owning a small firm as compared to other types of work experience, past entrepreneurial experience may be more important for entrepreneurial success and for interest in an entrepreneurial career.

The respondents whose parents owned a small business showed the highest preference for self employment and the lowest preference for organizational employment. By examining the relationship between demographic variables and entrepreneurial intention it was discovered that family background and gender did not contribute to entrepreneurial motivation but self - employment experience was marginally supportive. The result indicated that a post graduate with entrepreneurship exposure was more likely to start a new business and have stronger entrepreneurial intentions than any other graduate.

### Entrepreneurial Intention

Katz and Gartner (1988) define entrepreneurial intention as the search for information that can be used to help fulfill the goal of venture creation. They found that while 43% of Post Graduate preferred to be Self-Employed, only 7% showed real inclination to go ahead and step into entrepreneurship.  
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## **Research Methodology**

This study aims to analyze the entrepreneurial characteristics of university students on the basis of data collected. The researcher assumed that certain entrepreneurial characteristics and their socio-demographic background motivates people to become entrepreneurs. A structured questionnaire was designed to gather the data required for this research. The research instrument covers socio-demographic variables, and entrepreneurial intention measures, along with such variables as, the need for achievement, risk-taking propensity, and locus of control.

## **Sampling Design and Data Collection Procedure**

Students of the MBA department of Anna University, Coimbatore were surveyed. A questionnaire among 48 students and all the responses were found to be useable and relevant in the tabulation of data.

## **Results and Discussions**

The results were found to be as follows:

It was found that students from different social setups possessed different qualities. Students with business parentage were found to be strong in aspects of leading effectively and versatility. In fields of Competitiveness, taking initiatives, and having desire to create, students with employed parents were found to be capable. Students from agrarian setup were the ones most willing to innovate.

According to gender classification, it was seen that women were willing to take the initiative, to compete forcefully. In all other respects, such as

Innovation, Leadership, Desire to create and Versatility, the men were in the lead.

In the measurement of other social demography variables Being well organized was rated at the highest, followed by Patience, then the ability to get along with peers. Perseverance, High level of energy and need to associate closely with others were on an equal footing.

The survey also came to realize that the students were inherently highly self-confident. The students also display a desire to be self-reliant. Some showed a strong driving force, be it money or desire for power.

The Propensity to take risks, however, was a quality which was discovered only in a third of the students and even fewer were willing to face uncertainties.

### **Conclusion:**

Overall students displayed a high entrepreneurial intention in such aspects as innovation, the desire to take initiative and leadership potential. Men showed more entrepreneurship capacity, as compared to women. In personal traits, students were well-organized and patient. Though students are driven by ample self-confidence, their confidence suffers when it comes to taking risks and facing uncertainties.

Thus it is to be understood that, though students already possess a reasonably good attitude but this attitude requires ample boosting in the sphere of risk-taking propensity. So, initiatives taken to protect

entrepreneurs from risk will go long way in getting more students involved in entrepreneurship.