

# Entrepreneurial Potential, Intention and the Influential Factors for Entrepreneurship Among the Women Students of Coimbatore City

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*Abstract: Women are natural entrepreneurs who are capable of managing multiple tasks at ease but most of them do not realize their potential. In spite of the increasing recognition of entrepreneurship as a source of job creation, regional development, and economic dynamism in a rapidly globalizing world, there has been no notable change in numbers and most of the cases unemployed women only turn up to entrepreneurship. Universities and educational institutions insisting various courses and training programs towards the development of entrepreneurship and creating the entrepreneurial culture and eco system in the campuses. Most of the students have the potential of becoming an entrepreneur and they do not have the intention to become an entrepreneur sometimes they are equipped with the potential as well as intention but they are not getting motivated to become an entrepreneur. So the study was intended to know among the selected population that how many students are having the potential and how many of the potential students has the intention even though having those potential as well as intention how many of them are really motivated to become an entrepreneur and also to study the various factor which is stopping them not to become an entrepreneur. So the questionnaire was distributed among the students and the responses were collected and analyzed using the simple percentage analysis tool and the results were presented. The suggestions will help the policy makers and educationalist to develop a strategy for promoting entrepreneurial culture among the students.*

**Keywords:** Entrepreneurial Intention, Entrepreneurial Potential, Entrepreneurial Culture, Entrepreneurial Eco System

## I. INTRODUCTION

Schumpeter (1965) defined “entrepreneurs as individuals who exploit market opportunity through technical and/or organizational innovation”. Entrepreneurship is recognized as an important source of job growth and economic development of a country. The rate of growth for entrepreneurship varies from country to country as well as from time to time for the same country. But the established fact is that it has a clear and positive impact on economic growth. Entrepreneurship study in the era of globalization and knowledge based economy is necessary. Hisrich (1990) defined that an entrepreneur is characterized as “someone who demonstrates initiative and creative thinking, is able to organize social and economic mechanisms to turn resources and situations to practical account, and accepts risk and failure”.

**Revised Version Manuscript Received on January 23, 2017.**

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Today there is a need for many entrepreneurs to be involved actively in the economic development in order to meet the market demands and to sustain competency in the fast pace of technology change. The assessment of entrepreneurial intention among the university students is a necessity in order to identify their level of entrepreneurial orientation because majority of these students will immediately contribute more to the economic growth after they graduate, not as salary workers but as entrepreneurs. Bolton and Thompson (2000) have defined an entrepreneur as “a person who habitually creates and innovates to build something of recognized value around perceived opportunities”.

The American Heritage Dictionary defines “an entrepreneur to be a person, who organizes, operates and assumes the risk for business ventures “. So it is necessary to know the intention of the student’s and measures has to be taken to motivate and make them contribute towards the entrepreneurial journey. Peter Drucker (1970) defined “entrepreneurship is about taking risk”. Arenius (2005) defined Entrepreneurship is an activity, which involves “the discovery, creation and exploitation of opportunities aimed at the introduction of, e.g., new goods and services, new ways of organization, or new processes”

## II. LITERATURE REVIEW

Tubbs & Ekeberg (1991) examined that understanding the capability and predicting the intentions becomes a point of interest for both managers and entrepreneur’s success. (Ajzen, 1991) analysed in his “Theory of Planned Behaviour”, Individual intentions influence human behaviors and as a consequence organizational outcomes occurs. Therefore, the ability to understand and to predict the entrepreneurial intentions leads to the Entrepreneurial Success. Goldberg (1993) discovered the broad five factors through Empirical research are Openness to Experiences ( creative ), Agreeableness ( trust worthy), Conscientiousness ( control ), Extraversion ( positive emotions ), and Neuroticism ( risk taking ) are the factors influencing entrepreneurial characteristics.

Carter, Gartner, Shaver & Gatewood (2003) studied the Main reason, individuals, entrepreneurs and non-entrepreneurs start enterprises and make career choices are self- realization, financial success, innovation, recognition and independence. Wang & Wong (2004) investigated the determinants of interest in entrepreneurship among university students in Singapore. Gender, family experience with business and educational level were found to be significant factors in entrepreneurial interests. Zhao, Seibert, and Hills (2005) studied that psychological characteristics (e.g. risk taking propensity and entrepreneurial self-

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efficacy), together with developed skills and abilities, influence entrepreneurial intentions.

Souitaris et al. (2007) examined that Knowledge and resources could increase the likelihood of success of any business venture but inspiration that raises attitude, intention and increases the chances among the students to set up their own businesses". Lalit sharma (2014) examined that the stock of information generated through people's life experiences, knowledge generated through career experience influences entrepreneurial intention to foster entrepreneurial activities.

Bird (2015) identified that the establishment of new ventures and the creation of new value in existing ones have been identified as the two outcomes of entrepreneurial intentions and such behaviors.

### III. STATEMENT OF PROBLEM

Women are natural entrepreneurs who are capable of managing multiple tasks at ease but most of them do not realize their potential. In spite of the increasing recognition of entrepreneurship as a source of job creation, regional development, and economic dynamism in a rapidly globalizing world, there has been no notable change in numbers and most of the cases unemployed women only turn up to entrepreneurship.

Coimbatore District is the second most industrialized and commercially vibrant districts of Tamil Nadu. It has got a high concentration of Small Scale, Medium and Large-scale industries. As per the 2011 Population census Coimbatore district having total population of 34.58 lakhs and both male and female population distributed more or less equally. Among the total population, literates were 26.36 lakhs, which comprises 76 percent of the total population. Total Male Population is 17, 29,297 and Female Population is 17, 28,748. DIC data shows that as of 2015 the number of enterprises managed by women entrepreneurs was 5270, where the female populations of the district being 17.26 lakhs in number, the percentage of women entrepreneurs are found to be very low (29%).

### IV. OBJECTIVES OF THE STUDY

- To identify the students having the potential to become an entrepreneur.
- To analyze the students having the intention to become an entrepreneur.
- To identify the factors motivating the students to involve in the entrepreneurial activity.
- To identify the factors prevent them not to involve in the entrepreneurial activity.
- To measure the outcome and suggest measures to the educators and policy makers.

	India	Tamil Nadu	Coimbatore
Population	1.28 billion	7,21,47,030	34,58045
Males	668 million	3,61,37,975	17,29297
Females	621 million	3,60,09,055	17,28748

	million		
Literacy Ratio males	82.14%	86.8%	86.8%
Literacy rate females	65.46%	73.4%	73.9%
Age ratio less than 25	50%	More or less equal	More or less equal
Age ratio less than 35	65%	More or less equal	More or less equal
Graduates Approximately Passed out per year	1.5 Million	2,43,401	31,642
Un Employment Rate	9%	13.5 %	8.6 %

### V. RESEARCH METHODOLOGY

The population selected for the study is final year women MBA students of Coimbatore city and the total sample size is 300 and the samples were selected from 10 college women students using the multi stage random sampling technique and the instrument used for collecting the data is the validated questionnaire adapted from Judy Balogh et al., *Beyond a Dream: An Instructor's Guide for Small Business Explorations* (Columbus: Ohio State University, 1985), pp. 26–28. (Contains 74 Questions covering three parameters, personal background, behavioral pattern, lifestyle factors). During the period 1985 – 1989 researchers used the Questionnaire for research and in the year 2014 Abir S Harrasi, Eyad, Zahran Published the research paper titled "Factors Impacting Entrepreneurial Intention" *International Journal of Social, Behavioral, Educational, Economic and Management Engineering* Vol: 8, No: 8, 2014. **It proves that the Questionnaire is still valid. Reliability also tested by the conduct of pilot study.** The Pilot study was conducted among 30 samples and out of the 30 respondents, no of respondents having the intention to become an entrepreneur = 25 (83%) and the no of respondents having the potential to become an entrepreneur = 14 (46%) No of students involved in the entrepreneurial activity with the influence of supporting factors = 18 (60%).

### VI. DATA ANALYSIS AND INTERPRETATION

#### 1. Age of the Respondents

Age	No of Respondents	Percentage of Response
Under 21	23	8
21-24	269	92
25 – 28	0	0
Over 28	0	0

**Inference:** Majority of the respondents (92%) falls under the age category of 21 – 24 and.

**2. Marital Status**

	No of Respondents	Percentage of Response
Single	279	95
Married	13	5

**Inference:** Majority of the respondents (95%) are single

**3. UG Degree**

Degree	No of Respondents	Percentage of Responses
B Sc	28	10
BA	17	6
B.Com	112	38
BBM/BBA	77	26
BE/B Tech	35	12
BCA	23	8
Others	0	0

**Inference:** Majority (38%) of the respondents are holding B.com as their undergraduate degree

**4. Work Experience**

Experience	No of Respondents	Percentage of Responses
None	212	73
Less than 1	56	19
1-2	24	8
3-4	0	0
5 and more	0	0

**Inference:** Majority (73%) of the respondents doesn't have any work experience

**5. Area of Specialization**

Specialization	No of Respondents	Percentage of Responses
Management	77	26
Commerce	112	38
Science	28	10
Arts	75	26

**Inference:** Majority (38%) of the respondents are having the commerce background

**6. Family Business**

Family Business	No of Respondents	Percentage of Responses
Yes	78	27
No	214	73

**Inference:** Majority (73%) of the respondents do not come from the family business background

**7. Interest in Starting the Business**

Interest	No of Respondents	Percentage of Responses
Yes	176	60
No	116	40

**Inference:** Majority (60%) of the respondents are having the interest to start the new business

**8. Entrepreneurship Potential Assessment**

S No	Parameter	Mostly or Yes	Rarely or No
1	Are you prepared to make sacrifices in your family life and take a cut in pay to succeed in business?	178	114
2	Are you the kind of individual that once you decide to do something you'll do it and nothing can stop you?	221	71
3	When you begin a task, do you set clear goals and objectives for yourself?	143	149
4	When faced with a stalemated situation in a group setting, are you usually the one who breaks the logjam and gets the ball rolling again?	167	125
5	Do you commonly seek the advice of people who are older and more experienced than you are?	214	78
6	Even though people tell you "It can't be done" do you still have to find out for yourself?	143	149
7	When you do a good job, are you satisfied in knowing personally that the job has been well done?	245	47
8	Do you often feel, "That's just the way things are and there's nothing I can do about it"?	165	127
9	Do you need to know that something has been done successfully before, prior to trying it yourself?	132	160
10	Do you intentionally try to avoid situations where you have to converse with strangers?	145	147
11	Do you need a clear explanation of a task before proceeding with it?	134	158
12	Are you a good loser in competitive activities?	198	94
13	After a severe setback in a project, are you able to pick up the pieces and start over again?	112	180
14	Do you like the feeling of being in charge of other people?	234	58
15	Do you enjoy working on projects that you know will take a long time to complete successfully?	156	136
16	Do you consider ethics and honesty to be important ingredients for a successful career in business?	199	93
17	Have you previously been involved in starting things like service clubs,	98	194

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	community organizations, charitable fund-raising projects, etc.?		
18	Did your parents or grandparents ever own their own business?	78	214
19	When you think of your future do you ever envision yourself running your own business?	123	169
20	Do you try to do a job better than is expected of you?	212	80
21	Do you make suggestions about how things might be improved on your job?	98	194
22	Are you usually able to come up with more than one way to solve a problem?	112	180
23	Are you between 20 and 40 years of age?	23	269
24	Do you worry about what others think of you?	243	49
25	Do you read a lot of books, particularly fiction?	58	234
26	Do you take risks for the thrill of it?	23	269
27	Do you find it easy to get others to do something for you?	34	258
28	Do you find it easy to get others to do something for you?	157	135
29	Has someone in your family shared with you his or her experience in starting a business?	146	146
30	Do you believe in organizing your tasks before getting started?	201	91
31	Do you get sick often?	167	125
32	Do you enjoy doing something just to prove you can?	234	58
33	Did your relatives or close acquaintances/friends ever own their own business?	72	220
34	Do you find yourself constantly thinking up new ideas?	232	60
35	Do you prefer to let a friend decide on your social activities?	34	258
36	Did you like school?	290	2
37	Were you a very good student?	224	68
38	Did you "hang out" with a group while doing your Undergraduate Degree?	212	80
39	Did you actively participate in school activities or sports?	167	125
40	Do you like to take care of details?	182	110
41	Do you believe there should be security in a job?	92	200
42	Will you deliberately seek a direct confrontation to get needed results?	123	169
43	Were you the firstborn child?	59	233
44	Was your father or another older male generally present during your early life at home?	212	80
45	Were you expected to do odd jobs at home before 10 years of age?	22	270
46	Do you get bored easily?	156	136
47	Are you sometimes boastful about your accomplishments?	182	110
48	Can you concentrate on one subject for extended periods of time?	24	268
49	Do you, on occasion, need pep talks from others to keep you going?	156	136
50	Do you find unexpected energy resources as you tackle things you like?	134	158
51	Does personal satisfaction mean more to you than having money to spend on yourself?	234	58
52	Do you enjoy socializing regularly?	222	70
53	Have you ever deliberately exceeded your authority at work?	46	246
55	Do you try to find the benefits in a bad situation?	23	269
56	Do you blame others when something goes wrong?	56	236
57	Do you enjoy tackling a task without knowing all the potential problems?	132	160
58	Do you persist when others tell you it can't be done?	221	71
59	Do you take rejection personally?	282	10
60	Do you believe you generally have a lot of good luck that explains your successes?	234	58
61	Are you likely to work long hours to accomplish a goal?	220	72
62	Do you enjoy being able to make your own decisions on the job?	225	67
63	Do you wake up happy most of the time?	123	169
64	Can you accept failure without admitting defeat?	121	171
65	Do you have a savings account and other personal investments?	234	58
66	Do you believe that entrepreneurs take a huge risk?	250	42
67	Do you feel that successful entrepreneurs must have advanced college degrees?	24	268
68	Do you strive to use past mistakes as a learning process?	34	258
69	Are you more people-oriented than goal-oriented?	256	36
70	Do you find that answers to problems come to you out of nowhere?	25	267
71	Do you enjoy finding an answer to a frustrating problem?	223	69
72	Do you prefer to be a loner when making a final decision?	234	58
73	Do your conversations discuss people more than events or ideas?	150	142
74	Do you feel good about yourself in spite of criticism by others?	242	50

75	Do you sleep as little as possible?	13	279
76	Did you ever have a small business of your own while studying?	198	94

Adapted from Judy Balogh et al., *Beyond a Dream: An Instructor's Guide for Small Business Explorations* (Columbus: Ohio State University, 1985), pp. 26–28 ANSWERS

Most Desirable Responses to Questions

**Personal Background**

30, 36, 37, 43 - Rarely or No

17, 18, 23, 28, 32, 35, 28, 42, 44, 74 - Mostly or Yes

**Behavior Patterns**

8, 9, 10, 11, 12, 14, 24, 39, 40, 48, 54, 57, 64, 65 - Rarely or No

2, 4, 5, 6, 7, 13, 16, 20, 21, 22, 26, 27, 29,31, 33, 41, 45, 46, 47, 49, 50, 52, 53, 55,56, 58, 60, 61, 62, 66, 68, 69 - Mostly or Yes

**Lifestyle Factors**

25, 34, 51, 67, 71 - Rarely or No

1, 3, 15, 19, 59, 63, 70, 72, 73 - Mostly or Yes

**SELF-ASSESSMENT: RESULTS**

**Number of Most Desirable Responses**

Your Personal Background	47.72%
Your Behaviour Patterns	44.80%
Your Lifestyle Factors	40.1%
Total Number of Most Desirable Responses	44.2%

47.72% of the respondents are having potential and 44.80% of the respondents are having intention 40.1% of the respondents are having the influential factors and is the undesirable response. Factors influencing to involve in the entrepreneurial activity

**VII. FACTOR ANALYSIS**

Factor analysis attempts to identify underlying variables, or factors, that explain the pattern of correlations within a set of observed variables. Factor analysis is often used in data reduction to identify a small number of factors that explain most of the variance observed in a much larger number of manifest variables. Factor analysis can also be used to

generate hypotheses regarding causal mechanisms or to screen variables for subsequent analysis (for example, to identify collinearity prior to performing a linear regression analysis).

**VIII. RESULT**

The individual statements on motivating factors was examined using factor analysis based on 17 individual statements and the reliability of the samples collected was tested for internal consistency of the grouping of the items.

**KMO and Bartlett's Test**

Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		<b>.745</b>
Bartlett's Test of Sphericity	Approx. Chi-Square	2116.091
	Df	136
	Sig.	.000

KMO measure of sampling adequacy is an index to examine the appropriateness of factor analysis. High values between 0.5 and 1.0 indicate factor analysis is appropriate. Values below 0.5 imply that factor analysis may not be appropriate. From the above table it is seen that Kaiser – Meyer – Olkin measure of sampling adequacy index is 0.745 and hence the factor analysis is appropriate for the given data set. Bartlett's Test of Sphericity is used to examine the hypothesis that the variables are uncorrelated. It is based on chi- Square transformation of the determinant of correlation matrix. A large value of the test statistic will favor the rejection of the null hypothesis. In turn this would indicate that factor analysis is appropriate. Bartlett's test of Sphericity Chi-square statistics is 2116.091, that shows the 17 statements are correlated and hence as inferred in KMO, factor analysis is appropriate for the given data set.

**Total Variance Explained**

Component	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	4.723	27.783	27.783	4.723	27.783	27.783	2.941	17.301	17.301
2	2.228	13.106	40.888	2.228	13.106	40.888	2.522	14.832	32.133
3	1.923	11.312	52.200	1.923	11.312	52.200	2.444	14.377	46.510
4	1.534	9.025	61.225	1.534	9.025	61.225	1.900	11.176	57.686
5	1.237	7.278	68.503	1.237	7.278	68.503	1.839	10.817	<b>68.503</b>
6	.837	4.924	73.428						
7	.734	4.320	77.747						
8	.614	3.610	81.357						
9	.573	3.373	84.730						
10	.473	2.785	87.516						
11	.425	2.502	90.018						
12	.398	2.340	92.358						
13	.356	2.093	94.450						
14	.324	1.903	96.354						
15	.264	1.554	97.908						

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16	.228	1.344	99.252						
17	.127	.748	100.000						

Extraction Method: Principal Component Analysis.

Eigen Value represents the total variance explained by each factor. Percentage of the total variance attributed to each factor. One of the popular methods used in Exploratory Factor Analysis is Principal Component Analysis, Where

the total variance in the data is considered to determine the minimum number of factors that will account for maximum variance of data.

**Component Matrix (a)**

	Component				
	1	2	3	4	5
Money Motive	.699	.150	-.282	-.072	.488
<b>Independence</b>	.698	.128	-.267	-.095	<b>.555</b>
Provide greater Comfort to the family	.704	.090	-.212	-.080	.337
<b>Do something New</b>	.551	<b>.582</b>	.085	.224	-.200
Reputation and Recognition	.603	.477	.127	-.032	-.305
<b>Preside Over a Big business</b>	<b>.752</b>	.208	.023	-.085	-.288
Express Ones Own creativity	.680	.330	.045	.123	-.263
Optimum Utilisation of ones own ability	.673	-.130	.097	-.252	-.207
Temperament fit between self and environment	.430	-.353	.128	.352	-.170
Contribute some good to the society	.523	-.608	.136	.260	.038
Enjoyable work	.437	-.439	.077	.541	-.053
Educational support	.465	-.598	.188	.200	.108
Government assistance and support	-.186	.062	.718	-.030	.254
Availability of labour and raw material cheaply	-.198	.456	.398	.551	.212
<b>Promising demand for the products</b>	.082	.251	<b>.731</b>	-.015	.220
Friends and Relative support	.218	-.149	.601	-.467	.108
<b>Role Models</b>	-.332	.320	-.214	<b>.574</b>	.187

Extraction Method: Principal Component Analysis.

a 5 components extracted.

Interpretation of factors is facilitated by identifying the statements that have large loadings in the same factor. The factor can be interpreted in terms of the statement that loads high on it.

The factors of a study on factors influencing the emotional intelligence comprises of 17 individual statements. Out of 17 statements, 5 individual statements contribute more towards the study (68.503%).

The statements are:

1. **Independence**
2. **Preside Over a Big business**
3. **Promising demand for the products**
4. **Do something New**
5. **Role Models**

### IX. FINDINGS

Among the 300 selected samples only 292 were responded and out of the 292 respondents 47.72% of the respondents are having potential to become entrepreneurs and 44.80% of the respondents are having intention to become entrepreneurs and 40.1% of the respondents are motivated by the influential factors and the result is undesirable.

The Major factors influencing the respondents to become an entrepreneur are Independence, preside over the big business, promising demand for the products, do something new and role models.

### X. CONCLUSIONS

The purpose of the study is to explore the difference in entrepreneurial potential, intention and influencing factors. The study conducted among the women educational institutions and data were collected from 292 samples .the findings shows that the institutions are conducting number of programs for entrepreneurship development but still they pursue their entrepreneurial career after some years only and there is no link between the potential , intention and influencing factors The empirical evidences shows that the major factors influencing the respondents to become an entrepreneur are Independence, preside over the big business, promising demand for the products, do something new and role models.

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