

# Preference for Entrepreneurship as Career: Exploring Some Aspects

<sup>1</sup>Amandeep Nahar, <sup>2</sup>Poonam Sharma, <sup>3</sup>Meenakshi Thakur

<sup>1</sup>Associate Professor, Commerce Department, Sri Aurobindo College (Evening), University of Delhi

<sup>2</sup>Senior Research Fellow, University Business School, Panjab University, Chandigarh

<sup>3</sup>Associate Professor, Commerce Department, Sri Aurobindo College (Evening), University of Delhi

## Abstract

Entrepreneurship is considered as seed bed for growth of businesses in any economy. Choice of entrepreneurship requires a specific orientation. Consequently the question arises about the factors which lead to increase in entrepreneurship or in the other words what are the reasons which results in choice for entrepreneurship as career. Therefore, the present study is focused on assessing certain personal cultural aspects which may lead to preference for entrepreneurship among millennial generation. The personal cultural has been measured through ten variables like innovativeness, Prudence etc. The respondents of the study were the students of Panjab University undertaking the MBA programme. The data was collected through a structured questionnaire from 200. After, deducting the non-response and incomplete responses 123 found to be usable. The respondents were asked to indicate their choice for career after completing their MBA. The response to this question created two groups of students namely one group preferring job and other preferring entrepreneurship or self-employment. The data has been analyzed using t- test and logistic regression. The logistic regression results showed the 77.2% accuracy. T test came out to be significant for eight out of ten personal cultural variables.

**Keywords:** Millennial, Entrepreneurship, Innovativeness, Networking, cultural orientation.

## INTRODUCTION

In the last couple of decades, there has been increased demand of startups in India. Similarly, there is great need to set up more businesses. Now a day's private sector plays an essential role in economic development. In private sector small business owners have many opportunities for starting a new business (Sajjad et al., 2012). But the jobs in the private sector are not adequate to solve the problem of unemployment. On the other hand public sector is shrinking and is able to provide only limited number of jobs. At the same time there is an increased demand from the Business-schools to encourage and nourish entrepreneurs in the budding managers in their graduate programs itself. An entrepreneur is often considered to be

synonymous with self-employed; it is thought to be an efficient strategy in managing the issue of employability, primarily among the young generation. (Van Gelderen et al., 2008, Schwarz et al., 2009; Koe et al., 2012). Understanding of the factors which predict entrepreneurial career orientation is fundamental because entrepreneurial activities are a product of some intentions. Although entrepreneurial intention has been broadly studied by scholars from abroad, the question of their application in the local setting is still debatable. (Koe et al., 2012). The role of entrepreneurs towards economic development have been highlighted by Baron and Shane (2008), they have named the entrepreneurs as 'engines of economic growth'. Self-employment, or basically entrepreneurship, is becoming accepted as a

career choice (Van Gelderen et al., 2008). Entrepreneurship has been promoted as a smart career option among students all over the globe (Schwarz et al., 2009). The same trend has taken place in India as well. In fact, a range of efforts have been put forward time to time by government of India to support entrepreneurial activities, particularly among the youths. As established, entrepreneurship activities are intentional based (Krueger et al., 2000), in which entrepreneurs started with some degree of entrepreneurial intention before they curved out to become ones. In other words, people will not become an entrepreneur all of a sudden without certain triggers and orientation and most importantly intentions. Some of the basic traits of entrepreneurs are inherent in the person which poses impact on the person's career choice, like risk taking, initiative, innovativeness etc. It has been observed that certain personal cultural orientation play a key role in deciding a future of the students. In this direction we have assumed that personal cultural orientation play key role in this process. In lieu of above the present study has been undertaken. Thus in this study an attempt has been made to study the entrepreneurial intentions and personal cultural orientation of MBA students of Panjab University.

## Literature Review

### Entrepreneurship /Self employment

According to (Brockhous, 1980) an entrepreneur is a person who is major owner and manager of business venture and not employed elsewhere. Entrepreneurship has been researched and studied using a diversity of points of departures from personality theories (McClelland, 1961; Miron and McClelland, 1979). (Kent, 1982) gave the economic theory for entrepreneurship. On the other hand (Geertz, 1963; Gustaffson, 1985) discussed entrepreneurship through cultural explanations. (Aldrich et al., 1983) tried to give ethnic background related reasons for the emergence of entrepreneurship.

### Personal cultural orientation

Culture is of a set of shared values and beliefs that in turn determine socially accepted behaviors (Hofstede, 1980). Therefore, cultural values are also likely to determine "the degree to which a society considers entrepreneurial

behaviors, such as risk taking and independent thinking, to be desirable" (Hayton et al., 2002, p. 33). Culture is most valuable factor for an entrepreneur. Good cultural values also influence the entrepreneur. The consistency, efficacy, appropriateness, (ACE), model of persuasion (Reardon et al., 1989) three main credence of culture are significant, stability and efficiency. Culture includes some social, moral as well as some ethical values, norms and beliefs that ought to be socially acceptable (Hofstede, 1980). This is extended to what society think about those values norms and beliefs. Generally, researchers have analyzed that culture make easy the entrepreneurship because of high individuality, low ambiguity, and low in power distance, and high intention for commencing of new business. (Hayton et al., 2002) asserted that, it is frequently said that Culture shapes the opportunities accessible and available to individuals. Culture influences the careers refers to the way that culture influences the system people work, the way they craft decisions about their work, and how their career paths are formed. Culture also influences the way groups correspond or communicate. The way people take care of their children and educate them, how people make arrangement for food and shelter, and how they earn a living everything is directly or indirectly related to personal cultural orientation of the people. In other terms, culture shapes individuals identities and the framework in which they work. Cultural values may play a role that differentiates between aspirations and expectations but it is also known that racial/ethnic groups vary in their insight of barriers to accomplishing their educational and occupational objectives. It appears that these barriers are also part of the reality of making career choices and thus are part of the cultural context for many individuals. On the other hand personal cultural orientations consist of common cultural values and norms, as well as personal beliefs based on unique individual experiences, therefore there are theoretical reasons to expect a concrete association between national level and individual level cultural values (Oyserman et al. 2002).

Own cultural awareness and knowledge forms the starting dot for a person's social reality; and the rules and guidelines that describe this reality are conceded on through child rearing and are armored through interactions with others (Lau, Chiu and Lee 2001). Gartner (1990) recognized

eight themes characterizing the key issues of entrepreneurship. One of these themes focused on the entrepreneur as an individual, and the belief that entrepreneurship involves individuals with unique personality characteristics and abilities. Within this area of research, five attributes have time and again been found to covary with entrepreneurship: need for achievement, locus of control, risk-taking propensity, tolerance for ambiguity, (Brockhaus 1982; Brockhaus and Horwitz 1986). Traditional career theories posit that one's academic and career choice is an expression of personal interests and personality traits (e.g., Holland, 1985, 1997). Independence -The independence is a orientation in which the persons prefers to be depend on own self and focuses on building own status through actions. Power distance (interdependence) "PDI is the level to which the less powerful people of a society be expecting and accepting that power is distributed unequally", in terms of social status, respect, wealth, rights and privileges (Hofstede 2001; p. 98). Cultures with high power distance stress the significance of 'Face', which refers to social and professional place in society, reputation, and self-image. Social Inequality is the faith in the pecking order and inequalities. In other terms person having social inequality perception relates career and any essential decision to increase status in the social order. Risk aversion is opposite to risk taking orientation of a person. A person who prefers risk aversion prefers stability in all decisions thus may prefers job more than self-employment or entrepreneurship where risk factor is high as compared to jobs. Ambiguity intolerance is the orientation of uncertainty avoidance and inclination towards well-structured environments and such people places a high value to rules and recognized norms. When rules are wrecked, a usual response is a high level of anxiety. Believe in old tradition is related to past practices related to religion caste and community. Prudence has often been related to careful and planned management of one's life and career in entrepreneurship literature. Networking is the orientation preferring and building personal and professional and social contacts. Discussing entrepreneurship through an analysis of social networks offers a productive perspective on entrepreneurship. Economic behavior is embedded in a social structure (Granovetter, 1985) links and contacts with other persons, who may offer information to the entrepreneurs,

which are critical to complete the business establishment process. Entrepreneurs may not aware of ways to set up a firm or way to run a business when they envisage their business ideas. (Greve,1995) asserted that the ideas need to be developed and tested socially against critical and resourceful persons who may give important guidance and connect an entrepreneur to business connections offering crucial resources. Therefore network making orientation of a person is likely to help the future entrepreneurs. Innovativeness is the ability to execute the activities and tasks relatively differently. Often innovativeness provides edge in the marketplace to any entrepreneur. The role of culture in careers is complex, and researchers have only begun to study various factors that put forward explanation of differences between groups.

#### Career choice and personal cultural orientation

(Tanuja, 2008) conducted a study on management students of India to determine the factors affecting their career choice. This study also explored the relationship of certain cultural values and career choice among MBA students. This cultural values studied includes individualism– collectivism and protean/conventional career orientation. The collectivism found to be prominent cultural value whereas protean orientation found to be guiding career choice. Person's career choice is expected to be affected by number on factors. These factors may be personal and cultural orientation, career expectations and background of the family. (Kyriacou et al., 2002; Ozbilgin et al., 2005). However, a literature review of related studies suggests that no empirical study has been conducted among management students in India in the view to understand their subjective view about why they choose to pursue a career in management (Tanuja, 2008). On the hand, culture is also one of the assumption upon which even career- infused career counselling (CICC) is based. This assumption is that culture is very relevant for career related decisions. It is due to the fact that every person has certain unique experiences which affect both career-related issues and available resources at disposal. The social construction of culture is affected by gender, religion, sexual orientation, ability, and or social class. Further, the role of culture with respect to career related issues shifts in context and overtime (Collins, 2010). Even this CICC

model assumes that counselors should increase their awareness of own cultural identities, so as to understand how their personal culture influences their views about life roles, work and beliefs. This is expected to affect the one's worldview, perspectives of other people as well. (Arthur and Collins, 2011). Thus, it these studies indicate towards personal culture and its effect on analyzing the perspective affects the career choice.

### Millennial

Strauss and Howe (1992) elucidate that millennial is also called Generation Y, which refers to a generation born in between 1982 to 2000. In addition, Neuborne and Kerwin (1999) have also mentioned that this generation is also accredited as Echo Boomers or Millennium Generation. Strauss and Howe (1992) also found that this generation has shown a great variation from its previous generation, the Generation X. According to (Nabi et al. 2010), a focus on student headway from higher education to graduate entrepreneur could be suitably placed to make sure students develop a more knowledgeable entrepreneurial intention. In addition, (Yusof et al, 2007) also pointed out that in order for the new entrepreneurial ventures to be successful, this young generation must be researched and analyzed.

H0a Personal cultural orientation has an impact on the career choice among millennial generation.

### Research objective

Exploring the role of personal cultural orientation and career choice among millennial generation.

## Research Methodology

### Research Instrument and Data collection

The data was collected through a self-structured survey instrument. The questionnaire was divided in to two sections. The section A was about the items related to personal cultural orientation and section B was aimed at knowing the basic information along with one question related to their preference of career between job and self- employment. The personal cultural orientation related variables have been identified after discussing with experts of this

area and review of available literature. Accordingly, a scale was developed and it was further tested for reliability (Cronbach's alpha) which came out to be more than (0.60). The questionnaire was given to 200 students of Panjab University undertaking MBA program. A sample of 123 found out to be complete and usable for conducting the study. All the responses were collected in self-reported five point Likert's scale.

### Data Analysis

The technique of multiple logistic regression, t test analysis was applied to indentify two groups one with high entrepreneurial intentions and one with low entrepreneurial intentions. Efforts have been made to identify the important personal cultural orientation factors behind the choice of career in MBA students. University students are considered as viable samples as they are young, in which they can be categorized as 'millennial generation'. Additionally, they will move on to their work life in next to no time after graduation, being an entrepreneur is a career alternative for them. The importance of using undergraduate students as the emphasis of study can also be found in Ismail et al. (2009), Shook and Bratianu (2010), Van Gelderan et al. (2008) and Yusof et al. (2007). Study has used preference for entrepreneurship or job as the dependent variable. The items for measuring entrepreneurial intentions have been adapted from the scale developed and validated by Liñán and Chen (2009) and as used by Linan et al., (2010). The personal/Individual's cultural orientation has been measured by adapting eleven dimension scale of person's cultural orientation given by Sharma (2010). Three dimension were dropped after the validity analysis through experts of related area. There are very few researches relating the choice of career and personal cultural orientation especially in India thus this study aimed at filling that gap. Results of the study it is very much clear that the personal cultural orientation do play a role in selection of the career among millennial generation.

<b>(Table 1 ) GENDER * Career choice</b>				
		Career choice		Total
		Job	Self-Employment/ entrepreneurship	
GENDER	Male	39	59	98
	Female	15	10	25
Total		54	69	123

Table 1 is providing the descriptive statistics of the respondents. The final sample came out to be 123, out of which there were 25 females and 98

males. The reason for such low representation of females in the sample is that the enrollment of females in MBA programme of the university remains far less than that of males. The 54 respondents chose a job as their career choice after completion of their degree whereas 69 respondents preferred self-employment. The one point is important in the above table that more than 50% of the respondents have shown their interest in self-employment which implies that Indian youths are now preferring self-employment/ entrepreneurship more than corporate or other jobs.

<b>(Table 2 ) Group Statistics</b>				
	Career choice	N	Mean	Std. Deviation
Independence	Job	54	4.05	0.45
	Self-Employment	69	4.24	0.49
Interdependence	job	54	4.26	0.39
	Self-Employment	69	4.42	0.40
Power distance	job	54	3.13	0.63
	Self-Employment	69	3.54	0.73
Social Inequality	job	54	2.78	0.57
	Self-Employment	69	3.12	0.65
Risk Aversion	job	54	3.16	0.77
	Self-Employment	69	2.72	0.70
Ambiguity intolerance	job	54	3.29	0.73
	Self-Employment	69	3.36	0.61
Tradition	job	54	3.48	0.58
	Self-Employment	69	4.07	0.64
Prudence	job	54	3.77	0.66
	Self-Employment	69	4.24	0.55
Networking	job	54	2.87	0.64
	Self-Employment	69	3.10	0.76
Innovativeness	job	54	2.86	0.67
	Self-Employment	69	3.47	0.68

The table 2 is about the mean scores of all the ten variables taken to measure cultural orientation along with entrepreneurial intentions of the respondents. The mean values of the table 1 above makes it clear that there is significant difference in the students preferring job and self-employment in terms of entrepreneurial intentions. It further implies that the students preferring job after their degree have very low entrepreneurial intentions. In other words they have clear vision of job as their career choice.

The cultural related constructs are also found to be differentiating between the two groups of students. The respondents choosing self-

employment as their career choice found to be scoring high on independence than their counterparts i.e. students with preference for job. It implies that people with more independent orientation is relatively more likely to choose self-employment as their career choice. The difference of interdependence is there in the mean scores but is relatively

less. Similarly, the self-employment group of students is scoring high on prudence, perceived social inequality, Innovativeness, Networking; believe in tradition, innovativeness and Perceived power.

H0b There is significant difference personal cultural orientation across career preference.

(Table 3) *Results of Independent t Test*

Variable	t test	df	Sig.
Independence	-2.27	121	<b>0.02</b>
Interdependence	-2.29	121	<b>0.02</b>
Power distance	-3.28	121	<b>0.00</b>
Social Inequality	-3.06	121	<b>0.00</b>
Risk Aversion	3.27	121	<b>0.00</b>
Ambiguity Intolerance	-0.58	121	0.56
Tradition	-5.27	121	<b>0.00</b>
Prudence	-4.31	121	<b>0.00</b>
Networking	-1.84	121	0.63
Innovativeness	-4.99	121	<b>0.00</b>
Entrepreneurial Intentions	-12.59	121	<b>0.00</b>

The independent sample t test has been to compare the means of two categories of students with respect to their entrepreneurial intentions and other personal cultural orientation. The Table 2 indicates that the two groups of students are significantly different from each other in terms of their entrepreneurial intention and personal cultural orientation except ambiguity avoidance and networking. The above table shows the difference between two groups in terms of independence, interdependence, Power, Social Inequality, Risk aversion, Tradition, Prudence, Networking, Innovativeness, and entrepreneurial intentions to be statistically significant. For more analysis of the data multiple logistic regression has been performed.

(Table 3) *Results of Multiple Logistic Regression*

Independent variable	Regression coefficient	z value	Sig
Constant	10.49	2.51	0.01
Independence	-0.44	-0.69	0.49
Interdependence	-0.46	-0.60	0.54
Power preference	1.02	2.24	<b>0.02**</b>

Social Inequality	0.75	1.61	<b>0.10</b>
Risk Aversion	-1.14	-2.69	<b>0.00**</b>
Ambiguity intolerance	-0.23	-0.49	<b>0.62</b>
Tradition	1.05	2.01	<b>0.04**</b>
Prudence	1.35	2.49	<b>0.01**</b>
Networking	0.02	0.05	<b>0.96</b>
Innovativeness	1.16	2.98	<b>0.00**</b>
Cox & Snell R Square	.406	Nagelkerke R Square	<b>.545</b>

Number of cases 'correctly predicted' = 95 (77.2%)

Source Author's compilation from SPSS output

Multiple Logistic regression was performed to ascertain the effects of personal cultural orientation on career preference of students with categories of Job and self-employment and ten dimensions of person's cultural orientation as independent variables. The same is coming significant with 77.2% accuracy and several significant variables. Risk aversion, Tradition, Prudence and Innovativeness are coming statistically significant. The logistic regression model was statistically significant  $\chi^2 (10) = 64.16, p < .0005$ . The Nagelkerke R<sup>2</sup> is coming out to be 54.5% which indicates that personal cultural orientation variables are explaining up to 54.5% variation to the career choice of the respondents.

## Conclusion and discussions

Entrepreneurial career choice of younger generation is an important step in creating a sustainable and growing economy which is fueled by entrepreneurial activities in the country. Therefore understanding the factors which are responsible for a particular career choice especially among business administration students who will act as future managers and executives or undertake their own business may provide insights on the same.

The culture is a most importance aspect of human civilization. And it has been studied from multiple perspectives. It is very often related to

shared values and norms of the society, community or country. And it is studied mainly from the point of view of regions and countries. But it is not only the societal beliefs and values that derive people undertaking their decisions but at the same time there is certain personal orientation which differentiates one person from the other person in the same society. These internal personal orientations can be due to multiple

factors such as impact of family friends, Religion, caste, education. It is not possible that all people from the same community will have same personal cultural orientation. This personal cultural orientation affects the person's decision at every step of life more than shared culture. Therefore, efforts have been made to study role of certain personal cultural variables in career choice.

The analysis of present study data clearly indicates that there are certain personal cultural orientation which if dominates in person's than person is more likely to choose self-employment/entrepreneurship. The total sample of 123 came out to be forming two groups' one preferring job and other group preferring the self-employment. The number of people preferring self-employment came out to be more than the job. It is a good sign for India that millennial generation is attracted more towards undertaking self-employment/entrepreneurship.

The study indicates that when one person has more power preference orientation, has less risk aversion (prefers risk), believes in careful management of career (more prudence), is more innovativeness then the person has more chances to become an entrepreneur.

Thus it is suggested that these personal orientations should be identified in the very first semester of the MBA and then different groups should be trained accordingly. Students may be trained in groups according to their career preference. The criteria for selecting students in one group should preferably the personal cultural orientation. This step would help students in identifying their suitable career option at the early stages of their degree so that they will be able to groom themselves in that direction only. Thus, it can be concluded that factors of personal cultural orientation are important in career decision making and more studies should be conducted in this direction.

## Reference

- [1] Arthur, N., & Collins, S. (2011). Infusing culture in career counseling. *Journal of Employment Counseling*, 48(4), 147-149.
- [2] Brockhaus, Robert H. (1982). "The Psychology of the Entrepreneur," *Encyclopedia of Entrepreneurship*. Ed. Calvin A. Kent, Donald L. Sexton, and Karl H. Vesper. Englewood Cliffs, N.J.: Prentice Hall, 39-56.
- [3] Brockhaus, Robert H., and Pamela S. Horwitz (1986). "The Psychology of the Entrepreneur," *The Art and Science of Entrepreneurship*. Ed. Donald L. Sexton and Raymond W. Smilor. / Cambridge, Mass.: Ballinger, 25-48.
- [4] Collins, S., & Arthur, N. (2010a). Culture-infused counseling: A fresh look at a classic Framework of multicultural counseling competencies. *Counselling Psychology Quarterly*, 23, 203–216.
- [5] Gartner, W. B. (1990). What are we talking about when we talk about entrepreneurship?. *Journal of Business venturing*, 5(1), 15-28.
- [6] Greve, A. (1995). Networks and entrepreneurship—an analysis of social relations, occupational Background and use of contacts during the establishment process. *Scandinavian journal of management*, 11(1), 1-24.
- [7] Hayton, J.C., George, G. and Zahara, S.A. (2002), "National culture and entrepreneurship: a review of behavioral research", *Entrepreneurship Theory and Practice*, Vol. 26 No. 4, pp. 33- 53.
- [8] Hofstede, G. (1980), *Culture's Consequences: International Differences in Work Related Values*, Sage, Beverly Hills, CA.
- [9] Holland, J. L. (1997). *Making Vocational Choices: A Theory of Vocational Personalities and Work Environments*, 3rd Edition. Odessa, FL: Psychological Assessment Resources.
- [10] Holland, J. L. (1985). *Making vocational choices: A theory of vocational personalities and work environments* (2nd ed.). Englewood Cliffs, NJ: Prentice Hall.
- [11] Lau, Ivy, Chi-yue Chiu, and Sau-lai Lee. 2001. "Communication and Shared Reality: Implications for the Psychological Foundations of Culture." *Social Cognition* 19 (June): 350- 371.

- [12] Nabi, G. and Holden, R. (2008), Graduate Entrepreneurship: Intentions, Education and Training. *Education Training*, 50(7): 545-551.
- [13] Neuborne, E. and Kerwin, K. (1999, February 15), "Generation Y", *Business Week*, pp. 80-88.
- [14] Oyserman, Daphna, Heather M. Coon, and Markus Kemmelmeier. 2002a. "Rethinking Individualism and collectivism: Evaluation of theoretical assumptions and meta-analyses." *Psychological Bulletin* 128 (1): 3-72.
- [15] O'zbilgin, M., Ku'sku',F. and Erdog'mus,, N. (2005), "Explaining influences on career 'choice': the case of MBA students in comparative perspective", *International Journal of Human Resource Management*, Vol. 16 No. 11, pp. 2000-28
- [16] Sajjad, S. I., Shafi, H., & Dad, A. M. (2012). Impact of culture on entrepreneur intention. *Information Management and Business Review*, 4(1), 30.
- [17] Strauss, W. and Howe. (1992), *Generations: The History of America's Future, 1584 to 2069*, Perennial, USA.
- [18] Thompson, E. R. (2009). Individual entrepreneurial intent: construct clarification and development of an internationally reliable metric. *Entrepreneurship Theory and Practice*, 33(3), 669–694.
- [19] Yusof, M., Sandhu, M.S. and Jain, K.K. (2007), Relationship between Psychological Characteristics and Entrepreneurial Inclination: A Case Study of Students at University Tun Abdul Razak (UNITAR), *Journal of Asia Entrepreneurship and Sustainability*, 3(2).