

Research Article

A Study on Commerce Students towards Entrepreneurship



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ABSTRACT

Entrepreneurship development today has assumed great significance as it is a key to economic development. Entrepreneurs are the seed of industrial development and its fruits are greater employment opportunities, increase in per capita income, higher standard of living, and balanced regional development. Entrepreneurial development depends on many factors. This is a knowledge era. Knowledge has become the most important factor of production. Knowledge here refers to the information and intelligence required by an entrepreneur in the liberalized and globalized business environment. For entrepreneurial, survival growth and success, the entrepreneur must have a good understanding of the competitors in the market, consumer needs, market opportunities, knowledge of product idea generation, strategic product creation, sustaining a competitive product or service portfolio, and cost and quality consciousness. The need of the day is, therefore, to identify and encourage the entrepreneurs with a global perspective.

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STATEMENT OF THE PROBLEM

Liberalization of the economy and globalization of industry have generated vast entrepreneurial opportunities in India. It is evident from the entry of multinational companies to utilize the business opportunities. The importance of entrepreneurship development can be understood from the declining rate of growth of employment in India. The lack of competent and capable entrepreneurs is the main cause for business failures in India. The nation can prosper only if proper professional knowledge, training, and development of entrepreneurial skill among the highly educated unemployed youth of the country are provided. In the light of prevailing situation, it becomes necessary to undertake the present study.

REVIEW OF LITERATURE

Ethen Duygules in his study of 170 MBA students tried to investigate whether entrepreneurs and non-entrepreneurs have systematically different psychological characteristics, especially in terms of proactive behavior or personality. He used the entrepreneurship model proposed by Kostova (1997). The model suggests that among other things, those certain entrepreneurial activities and these characteristics make them different from non-entrepreneurs. It was found that 67.9% of

the students were found to be entrepreneurially inclined. The income of the family and profession of the family members was found to be a significant factor that influences the entrepreneurial orientation of students. A strong relationship between proactive behavior and entrepreneurship orientation was found in the study.^[1]

Morris *et al.* in a study of 421 students, facing career decision respondent asked them to indicate on a scale from 0 to 100 how likely it was for them to start a firm within the next 5 years, how attraction starting a firm for the average person was, how attractive it was for them, how feasible for the average people was to start a fun, and how feasible it was for them. Additional an 18-item measure on intentions using likes scale was used. It was found that social norms and self-efficacy had a direct relationship on desirability and feasibility, respectively. It was also found that desirability and feasibility were associated with entrepreneurial intention. Those with strong intentions had a strong desirability toward new ventures.^[2]

Hytti *et al.* in their study of Turku University students in Finland tried to investigate how people with an academic degree perceive entrepreneurship as a personal career alternative. It was found that in case of engineering discipline people with lower engineering degree are more inclined

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to pursue entrepreneurship, whereas those with higher engineering degree the option are less frequent within the business and social studies the trend seems to be opposite; the more educated person act as entrepreneurs more frequently than the person with a lower degree. It was found that men are about 2.5 times likely to perceive entrepreneurship as personally desirable as well as feasible and similarly 2.5 times more likely to start a firm in next 5 years. The age of the respondents also explains the perceptions regarding entrepreneurship. The likelihood for finding entrepreneurship personally desirable increases for the young people (under 30) and prime age people (31 years) compared to middle-aged and older people (above 45 years). It was also found that students with an engineering background are less likely to set up a firm compound to management or natural science background.^[3]

Evan (2005) investigated the role of entrepreneurial attitudes and entrepreneurial self-efficacy on an individual's intention to engage in entrepreneurial behavior. Their sample consisted of 414 students surveyed at the beginning of their first entrepreneurship class in MBA programs in Australia (46), China (39), India (204), and Thailand (125) between 2003 and 2004. They measured the entrepreneurial intentions of the students using a 7 point scale ranging from very unlikely (1) to very likely (7) over eight items measuring intentions to engage in a range of entrepreneurial behavior. Their result found that individuals who prefer more income, more independence, and more ownership have high entrepreneurial intentions. The study found no relationship between risk propensity and entrepreneurial intention significant positive relationships were also found between entrepreneurial self-efficacy and entrepreneurial intention.^[4]

Erich (2003) in his study examined key factors influencing student's intent to create a new venture. He investigated the effect of individual's attitude in general and toward self-employment on their choice of entrepreneurial career. The sample for his study consisted of 1326 students from of universities in Austria. The attitude toward entrepreneurship was the most relevant predictor of entrepreneurial intent among students. Similarly, the attitude toward autonomy had a strong and highly significant impact on student's interest to becoming an entrepreneur. Attitude toward money have a strong positive impact on entrepreneurial intent. The university action to foster the aspiration to start a business leads to the stronger willingness to become an entrepreneur.^[5]

Dooglas (1999) in his study investigated the relationship between the intention to start one's own business and individuals attitude toward income, independence, risk, and work effort. Results of his study suggest that individuals having more positive attitude toward independence and risk are characterized by higher willingness to become an entrepreneur.^[6]

Objectives of the study

- To study the attitude of commerce students toward entrepreneurship as their career in future.
- To assess the causes for preferring entrepreneurship as their career in future.
- To analyze the causes for not preferring entrepreneurship as their career in future.

Formulation of hypotheses

1. There is no significant difference between male and female student respondents regarding their attitude toward entrepreneurship as a career in future.
2. There is no association between business background and entrepreneurship as a career of the student respondents.

METHODOLOGY

This is a descriptive study. A survey was conducted, with the help of a questionnaire, of the students who were studying B.Com final year, M.Com 1st year, and M.com final year in the Department of Commerce, PVK.N Government Degree College, Chittoor.

A questionnaire entitled, "Entrepreneurship among Commerce Students - A Study," was administered for eliciting information from the student respondents. It was made up of 10 items of yes or no type questions. Simple statistical tools of percentages, averages, and comparisons have been used to analyze the data. To test the hypothesis, the non-parametric (Chi-square) test was used.

Limitation of the study

The study has been limited to commerce students of B.Com final year, M.Com 1st year, and M.com final year, PVK.N Government Degree College.

Analysis of data

Course of study

The distribution of sample according to the course of study is presented in Table 1.

Gender

The distribution of sample according to the course of study is presented in Table 2.

Age

The distribution of sample according to the course of study is presented in Table 3.

Father's occupation

The distribution of sample according to father's occupation is shown in Table 4.

Parental annual income

The distribution of parental income among the sample is presented in Table 5.

Business background

The distribution of sample according to business background is shown in Table 6.

It is evident from Table 6 that majority of the respondents (74%) had no business background.

Future plan

The responses of the students regarding their future plan are presented in Table 7.

Table 1: Course of study

Course	Number (%)
B.Com final year	39 (63)
M.Com 1 st year	12 (19)
M.Com final year	11 (18)
Total	62 (100)

Table 2: Gender

Gender	Number (%)
Male	35 (56)
Female	27 (44)
Total	62 (100)

Table 3: Age

Age	Number (%)
18–21	39 (63)
21–24	23 (37)
Total	62 (100)

Table 4: Father's occupation

Occupation	Number (%)
Government service	30 (48)
Business	16 (26)
Agriculture	4 (7)
Others	12 (19)
Total	62 (100)

It is clear from Table 7 that the majority of the students (52%) preferred a job career. Only 26% of the students were inclined toward entrepreneurship as their career in future.

Reasons for preferring entrepreneurship as a career

The responses of the students regarding their reasons for preferring entrepreneurship as their career as shown in Table 8.

It is evident from the above that majority (94%) of the respondents had indicated business background as the main reason for preferring entrepreneurship as their career in future.

Reasons for not preferring entrepreneurship as career

The responses of the students regarding their reasons for not preferring entrepreneurship as their career in future are given in Table 9.

It can be seen from the above that majority of respondents (47%) had revealed the absence of financial support as the main reason for not preferring entrepreneurship as a career. The next significant reason (35%) for not preferring entrepreneurship as a career was no business experience.

Entrepreneurship development programme (EDP) training

The responses regarding EDP training against the question did you attend any EDP are presented in Table 10.

Table 5: Parental annual income

Annual income (in Rs.)	Number (%)
Below 50,000	20 (32)
50,000–100,000	35 (57)
100,000–150,000	4 (6)
Above 150,000	3 (5)
Total	62 (100)

Table 6: Business background

Business background	Number (%)
Yes	16 (26)
No	46 (74)
Total	62 (100)

Table 7: Future plan

Future plan	Number (%)
Job	32 (52)
Business	16 (26)
Further study	8 (13)
Further study and then job	4 (6)
Further study and then business	2 (3)
Total	62 (100)

It is obvious from Table 10 that none of the respondents (100%) had not attended any EDP.

Testing hypothesis

Hypothesis No 1: There is no significant difference between male and female student respondents regarding their attitude toward entrepreneurship as a career in future [Tables 11-14].

Since the calculated value of χ^2 is greater than the tabulated value, the null hypothesis is rejected. It is concluded that there is a significant difference between male and female student respondents regarding their attitude toward entrepreneurship as a career in future.

Hypothesis No 2: There is no association between business background and entrepreneurship as a career of the student respondents [Tables 15-18].

As the calculated value of χ^2 is higher than tabulated value, the null hypothesis is rejected. It is concluded that there is an association between business background and entrepreneurship as a career of the student respondents.

MAJOR FINDINGS

- Majority of the student respondents (74%) had no business background.
- Most of the students (52%) preferred a job career.
- Business background was the main reason (94%) for preferring entrepreneurship as a career by the student respondents.

Table 8: Reasons for preferring entrepreneurship as a career

Reasons	Number
Interest	1 (6)
Opportunity/profitability	-
Financial assistance	-
Business background	16 (94)
Self-employment	-
Total	17 (100)

Table 9: Reasons for not preferring entrepreneurship as career

Reasons	Number (%)
No interest	4 (9)
No financial support	21 (47)
No business idea	4 (9)
No business experience	16 (35)
Total	45 (100)

Table 10: EDP training

EDP training	Number (%)
Yes	Nil
No	62 (100)
Total	62 (100)

EDP: Entrepreneurial training programme

Table 11: Observed frequency

Gender	Entrepreneurship	Job	Total
Male	15	20	35
Female	2	25	27
Total	17	45	62

Table 12: Expected frequency

Gender	Entrepreneurship	Job	Total
Male	10	25	35
Female	7	20	27
Total	17	45	62

Table 13: Calculated value of χ^2

O	E	(O-E) ² /E
15	10	2.50
2	7	3.57
20	25	1.00
25	20	1.25
(O-E) ² /E		8.32

- The absence of financial support was the main reason (47%) and no business experience the next significant

Table 14: χ^2 test

d.f v=(r-1)(n-1)	Calculated value of χ^2	Tabulated value at 0.050 significance	Result
1	8.32	3.84	Rejection of hypothesis

Table 15: Observed frequency

	Entrepreneurship	Job	Total
Business background	14	2	16
No business background	3	43	43
Total	17	45	62

Table 16: Expected frequency

	Entrepreneurship	Job	Total
Business background	4	12	16
No business background	13	33	46
Total	17	45	62

Table 17: Calculated value of χ^2

O	E	(O-E) ² /E
14	4	25
3	13	8
2	12	8
43	33	3
(O-E) ² /E		44

Table 18: χ^2 test

d.f v=(r-1)(n-1)	Calculated value of χ^2	Tabulated value at 0.050 significance	Result
1	44	3.84	Rejection of hypothesis

reason (35%), respectively, for the student respondents not preferring entrepreneurship as a career.

RESULTS OF THE HYPOTHESIS TESTED

- There is a significant difference between male and female student respondents regarding their attitude toward entrepreneurship as a career in future.
- There is an association between business background and entrepreneurship as career of the student respondents.

SUGGESTIONS

It is observed from the study that majority of the female student respondents did not prefer entrepreneurship as their career goal. Efforts may be initiated to encourage these students to become entrepreneurs. The government may reserve certain types of businesses exclusively for women in the small-scale

sector. This will stimulate female students not only to become successful entrepreneurs in future but also to contribute their talents for social and economic development of the country.

The study reveals that none of the commerce students had attended any EDP training. Necessary steps may be taken by the government to impart special EDP training to commerce students at least for 3–4 weeks during the course of study. This will enable the commerce students to acquire professional knowledge and skills required to work in a competitive environment and encourage them to become successful entrepreneurs.

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