Relationship Between Students’ Personal Reasons and the Students’ Intention for Entrepreneurship

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Abstract

This article studies how a group of undergraduate students rate (as important or unimportant) a number of factors (termed as personal reasons) in their intention to start their own business after they have completed their education; whether or not they have attained a degree.

This study shows that, over the class years, proportionately, a smaller number of students (both male and female) intend to become entrepreneurs; while a larger number of students (both male and female) intend to work for someone else.

The research also shows that a large number of students who indicated that they do not intend to start their own business; but instead they intend to “work for someone else”, did not at all respond to the personal reasons for starting a business. It may be so because since these students do not want to start their own business in the first place; why should they bother to respond to those reasons for doing so?
Introduction

Organization of Paper

This article, with its voluminous data and text, is divided into the following parts:

- Part 1: Introduction: It contains information on the organization of the paper, research methodology, collection of data, overall purpose of this continuing research, and the purpose of this particular article.
- Part 2: Entrepreneurial Intention: Definition and Survey of literature.
- Part 3: Analysis of relationship between gender (Q1) and class year (Q9) vs students’ intention (Q15) of the questionnaire.
- Part 4: Analysis of relationship between students’ “personal reasons for entrepreneurship” (as surveyed through Questions 19-27 of the questionnaire) vs their intention for entrepreneurship, etc. (as surveyed through Question 15 of the questionnaire).
- Part 5: References.
- Part 6: Exhibits.

Research Methodology

A 6-page questionnaire containing 91 questions (variables) was designed for this study for distribution among selected undergraduate students studying at Pace University Lubin School of Business during the December 2004 – December 2005 period. Nine of these questions (questions 19 through 27), which are the subject of this article, dealt with the students’ “personal reasons for starting their own business.”

Data Collection

Of the 435 questionnaires returned by the students, 366 students provided acceptable responses to Q15 (intention for entrepreneurship; or to work for someone else). Further, not all of these 366 students fully answered all of the 19-27 questions. Their actual varying individual responses to these questions are presented in their respective exhibits and analyses.

This is a study of the Lubin School students who were taking undergraduate business courses at different class levels (first, second, third, or fourth year) during the study period. The 366 students chosen for the study were all different individuals. This is not a study of the same individuals as they progressed from their first year of study through to their fourth year.

Purpose of Research

The overall purpose of this continuing research is to find if there is a relationship between a number of independent variables and the students’ intention to start a business, or work for someone else, once they have finished their education, whether they have attained a degree or not.
This particular article, however, is limited to studying how these students rate (as important or unimportant) a number of factors (termed as personal reasons in the questionnaire) in their intention to start their own business after they have completed their education; whether or not they have attained a degree.

These nine factors (numbered as 19-27 in the questionnaire) are: (1) Have the necessary education, (2) Have the necessary work experience, (3) Certainty of job, (4) Certainty of income, (5) Chance to make large amount of money, (6) Fringe benefits (medical/dental insurance, retirement, vacation days, etc.), (7) Chance for being creative, (8) Difficult to find a job, and (9) Luck, destiny.

Exhibits: Their Formatting Challenges

Responses from 366 students to a questionnaire with 91 questions, and a number of groups and sub-groups contained in them, generated a huge amount of data. Presenting them in an organized and understandable tabular format created its own challenges. The tabular format used in Exhibits 19-27 presents the final outcome of trials and errors. Each exhibit presents data on the responding groups and sub-groups classified as follows: (a) By gender: Male, female, and their total; (b) By class year: First year, second year, third year, fourth year, and their total; (c) By intention: To start a business; to work for someone else; and their total; (d) By reasons for intention: important, unimportant, and their total; (e) By no-responses; (f) By grand totals; and (b) by percentages.

Numbering of Exhibits Included in this Article

Various exhibits included in this article are numbered and presented as follows:

- Exhibit 1: It presents a copy of Q15 (the independent variable) the way it was included in the questionnaire.
- Exhibit 2: It presents a copy of Q19-27 (the independent variables), the way they were included in the questionnaire.
- Exhibit 15: It presents a breakdown of students who responded to Q15 (Intention) by gender (Q1) & by class year (Q9).
- Exhibits 19 through 27: These exhibits relate to the nine independent variables (Q19-27). Each of these exhibits has two parts (for example, Exhibit 19A, and Exhibit 19B). These numbers for exhibits have been selected for convenience; they relate to their corresponding question numbers in the questionnaire.
  - There are no other exhibits between Exhibit 2, Exhibit 15 and Exhibit 19A.

Differences Between Articles

Since this is a continuing research, this article (the next in the series of articles based upon the same original data base), has used some information that was originally published in the previous articles. This article, however, is entirely different from its earlier siblings in terms of its focus (the variables studied), and its conclusions.
ENTREPRENEURIAL INTENTION: DEFINITION & FACTORS

**Definition**

I believe that intention is a state of mind; it suggests the starting point of doing or not doing something; a goal. It represents one’s thoughts to maintain his/her current position and/or to change it; often to improve upon it. It is symbolic of human presence; it is a pre-requisite of human existence. Intention leads to behavior to accomplish those goals. Entrepreneurial intention leads to business ideas; business plans; and business ventures.

According to Schumpeter (1934), innovation was the central characteristic of the entrepreneurial endeavor.

Mill (1948; cited in Carland et al., 1984) believed that the key factor in distinguishing a manager from an entrepreneur was the bearing of risk.

According to Bird (1988), entrepreneurial intentions are aimed at either creating a new venture or creating new values in existing ventures (Bird, 1988). According to Krueger, et al. (2000; cited in Tong et al., 2011) entrepreneurial intention is a reliable measure of entrepreneurial activity and behavior.

**Factors**

Entrepreneurial intention is influenced by (a) one’s own background and (b) one’s environment. The literature is replete with the factors that influence such intention. A sample of such factors is presented below using a broad system of categorization.

**Factors related to family**

According to Van Auken et al., (2006; cited in Tong et. al., 2011), families with a business background often influence and motivate their siblings to involve in entrepreneurial activity and they are expected to possess higher propensity to launch a business in future.

Studies by Phan et al. (2002; cited in Tong et al., 2011), and Breen (1998; cited in Tong et al., 2011) show that in Singapore and Australia, students are more likely to commence new ventures upon graduation if their parents are in businesses.

Research by Kirkwood (2007; cited in Tong et al., 2011) suggests that fathers have a stronger influence on their children’s decisions to become entrepreneurs than mothers’ self-employment.

In a study of Malaysian university students, Tong, et al. (2011), concluded that this cohort of students would seek for a stable job for a start. They would choose to become entrepreneurs provided there is a need for achievement, family business background, and subjective influence.

Engle, et al. (2011) made a study of 477 university business students in Germany, Russia and the United States. They found that parental experience and social norms had a significant positive effect on entrepreneurial intent, and taxes had a negative effect on entrepreneurial intent in the German sample. In the Russian sample, gender (female) and taxes were found to have a negative effect on entrepreneurial intent, while social norms had a positive effect. In the U.S. sample, four
variables (parental experience, social norms, infrastructure and trade) were found to have a positive effect on entrepreneurial intent.

Factors related to personal characteristics

Here is a sample of studies that relate personal characteristics to entrepreneurial intention (EI). According to Bandura (1977), entrepreneurial intentions and behavior are influenced by one’s self-efficacy (belief in his or her capability to perform a given task).


Schwarz et al. (2009; cited in Tong et al., 2011), however, found that students with positive attitude towards competitiveness do not warrant entrepreneurial intention.

PART 3
ANALYSIS OF RELATIONSHIP BETWEEN STUDENTS’ GENDER, CLASS YEAR vs THEIR INTENTION FOR ENTREPRENEURSHIP OR TO WORK FOR SOMEONE ELSE (Q1 & Q9 VS Q15)

This part of the article presents an analysis of how various students responded to Q15 (intention for entrepreneurship; or intention to work for someone else) after they have completed their education, whether they have obtained a degree or not.

Number, Type, & groupings of Respondents
1. A total of 366 students answered the Q15 which has three options (a) Start my own business, (b) Work for a business owned by an immediate family member, and (c) Work for someone else. Fourteen students did not answer this question.
   O Of these 366 students, 183 were male and 183 were female.
2. Q9 asked the students about their class year. Of the 366 students answering this question, 42 (11.48%) were first year students; 94 (25.68%) were second year students; 108 (29.51%) were third year students; and 122 (33.33%) were fourth year students.
3. For the purpose of their tabulation and analysis, students’ responses to Q15a and Q15b have been combined. This is done for two reasons. One, working for a business owned by an immediate family member is often a first step to become a partner in that business, inheriting that business, or starting one’s own business. Two, to present this large amount of data in a more meaningful manner.

Trend of Responses over the Class Years
1. An individual class-year analysis of all the students’ sum of responses to Q15a and Q15b shows that they have increased both in terms of absolute and relative numbers: from 11 (3.01%) to 44 (12.02%).
2. An individual class-year analysis of all the students’ responses to Q15c also shows that they have increased both in terms of absolute and relative numbers: from 31 (8.47%) to 78 (21.31%).

3. A total four year analysis of all students’ (male and female) responses to the sum of Q15a and Q15b (intention to become entrepreneur) and their responses to Q15c (work for someone else) shows that less students intend to become entrepreneur (131 students, or 35.79%); and more students want to work for someone else (235 students, or 64.21%).

4. In other words, over the class years, proportionately, a smaller number of students (both male and female) intend to become entrepreneurs; while a larger number of students (both male and female) intend to work for someone else.

5. A substantial number of students who responded to Q15c (“work for someone else), both male and female, and across the class years, did not respond to Q19-27 classified by their importance and unimportance. It may be so because these students want to work for someone else; they do not want to start a business; so why should they be interested in the personal reasons for starting a business?

PART 4
ANALYSIS OF RELATIONSHIP BETWEEN STUDENTS’ PERSONAL REASONS FOR ENTREPRENEURSHIP vs THEIR INTENTION FOR ENTREPRENEURSHIP OR TO WORK FOR SOMEONE ELSE (Q19-27 vs Q15)

This part of the paper presents an analysis of how various students who responded to Q15 (intention for entrepreneurship; or intention to work for someone else) rated (as important or unimportant) a number of factors (termed as personal reasons) in their intention to start their own business after they have completed their education; whether or not they have attained a degree.

For the purpose of this research, the first two types of responses, namely, (a) “unimportant” and (b) “important (somewhat)” are classified as “unimportant” for further analysis. It is so because “somewhat important” is of lesser significance than the third choice, “average important.”

Likewise, the next three types of responses, namely, (c) important (average), (d) important (above average), and (e) very important are classified as “important” for further analysis.

Q15 (Intention) vs Q19 (Having the necessary education)

1. Of the 131 students who answered to Q15a and Q15b (intention for entrepreneurship), only 119 students answered to Q19. Twelve of them did not answer this question.
   a. Of these 119 students (=n=100), 74 (62.18%) were male and 45 (37.82%) were female.
   b. Of these 119 responding students, 99 (83.19%) said that “having the necessary education” is an important reason for intention for entrepreneurship; while 20 (16.81%) said that “having the necessary education” is an unimportant reason for entrepreneurship.

2. Of the 235 students who answered to Q15c (working for someone else), only 67 students answered to Q19. As many as 168 students did not answer this question.
a. Of these 67 students (=n=100), 39 (58.21%) were male; and 28 (41.79%) were female.
b. Of these 67 responding students, 62 (92.54%) said that “having the necessary education” is an important reason for intention for entrepreneurship; while 5 (7.46%) said that “having the necessary education” is an unimportant reason for entrepreneurship.

Q15 (Intention) vs Q20 (Having the necessary work experience)
1. Of the 131 students who answered to Q15a and Q15b (intention for entrepreneurship), only 118 students answered to Q20. Thirteen of them did not answer this question.
a. Of these 118 students (=n=100), 74 (62.71%) were male and 44 (37.29%) were female.
b. Of these 118 responding students, 103 (87.29%) said that “having the necessary work experience” is an important reason for intention for entrepreneurship; while 15 (12.71%) said that “having the necessary work experience” is an unimportant reason for entrepreneurship.

2. Of the 235 students who answered to Q15c (working for someone else), only 67 students answered to Q20. As many as 168 students did not answer this question.
a. Of these 67 students (=n=100), 39 (58.21%) were male; and 28 (41.79%) were female.
b. Of these 67 responding students, 61 (91.04%) said that “having the necessary work experience” is an important reason for intention for entrepreneurship; while 6 (8.96%) said that “having the necessary work experience” is an unimportant reason for entrepreneurship.

Q15 (Intention) vs Q21 (Having the certainty of job)
1. Of the 131 students who answered to Q15a and Q15b (intention for entrepreneurship), only 118 students answered to Q21. Thirteen of them did not answer this question.
a. Of these 118 students (=n=100), 74 (62.71%) were male and 44 (37.29%) were female.
b. Of these 118 responding students, 97 (82.20%) said that “having the certainty of job” is an important reason for intention for entrepreneurship; while 21 (17.80%) said that “having the certainty of job” is an unimportant reason for entrepreneurship.

2. Of the 235 students who answered to Q15c (working for someone else), only 67 students answered to Q21. As many as 168 students did not answer this question.
a. Of these 67 students (=n=100), 39 (58.21%) were male; and 28 (41.79%) were female.
b. Of these 67 responding students, 60 (89.55%) said that “having the certainty of job” is an important reason for intention for entrepreneurship; while 7 (10.45%) said that “having the certainty of job” is an unimportant reason for entrepreneurship.

Q15 (Intention) vs Q22 (Having the certainty of income)
1. Of the 131 students who answered to Q15a and Q15b (intention for entrepreneurship), only 118 students answered to Q22. Thirteen of them did not answer this question.
   a. Of these 118 students (=n=100), 73 (61.86%) were male and 45 (38.14%) were female.
   b. Of these 118 responding students, 101 (85.59%) said that “having the certainty of income” is an important reason for intention for entrepreneurship; while 17 (14.41%) said that “having the certainty of income” is an unimportant reason for entrepreneurship.

2. Of the 235 students who answered to Q15c (working for someone else), only 67 students answered to Q22. As many as 168 students did not answer this question.
   a. Of these 67 students (=n=100), 39 (58.21%) were male; and 28 (41.79%) were female.
   b. Of these 67 responding students, 61 (91.04%) said that “having the certainty of income” is an important reason for intention for entrepreneurship; while 6 (8.96%) said that “having the certainty of income” is an unimportant reason for entrepreneurship.

Q15 (Intention) vs Q23 (Having a “chance to make a large amount of money”)
1. Of the 131 students who answered to Q15a and Q15b (intention for entrepreneurship), only 118 students answered to Q23. Thirteen of them did not answer this question.
   a. Of these 118 students (=n=100), 73 (61.86%) were male and 45 (38.14%) were female.
   b. Of these 118 responding students, 107 (90.68%) said that “Chance to make large amount of money” is an important reason for intention for entrepreneurship; while 11 (9.32%) said that “Chance to make large amount of money” is an unimportant reason for entrepreneurship.

2. Of the 235 students who answered to Q15c (working for someone else), only 68 students answered to Q23. As many as 167 students did not answer this question.
   a. Of these 68 students (=n=100), 40 (58.82%) were male; and 28 (41.18%) were female.
   b. Of these 68 responding students, 63 (92.65%) said that “Chance to make large amount of money” is an important reason for intention for entrepreneurship; while 5 (7.35%) said that “Chance to make large amount of money” is an unimportant reason for entrepreneurship.

Q15 (Intention) vs Q24 (Having “fringe benefits”)
1. Of the 131 students who answered to Q15a and Q15b (intention for entrepreneurship), only 117 students answered to Q24. Fourteen of them did not answer this question.
   a. Of these 117 students (=n=100), 73 (62.39%) were male and 44 (37.61%) were female.
   b. Of these 117 responding students, 88 (75.21%) said that “fringe benefits” is an important reason for intention for entrepreneurship; while 29 (24.79%) said that “fringe benefits” is an unimportant reason for entrepreneurship.
2. Of the 235 students who answered to Q15c (working for someone else), only 66 students answered to Q24. As many as 169 students did not answer this question.
   a. Of these 66 students (=n=100), 39 (59.09%) were male; and 27 (40.91%) were female.
   b. Of these 66 responding students, 55 (83.33%) said that “fringe benefits” is an important reason for intention for entrepreneurship; while 11 (16.67%) said that “fringe benefits” is an unimportant reason for entrepreneurship.

Q15 (Intention) vs Q25 (Having a “chance for being creative”)
1. Of the 131 students who answered to Q15a and Q15b (intention for entrepreneurship), only 114 students answered to Q25. Seventeen of them did not answer this question.
   a. Of these 114 students (=n=100), 71 (62.28%) were male and 43 (37.72%) were female.
   b. Of these 114 responding students, 101 (88.60%) said that “chance for being creative” is an important reason for intention for entrepreneurship; while 13 (11.40%) said that “chance for being creative” is an unimportant reason for entrepreneurship.

2. Of the 235 students who answered to Q15c (working for someone else), only 65 students answered to Q25. As many as 170 students did not answer this question.
   a. Of these 65 students (=n=100), 39 (60.00%) were male; and 26 (40.00%) were female.
   b. Of these 65 responding students, 58 (89.23%) said that “chance for being creative” is an important reason for intention for entrepreneurship; while 7 (10.77%) said that “chance for being creative” is an unimportant reason for entrepreneurship.

Q15 (Intention) vs Q26 (it is “difficult to find a job”)
1. Of the 131 students who answered to Q15a and Q15b (intention for entrepreneurship), only 113 students answered to Q26. Eighteen of them did not answer this question.
   a. Of these 113 students (=n=100), 68 (60.18%) were male and 45 (39.82%) were female.
   b. Of these 113 responding students, 56 (49.56%) said that “difficult to find a job” is an important reason for intention for entrepreneurship; while 57 (50.44%) said that “difficult to find a job” is an unimportant reason for entrepreneurship.

2. Of the 235 students who answered to Q15c (working for someone else), only 67 students answered to Q26. As many as 168 students did not answer this question.
   a. Of these 67 students (=n=100), 40 (59.70%) were male; and 27 (40.30%) were female.
   b. Of these 67 responding students, 45 (67.16%) said that “difficult to find a job” is an important reason for intention for entrepreneurship; while 22 (32.84%) said that “difficult to find a job” is an unimportant reason for entrepreneurship.

Q15 (Intention) vs Q27 (a matter of “luck, destiny”)
1. Of the 131 students who answered to Q15a and Q15b (intention for entrepreneurship), only 119 students answered to Q27. Twelve of them did not answer this question.
   a. Of these 119 students (=n=100), 74 (62.18%) were male and 45 (37.82%) were female.
   b. Of these 119 responding students, 76 (63.87%) said that “luck, destiny” is an important reason for intention for entrepreneurship; while 43 (36.13%) said that “luck, destiny” is an unimportant reason for entrepreneurship.

2. Of the 235 students who answered to Q15c (working for someone else), only 68 students answered to Q27. As many as 167 students did not answer this question.
   a. Of these 68 students (=n=100), 40 (58.82%) were male; and 28 (41.18%) were female.
   b. Of these 68 responding students, 49 (72.06%) said that “luck, destiny” is an important reason for intention for entrepreneurship; while 19 (27.94%) said that “luck, destiny” is an unimportant reason for entrepreneurship.
References


Mill, J. S. Principles of political economy with some of their applications to social philosophy. London: John W. Parker, 1848.


PART 6: EXHIBITS
EXHIBIT 1
A COPY OF Q15 FROM THE QUESTIONNAIRE
(INTENTION)

------------------------------------------------------------------------------------------------------------------
15. After you have finished your education (whether you have attained a degree or not), what do you intend to do (check one):
   a. Start my own business _____;
   b. Work for a business owned by an immediate family member (spouse, parent, brother and/or sister) _____;
   c. Work for someone else _____

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Note: For the purpose of their tabulation and analysis, students’ responses to Q15a and Q15b have been combined. This is done for two reasons. One, working for a business owned by an immediate family member is often a first step to become a partner in that business, inheriting that business, or starting one’s own business. Two, it would help present this large amount of data in a more meaningful manner.
EXHIBIT 2
A COPY OF Q19-27 FROM THE QUESTIONNAIRE
(PERSONAL REASONS FOR INTENTION)
-------------------------------------------------------------------------------------------------------------------
If you intend to start your own business, what are your reasons to do so. Check the applicable box for each item.

Note: Each of the 9 questions (19-27) presented below had 1-5 possible answers: (a) Unimportant, (b) Important-somewhat (c) Important-average, (d) Important-above average, and (e) Very important.

<table>
<thead>
<tr>
<th>Personal Reasons for starting a Business</th>
<th>Unimportant (a)</th>
<th>Important (some what) (b)</th>
<th>Important (average) (c)</th>
<th>Important (above average) (d)</th>
<th>Very Important (e)</th>
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<tbody>
<tr>
<td>19. Have the necessary education</td>
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<td>20. Have the necessary work experience</td>
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<td>21. Certainty of job</td>
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<td>22. Certainty of income</td>
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<td>23. Chance to make large amount of money</td>
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<td>24. Fringe benefits (medical/dental insurance, retirement, vacation days, etc.)</td>
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<tr>
<td>25. Chance for being creative</td>
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<td>26. Difficult to find a job</td>
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<td>27. Luck, destiny</td>
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</table>

Note: As stated in the text, for the purpose of this research, the first two types of responses, namely, (a) “unimportant” and (b) “important (somewhat)” are classified as “unimportant” for further analysis. It is so because “somewhat important” is of lesser significance than the third choice, “average important.”

Likewise, the next three types of responses, namely, (c) important (average), (d) important (above average), and (e) very important are classified as “important” for further analysis.