

# AN ASSESSMENT OF ENTREPRENEURIAL AWARENESS AND ENTREPRENEURIAL ORIENTATION AMONG EDUCATED YOUTH IN INDIA

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## Introduction

The youth unemployment rate is increasing comparative to the adult unemployment in many regions and persistently high throughout the world according to the International Labour Organization, 2013 records. The world will need around half a billion jobs by 2030, as more and more young people join the labour market. It is projected that each year 121 million young people turn 16 years old, of which 89% will potentially be searching for work in developing regions. The majority of this young labour force lives in developing economies, where Asia takes the lead. India accounts for a major chunk of Asia's unemployment. Youth unemployment is likely to become an even greater problem over the time.

The increasing unemployment shows wastage of resources and labour productivity. It decelerates the circular flow of income of the economy. Slow-down of income and increase government expenditure towards unemployed individuals affect the economic growth of any country. The increasing instability may smash all the economic activities; can create a wave of crime, law and order violations and many more social problems.

The present challenge for India is to create nationwide jobs on a massive scale to ensure that young people have access to economic opportunities which can reduce the economic, social and mental hazards. There are several approaches such as; public employment strategies, regulatory strategies, leadership strategies and entrepreneurship strategies to create job opportunities. The employment avenues in public or private sector has become insufficient for the current need and youth entrepreneurship could be a supplementary means for admitting the youth into the labour market. It may stimulate the job creation that could leverage the energy of individuals to accomplish the desired goals. It adds value to the society through increase in creation and supply of jobs, thus enhances the fiscal position of the economy.

However, in the present scenario youth in India confront helplessness when they enter the entrepreneurial activities. Some potential entrepreneurs end their startup activities at the beginning. The failure in start-up activities may result due to the poor knowledge and uncertainty involved in entrepreneurial activity. Increased failure and uncertain environment impel youth to take-up paid jobs over self-employment. Hence, most of the time the youth is preferred to be employed at Multi-National Corporations (MNCs), government sector or in the banking sector, which provides the job security and stable earnings. However, job opportunities available in government and corporate sectors are limited. Most of the time they give preference to recruit talented skills. But majority of the youth in the present scenario do not have enough hard and soft skills that match the needs. Hence, obtaining jobs in government or corporate sectors is also questionable and

involvement in these jobs does not yield a dramatic benefit to the society or the economic development of the nation. This demographic trend clarifies a milieu of weak economic recovery and intensified youth unemployment and underemployment. To meet this challenge, there is a need to educate, inspire and empower youngsters.

Education plays a major role in inspiring and empowering the current and future generations of entrepreneurs, managers, and all kinds of workers, with the skills need to succeed in the dynamic environment. In order to develop human capital with flair to develop business venture, education need to be interconnected with entrepreneurship. The institutional support can increase the entrepreneurial intent via students' awareness. However, the results vary based on an individual's behavioural attitude and intentions. Entrepreneurial orientation provides an indicator of the requisite behavioural dispositions for a new venture entry.

Hence, in order to address the unemployment, it is imperative to create awareness and develop orientation related to entrepreneurship as the first and foremost precondition. This study was carried out as a first phase with the intention to identify the level of entrepreneurial awareness (EA) and the relationship between entrepreneurial awareness and entrepreneurial orientation (EO) between male and female from different streams of study among youth.

#### **Methodology**

The measurement tool adopted for the study was EA scale based on measures developed by Arthi and Venkatapathy (2011) and it has been further refined for the present study. EA questionnaire was prepared having 23 items to be responded on a four-point rating scale. Further, an instrument was expanded with statements to measure EO, contains 73 items on a 04 point Likert scale type under various subscales such as, autonomy, innovation, risk taking, proactiveness and competitive aggressiveness under EO scale. The survey instrument consists of two sections. Section I began with a few personal details and Section II dealt with information related to the scales were set forth. The study used 2 x 3 ANOVA (unequal) to test the differences between gender and streams on the level of EA and structural equation modeling used to establish the relationship between EA and EO.

#### ***Population and Sampling***

There had been a rapid expansion in colleges offering arts and science, engineering and technology and commerce and management courses in India. In the state of Tamil Nadu, Coimbatore region is emerging as a hub for educational excellence. Even though a number of colleges produce many postgraduates to the job market, employable skill and employability among youth remains questionable. Hence, it was decided to focus on youth who pursue their higher education in Coimbatore district for the purpose of the study. A multi-stage sampling and systematic random sampling method was used as the sampling technique to select respondents for the survey.

The data for this research were obtained from arts and science, engineering and technology and commerce and management streams with 1,927 final year postgraduate students, during academic year 2012-2013. The questionnaires were distributed to a sample of 879 students. Out of this, only 851 questionnaires were received. In the

sample, 310 respondents (38%) belonged to arts and science; 237 respondents (29%) belonged to engineering and technology and 271 (33%) respondents belonged to commerce and management. The sample consisted of 410 male and 408 female students. Fieldwork was carried out during July-August 2013.

#### Data Analysis

The statistical analysis employed in the study included,

- 2 x 3 ANOVA (unequal) used to test the differences between gender and streams on EA.
- Structural equation modelling worked out to establish the relationship between EA and EO.

#### Results and Discussion

To study the EA of postgraduate students, two major dimensions were identified and termed as business knowledge and financial knowledge. The results of factor analysis confirmed these as significant factors to predict EA.

Table 1. Scores of Respondents on Business and Financial Knowledge Sub scale of EA Scale

Source	Business Knowledge				Financial Knowledge			
	Sum of Square	df	Mean square	F	Sum of Square	df	Mean square	F
Between Genders	6.14	1	6.14	0.21 <sup>#</sup>	0.239	1	0.23	0.03 <sup>#</sup>
Among Streams	381.66	2	190.83	6.72 <sup>*</sup>	32.138	2	16.06	2.09 <sup>#</sup>
Gender * Stream	29.89	2	14.94	0.52 <sup>#</sup>	5.162	2	2.58	0.33 <sup>#</sup>

\* - Significant at 95% confidence interval; # - not significant

Postgraduate students significantly differ in their scores on the business knowledge subscale of EA scale (Table 1). The commerce and management postgraduate students may be aware of how to prepare a business plan, budget, how long it takes to pick up a business and how long it may take to start a business, etc. Postgraduate students in arts and science and engineering and technology are homogenous on the business support subscale of EA scale. Postgraduate students from commerce and management score significantly higher than postgraduates in other streams of study on the same base (Table 2). EA may increase due to the curriculum of commerce and management postgraduates.

Table 2. Mean and Standard Deviation for the Scores of the Respondents on EA Scale

Dimension	Arts & Science	Engineering & Technology	Commerce & Management
Business Knowledge	31.66 (4.71)	31.62 (5.64)	33.65 (5.67)
Financial Knowledge	14.18 (2.71)	13.92 (2.81)	14.41 (2.78)

With regard to financial knowledge of the postgraduate students the study does not differ in their scores on financial knowledge subscale of EA scale. The mean scores are below average for the scores on financial knowledge subscale of EA (Table 1 & 2). It shows that postgraduate students have poor awareness of the support available from the government, NGOs, Banks and other institutions.

The empirical model was tested using AMOS-18 software. The goodness of the fit of the models was evaluated using the  $\chi^2$  goodness of fit statistics, the Normed Fit Index (NFI) and the Comparative Fit Index (CFI). For both relative fit-indices, values greater than 0.90 are considered as indicating a good fit. In addition, the Root Mean Square Error of Approximation (RMSEA) is computed for which values 0.97 indicate a reasonable fit for the model.



Figure 1. The Relationship between EA and EO

### Conclusions and Recommendations

The male and female students do not differ and remain to be homogeneous on the business and financial knowledge subscale of EA. Further, the students from the commerce and management stream are significantly different and are high on mean scores compared to engineering and technology and arts and science on the business knowledge dimension of EA. The students do not differ and remain to be homogeneous among streams of study on the financial knowledge dimension of EA. Structural Equation Modeling proves that there is a positive and significant relationship exists between EA and EO.

Based on the findings and conclusions, the following recommendations are put forth;

- Educational institutions should promote and strengthen entrepreneurial education among different field of study.
- Entrepreneurship courses should be extended beyond the business and management curriculum and can be found in diverse disciplines such as engineering, environmental science, technology, etc.,
- The entrepreneurial spirit seminars, workshops, conferences should be arranged frequently among different field of studies.
- Training is needed for developing skill project identification, implementation and appraisal, especially for arts and science and engineering and technology students.

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