

The Macrotheme Review

A multidisciplinary journal of global macro trends

BARRIERS TO ENTREPRENEURSHIP AMONG MANAGEMENT STUDENTS: A CASE STUDY OF S. R. T. M. UNIVERSITY, NANDED, MAHARASHTRA, INDIA

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Abstract

This study aims to achieve the following objectives: to understand the perception of management students towards entrepreneurship as a career, to analyze the social, economical, and environmental factors which determine perception of students towards entrepreneurship as their career goal, to bring out the enabling factors to the entry of commerce and management graduates into entrepreneurship, to suggest a meaningful strategy for development of entrepreneurship and contribute to policy formulation so as to create a conducive environment for growth of entrepreneurship

Keywords: ENTREPRENEURSHIP, MANAGEMENT STUDENTS

1. INTRODUCTION

Introduction of a course in entrepreneurship is needed in schools, colleges and universities for the sake of making continuous, constant and vigorous efforts to encourage young generation to come up with entrepreneurial initiatives. It needs acquisition of knowledge, skills, attitudes, competencies, mindsets. Entrepreneurial personalities are characterized by creative thinking, innovation, flexibility, responsiveness, leadership, team spirit, interpersonal skills. Such personalities are required everywhere in this competitive world, in every sector of economy, and in every society.

2. NEED FOR THE STUDY

In India all round efforts consisting of stimulatory, support and sustaining activities are being made for development of entrepreneurship. It is now realized that entrepreneurship is needed not only for promotion of small enterprises but it is needed for medium and large enterprises also; it is required not only in business sector and for business enterprises but entrepreneurs are needed in all sectors of the economy, and for all types of organizations. Therefore government is making an all round, all comprehensive, all pervasive efforts for stimulating entrepreneurial activities among the society. A number of governmental and non governmental organizations are working hard for motivating entrepreneurs. Government is providing various incentives, facilities,

concessions, benefits, and subsidies for attracting more and more people to venture into entrepreneurial careers. In spite of all these, expected outcome is not at all observed for the activity of entrepreneurship development. Not many people are being attracted towards entrepreneurship as their deliberate choice. Educated youth look at entrepreneurship as the last resort when all other options fail.

It is very essential to identify the factors which prohibit people from entering into entrepreneurial careers and find out strategies to overcome such barriers and thereby boost up the process of entrepreneurial development. In the present study, an attempt is made to present some useful and interesting information pertaining to barriers to entrepreneurship among final year management students from SRTM University, Nanded, Maharashtra, India.

3. OBJECTIVES OF THE STUDY

This study aims to achieve the following objectives:

1. To understand the perception of management students towards entrepreneurship as a career
2. To analyze the social, economical, and environmental factors which determine perception of students towards entrepreneurship as their career goal
3. To bring out the enabling factors to the entry of commerce and management graduates into entrepreneurship
4. To suggest a meaningful strategy for development of entrepreneurship and contribute to policy formulation so as to create a conducive environment for growth of entrepreneurship

4. HYPOTHESES

The hypotheses that are tested and accepted on the basis of conclusions of the study are 1. Personality traits play a vital role in making career choice. 2. Students wish to enter entrepreneurial career after getting sufficient job experience. Immediately after completion of their education they do not opt for entrepreneurial career. 3. Lack of feasible project idea, fear of failure, lack of confidence, and poor financial background are the major entry barriers to entrepreneurship.

The hypothesis that 'students from business background are more likely to choose entrepreneurial career' is not accepted; since no one opted for entrepreneurship as their immediate future career plan even though some of them had business background.

The hypothesis that 'family support and sound financial position are the significant factors influencing the decision to enter into entrepreneurship career' could not be tested since no one opted for entrepreneurship as their immediate future career plan.

5. METHODOLOGY AND SAMPLING

The respondents are final year post graduate students of management studying in affiliated colleges and campus school of S.R.T.M. University, Nanded. College wise strength of final year

students of M.B.A. from the affiliated colleges and the campus school of SRTM University, Nanded, Maharashtra State, India, was found to be 267. At 95% confidence level and 5% confidence interval, the sample size was decided to be 158 for management students. Several attempts were made to visit the colleges, meet the students, administer the questionnaire and collect the completed questionnaire. Total 110 responses could be sought from management students. In addition to this, relevant information was collected through informal discussions with the students as well as their teachers, heads of the departments, and principals/directors/heads of the institutions. The gathered data was subjected to appropriate statistical analysis to arrive at probabilistic findings.

6. CONCLUSIONS

It was considered essential to evaluate the management students and a good deal of information concerning their socio-economic profile, their motivational aspects, their perceptions, preferences, and their self appraisal in the context of entrepreneurship has been presented.

01. From the survey conducted and the interaction with respondents during research work, it is observed that the scope for development of entrepreneurship among management students is tremendous as

a) When the students were asked that if they were given training on how to start and manage business, whether they would reconsider their career option in favour of business or not; 29.09 % (32) management students agreed to reconsider their career option in favour of business, 27.27 % (30) management students were found to be indecisive. However, they didn't refuse to reconsider the entrepreneurship career option. There is every possibility to encourage them to turn towards entrepreneurial careers.

b) The percentage of girls is 57.27 % (63) among management students. Entrepreneurship is a convenient and suitable career option for girls since it provides the flexibility of working hours and work place while fulfilling the urge for excellence, financial independence and autonomy. Girl students are a potential source of entrepreneurship.

c) Majority of the major family decision makers of respondents i.e. 40.90 % (45) management students were businessmen. With proper care, attention and motivation, they could be encouraged towards entrepreneurship.

02. The respondents have a varied socio-economic, educational and occupational background. The analysis showed that 56 % students were Hindus, 24 % Muslims, 10.5 % Sikhs and 9.5 % Jains; 77 % were from nuclear families and 23 % were from joint families; regarding the major family decision makers in families of the students 69 % were fathers followed by joint decision making (9%), others-including brothers, sisters, uncles, husbands- (9 %), mothers (8 %) and grandparents (5 %); regarding the education of major family decision makers, 37 % were graduates, 22 % SSCs, 16 % post graduates, 12 % illiterates, 8 % less than SSC, 5 % had technical/professional education; regarding occupation of major family decision makers 52 % were engaged in business, 32 % were government servants, 9 % were farmers, 7 % had private jobs; 27 % students had annual family income in the range Rs.2 lakh to Rs. 3 lakh, 23 % in the range Rs 3 lakh to Rs 4 lakh, 20 % students had their annual family income more than Rs 4 lakh, 19 % students' annual family income was in between Rs. 1 lakh and Rs 2 lakh. 11 % students' annual family income was less than Rs. 1 lakh.

03. For students to assume role of entrepreneur becomes difficult on account of

a) Lack of awareness.

Regarding ambitions of the students, 46 students (18 %) wanted to become rich, 22 students (16 %) wanted to gain status, 8 students (4 %) wanted to indulge in social work; it seems that the students could not make out that entrepreneurship career could make them attain the aims of earning money, social status as well as the pleasure of engagement in social work.

126 (78 %) students were studying only. Only 74 (22 %) were working part-time/engaged in family business/doing part time business. In spite of being the students of management, they did not realize the need to get practical experience in business.

While telling the reasons behind their lack of confidence in business success, 4 (10.81 %) respondents expressed their inability to sense business opportunities.

While telling the reasons for need of some time to start a new business, 5 (8.62 %) respondents stated that they did not know which business to start.

b) Lack of confidence.

When asked about the reasons for not being interested in business at present, 13 (11.82 %) management students reported their lack of confidence in business success.

c) Fear of failure.

Among the reasons told by respondents behind lack of confidence in business success, 1(7.69 %) management student admitted that having heard about several business failure stories he was scared about business failure.

Among the reasons behind respondents' parents' disapproval for entrepreneurship, 1(4.34 %) respondent told that due to business failure in the past, the parents didn't approve the business option.

Among the reasons told by the respondents for lack of interest at present for new business, 5 (9.62 %) management students confessed that since they could not tolerate business failure, they rejected the entrepreneurship career option.

8 (7.27 %) management students mentioned 'fear of failure' as their major weakness.

d) Lack of business experience.

While mentioning the reasons behind 'lack of interest at present' for career in entrepreneurship, 11 (21.15 %) management students told 'no business experience' as the entry barrier.

While telling the reasons behind 'need of some time to think' for not accepting entrepreneurship as their immediate future career 15 (45.45 %) management students told they wanted to get business exposure through jobs first and then they might think about entrepreneurship.

e) Poor financial background.

2 (15.38 %) management students told that 'weak financial position' was the reason behind their lack of confidence in business success.

While telling the reasons behind respondents' parents' disapproval for entrepreneurship, 4 (33.33 %) management students told that they were 'not financially strong'.

While telling the reasons 'for need of some time by respondents to start a new business', 1 (3.03 %) management student needed time to arrange money for business investment.

32 (29.09 %) management students noted 'not sound financial position' as their major weakness in the role of an entrepreneur.

04. It is heartening to note that 59 (53.34 %) management students mentioned their parents and relatives as their role models and acknowledged their contribution in shaping their personalities and their career. While going through the names of role models mentioned by the students, it is observed that their exposure is limited; their sources of awareness are limited.

05. It is heartening to note that majority of the students (25.5 %) appreciated selfless work/serving to society/helping nature of their role models. 16 % students admired their role models due to their respectable position in the society. 15.5 % students liked their role models since they were good human beings. 15 % students were pleased about problem solving attitude of the role models. 11.5 % students were fond of the dynamic personality of the role models. 9 % students considered their role models as perfect persons. 7.5 % students were glad about their role models' devotion towards nation.

06. 32 % students planned to search for jobs. 18 % students wanted to continue their education for the sake of increasing their employability. 16 % students reported about their joining family business. 15 % students were planning to join a job and then after some time starting their own business. 12 % students were aspiring for government jobs and therefore they were preparing for competitive examinations. 7 % students had plans to go abroad for higher education.

07. 38 % students were suggested by their major family decision makers to search for jobs. 20 % students told that the family decision makers expected them to prepare for competitive examination. 12 % students said that their family decision makers wanted them to join a job first, earn money, get business exposure and then enter into business. 11 % family decision makers expected the students to go abroad for higher education. 5 % students said that their family decision makers had no suggestions for them regarding their future career plan.

08. When asked about their immediate career plans, it is observed that 13 % (15) management students declared their plan of joining family business; it is observed that 40.90 % (45) management students had business background. It reflects that all those with business background did not opt for entrepreneurship as their immediate future plan. In spite of having business background, they were pursuing commerce and management education. This clearly reflects the need of business education being realized by the students. 29 % (58) respondents said that they need some time to think about entering into entrepreneurship career option. 17.5 % (35) respondents were not confident about business success.

These two categories of respondents, if convinced in a proper manner, could be easily turned into entrepreneurs.

09. 32 (29.09 %) management students agreed to reconsider their career option in favour of business after receiving business training. This clearly talks about apprehensions in the mind of the students regarding entrepreneurial career.

They wanted to join jobs and then they were planning for business. This speaks about their plan to get business exposure and earn money to make a provision of investment required for business.

10. Regarding their ambitions, job seekers were in majority (40 %), 20 % had a wish of being a good human being/an ideal son/a good daughter for their parents, followed by status seekers (13.63 %), 12.73 % were money seekers, 5.45 % had an aspiration of engaging in social work. Only 8.19 % wanted to become industrialists.

11. In case of management students, it is found that 88.19 % were studying only. Only 11.81 % were trying to train themselves in real life business by part time job (3.63 %)/part time business (1.82 %)/participating in family business (6.36 %). In contrast to that, among commerce students, it is observed that 32.22 % were studying only, whereas 67.78 % were in actual field and they were attempting to get themselves trained in real life business by doing part time job (35.56 %)/part time business (17.78 %)/participating in family business (14.44 %).

12. 78 % students felt that their academic performance is okay. 12 % students considered their performance as moderate and 10 % considered themselves as excellent performers in academics. No one of them considered themselves as not doing well in studies.

13. When asked about their immediate future career plan, no one was in favour of business career. It is observed from table 5.16 that 41 % of the students did not have interest in business at all, 29 % student said that they wanted some time to think and to enter business. 17.5 % students hesitated since were not confident about business success. 12.5 % students did not have their parents' approval for business career.

14. While telling the reasons the reasons behind their lack of confidence in business, it is reflected that 21.62 % students felt that they do not possess business skills. 21.62 % students said that being sensitive; it may not possible for them to compromise with their values and ethics and because of that they would not get success in business. 18.92 % students felt that due to their weak financial background, they could not enter business and they could never get success in business. 10.81 % students knew that they could not sense business opportunities. 10.81 % students were of the view that they did not possess the ability to manage influential person and get the things done. 8.11 % students confessed that they have heard about several business failure stories and they were scared about business failure. 5.41 % students didn't like uncertainty. 2.71 % students were not risk takers.

15. 12.5 % students reported 'disapproval of their parents for starting new independent businesses' as the barrier to entrepreneurship career. Among them 34.78 % students reported that their parents considered them as unfit for business. 30.43 % students said that their parents disapproved the business career option since they thought that they didn't have adequate financial

strength which is required for managing business. 17.39 % parents were expecting immediate earning from the respondents. Due to financial pressure, they did not want to wait for a long, uncertain time span for earning to begin in case of entrepreneurship. In case of 13.4 % students, parents disapproved business career since they didn't have business background. Parents of 4.34 % students did not permit them to engage in entrepreneurship since they met with failure in the past.

16. 29 % students said that they would not opt for entrepreneurship as their immediate future career since they need some time to think about that option and be prepared to adopt that. It is seen that 39.65 % students wanted to get business exposure through a job. 25.86 % students wanted to get training in various business related aspects. 13.79 % students wanted to search good paying jobs first and if they could not find such jobs, then they might choose business career. 8.62 % students were confused regarding which business to start, they needed time to think about the type of business which can be started. 6.90 % students wanted to assess themselves in terms of suitability to business and then finalise the decision. 5.17 % students needed time to arrange money needed for investment in business.

17. It is seen that 41 % students said that they would not opt for entrepreneurship as their immediate future career since they were not interested in business. It is clear that 23.17 % students said that they were interested in job security and regular income. 18.29 % students had no business experience. 14.63 % students were unable to assess their own entrepreneurial skills. 12.19 % students told that they didn't like working with stress, anxiety and fear of failure. 9.76 % students didn't have persistence. 8.54 % students could not explain the reasons behind their non-acceptance and lack of interest in entrepreneurship. 8.54 % students said that they could not tolerate business failure. 4.88 % didn't like uncertainty.

18. Imagining themselves in the role of an entrepreneur, business background and management knowledge (30.5 %), followed by business background (26.5 %), management knowledge (18.5 %) were chosen as strengths by majority of respondents. Hard working nature was chosen as strength by 9 % students, confidence by 4.5 %, ability to influence/convince others by 4 %, leadership quality by 2.5 %, technical knowledge by 2.5 % and creative nature by 2 %.

19. Assuming themselves as entrepreneurs, weak financial background was mentioned by 24 % students, lack of risk taking capacity as their weakness by 23 % students, low confidence by 21.5 % students, shy nature by 10.5 % students, and fear of failure by 13 % students .

20. Majority of the students (58 %) made a mention of government support followed by globalization (25 %), growing population/market/demand (10.5 %), and IT revolution (6.5 %) as major environmental opportunities for entrepreneurs.

21. While mentioning environmental threats in the context of entrepreneurship.63 % students reported 'competition', followed by 'business/demand fluctuation' by 24 %, 'uncertainty' by 10 % and 'recession' by 3 %.

7. SUGGESTIONS

In view of the findings it is recommended to take the following actions.

1. Vigorous efforts should be made to create favourable environment to promote entrepreneurship among management personnel. More and more opportunities should be given to them to identify themselves with entrepreneurial personality.
2. For respondents there were varied future career plans. No respondent wanted to set up own business, no family decision maker suggested them the option of entrepreneurship career. Proper awareness campaigns for the students and their parents should be launched at a regular interval of time to make them aware about 'the charms of being an entrepreneur'.
3. For reinforcing the entrepreneurial spirit seminars, workshops, conferences should be arranged frequently so that students would be exposed to various entrepreneurial opportunities by interaction with industrialists, leaders, bankers, administrators and enterprising personalities from society. Experienced personnel should be invited frequently for extension lectures.
4. Training input has to be provided for developing achievement motivation and other entrepreneurial qualities such as self esteem, self confidence, problem solving, goal setting etc.
5. Training is needed for developing skills for project identification, implementation and appraisal. Special skills are required for developing environmental awareness, making self appraisal and on that basis sensing, analyzing and selecting business opportunities.
6. The main barriers to entrepreneurship among the respondents are found to be lack of self appraisal, lack of self esteem, lack of realization of need to set career goals and plan accordingly, lack of motivation, lack of awareness, fear of failure, poor financial background. The suggestions to overcome these barriers are noted below:
 - a) Students should be convinced about the benefits of self appraisal and this exercise should be taken as a classroom activity in every semester followed by personal counseling.
 - b) For overcoming the barrier of lack of self esteem, personal counseling would be the proper solution.
 - c) Students should be made to think and express their career plans.
 - d) One to one interaction between the student and the entrepreneurship teacher would imbibe entrepreneurial spirit and motivate the students for thinking big.
 - e) The students with entrepreneurial potentiality should be informed about the career prospects and business opportunities and various forms of government support being provided to entrepreneurs.
 - f) Development of Entrepreneurship Development Cell and providing guidance and counseling to the students on one-to-one basis right from conception stage until the enterprise becomes fully operational would overcome the barrier of fear of failure.

g) Proper awareness regarding the institutions providing financial assistance to entrepreneurs, government schemes, incentives, subsidies etc would certainly help the students who are apprehensive due to their weak financial background.

7. Lack of experience and management skills is found to be the major cause for sickness of industries. Before entering into business there has to be at least minimum duration training and exposure to business situation. In group, if not possible individually, the students should be given a real project. The students should be involved in actually manufacturing and selling products. A group of near about ten students should be asked to form a company, which would function for an academic year. The company should select their own officers. Each young enterprise should be assisted by a team of advisors drawn from local industrialists and industrialists from the nearby areas. Every month meeting would be conducted for planning, counseling, guidance and advice could be sought on problem areas of production, marketing, finance etc. The students should purchase their raw materials, manufacture and sell their products in the open market. The money required for the operations could be raised from advisors and community members who are interested in this experiment. At the end of the year after preparing report the company could be dissolved. This would make the students achievement oriented. Through such programs it would be possible to spread ambition.

8. All the students who are interested in entrepreneurship should be encouraged to establish their own 'Entrepreneurship Club' within the educational institutions in collaboration with alumni association. Such clubs should get support of the faculty, principals/directors of the institutions.

9. 'Entrepreneurship Clubs' should organize various activities like arranging interactions with successful industrialists; arranging shows, presentations about success stories of entrepreneurs, their products/services, their enterprises etc.

10. 'Entrepreneurship Clubs' should undertake competitive activities for their member students in the form of interviews of successful entrepreneurs, essays, success stories, case studies, speeches and various forms of individual as well as group presentations.

11. The 'Entrepreneurship Club' should encourage the member students to attend, participate and organize various activities like trade fairs, exhibitions etc.

12. Educational institutions should encourage such 'Entrepreneurship Clubs' to run various enterprising activities like canteens, hostel dining rooms, daily needs corner, stationary shops, DTP centres, fast food joints, zeroxing, binding, mobile recharge etc. The basic purpose to be achieved is to provide the students 'hands-on-experience' of establishment and management of commercial activities.

13. Ex-students of the institutions who have established their own businesses should be approached and for the 'Entrepreneurship Club' members visits should be arranged to such enterprises for the sake of free interactions with the entrepreneurs in the premises of those enterprises.

14. Institutional visits should be made a regular feature of the curriculum. Students' visits to DICs, SFCs, entrepreneurship development institutions, banks, industry associations would

provide them necessary exposure and make them aware about procedural formalities, government set up, availability of finance, raw material, technology, export potential etc.

15. A strong and prompt information support should be provided for disseminating knowledge about plans, policies, programs, support network, various schemes for development of small industries and entrepreneurship.

16. Another important factor is to provide opportunity for guidance and counseling to help students explore career alternatives and to enable them integrate with the society. The contemplated changes in the education system even with a favourable state policy and participation of its stake holders will not be realized without the appropriate competencies of the teacher. These competencies would include expertise in up-to-date occupation knowledge and skills in new technologies; professional skills such as delivery through flexible learning technology using internet, distance mode of learning, curricula design, instructional material design; personal skill like creativity, team work etc. However such reforms in education system have to be in conformity with the tradition, culture, moral values, attitudes and heritage of the country.

17. The students with business background are more likely to turn towards entrepreneurship. This target group should be encouraged to take up entrepreneurial ventures with the help of personal counseling, proper guidance and close supervision.

18. Special efforts are required to motivate and stimulate different target groups towards entrepreneurship such as girls, students with business background, students with business experience, students with technical background etc.

Education should lead to empowerment of people and economic independence at all levels, growth of microenterprises is essential to achieve this goal. Entrepreneurship development should form an essential form of human resource development at different levels of education. Inputs for Entrepreneurship development should be integrated effectively at all levels of education. Basic entrepreneurial qualities should be imbibed in students during primary and secondary education. Traditional educational system promotes conformity and compliance which is against entrepreneurial spirit. There is a need to reorient the education system so that it promotes initiative, creativity, innovativeness, a risk taking attitude, team building and leadership qualities in students. Entrepreneurial awareness and motivation is essential for all these students in educational main streams. Case studies, stories, video films, entrepreneurship awareness camps and motivational lectures may be organized for this purpose. Venture oriented project work may be assigned to the students so as to help them in being trained in business. Identifying some suitable senior experienced entrepreneurs who may like to act as mentors and guides for developing first generation entrepreneurs among the educated youth will certainly prove to be beneficial. By institutionalizing entrepreneurship in different streams of education it is possible to accelerate the growth of Indian economy.

ACKNOWLEDGEMENT: This paper is the result of a Minor Research Project entitled “Barriers to Entrepreneurship among Commerce and Management Students: A Case Study of Swami Ramanand Teerth Marathwada University, Nanded”. Funding has been provided by grants from Swami Ramanand Teerth Marathwada University, Nanded. The author is grateful to SRTM University for providing the funding to enable the research reported in this paper.

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