Article can be accessed online at http://www.publishingindia.com

Entrepreneurial Intent: Exploring the Roles of Gender and Family Business Background

Sapna Parihar*

Abstract

An entrepreneur has been defined as "a person who organises and manages any enterprise, especially a business, usually with considerable initiative and risk." Rather than working as an employee, an entrepreneur runs a small business and assumes all the risk and reward of a given business venture. Looking to the current scenario of jobs and also government efforts to promote startups, the present study is an attempt to explore the impact of gender and family background on the entrepreneurial activity and intention towards startups of students. In order to know the student's perception, a self-designed questionnaire consisting 17 questions related to confidence, risk taking ability, benefits for the society, supports from family, and education institutes to become an entrepreneur was asked. Two-way ANOVA has been used to analyse the data. The results show that family background is one of the important determinants of entrepreneurial initiatives on the other hand gender could not shows any significant impact for the same. The students having business class family are more likely to become entrepreneurs and pursue the skills and qualities of entrepreneurs than the student having service class family.

Keywords: Entrepreneurs, Confidence, Risk, Family Background

Introduction

Entrepreneurship is defined as the process of turning the new idea into reality for earning the profit or the process of designing, launching and running a new business, which typically begins as a small business, such as a startup company, offering a product, process or service for sale or hire, and the people who do so are called 'entrepreneurs'. Traditionally, an entrepreneur is defined as "a person who organises and manages any activity, especially a business, usually with considerable initiative and risk." Rather than working as an employee, an entrepreneur runs a small business and assumes all the risk and reward of a given business venture, idea, or good or service offered for sale. The entrepreneur is commonly seen as a business leader and innovator of new ideas and business processes. According to J.B. Say, "An entrepreneur is the economic agent who amalgamates all means of production such as land, labour capital etc. and thus produces a product. By selling the product in the market the pays rent of land, wages to labour, interest on capital and what remains is his profit".

According to GEM India 2014 report, adults are generally positive when it comes to entrepreneurship as an attractive career option, and whether entrepreneurs receive high status. 58 percent of Indian adults, in the 18-64 age group, consider entrepreneurship as a desirable career choice; around 66 percent think that entrepreneurs receive a high level of status and respect. 6.6 percent of the grown-up population in India is engaged in entrepreneurship, while 3.7 percent already own/ manage an established business. However, 7.66 percent adults are likely to begin business in near future. 39 percent of adults in India see good opportunities to start a business, while 37 percent of adults perceive they have capabilities to start a business; and 38 percent of the adult population would be prevented from doing so by fear of failure. The report also discussed the major challenges for the entrepreneurial development are government regulation and policies, entrepreneurial education at primary and secondary school level, and transfer and commercialisation of R&D - new know-how and technologies.

* *Faculty, Department of Management, Vaishnav Institute of Management, Indore, Madhya Pradesh, India. Email: sapna.solanki594@gmail.com*

Characteristics of Entrepreneurship

Some of the key characteristics are required to build an enterprise and become an entrepreneur, such as pursuing innovative ideas, risk taking ability, dedication, self-confidence, persistence, convincing power, channelisation of resources, team management etc. M.M.P. Akhouri, formerly Executive Director, National Institute for Entrepreneurship and Small Business Development (NIESBUD), New Delhi, describes entrepreneur as a character who combines innovativeness, readiness to take risk, sensing opportunities, identifying and mobilising potential resources, concerns for excellence and who is persistent in achieving the goal.

Economic Contribution and Government Support

A successful entrepreneur not only brings benefits for himself but also for society and the country as a whole. Entrepreneurs also contribute to the economy and that is why most of the developing and developed countries support the innovative ideas and entrepreneurs. The key benefits from the entrepreneurial activities are realisation of new market, new source of material, mobilise capital resources, new technology, employment generation etc. In order to get these benefits from the entrepreneurs, Indian government tries to provide fund, resources and infrastructure to the startups. Startup India is one of the schemes of the Government of India, proposed to build a strong eco-system for nurturing innovation and startups in the country that will compel sustainable economic growth and generate large scale employment opportunities. The government through this initiative aims to empower startups to grow through innovation and design. In order to meet the objectives of the initiative, Government of India announced the action plan that addresses all aspects of the startup ecosystem, on 16th January 2016. With this action plan, the government hopes to accelerate spreading of the startup movement. The action plan is based on the following three pillars: simplification and handholding, funding support and incentives and industry-academia partnership and incubation.

Some of the other government initiatives are:

National Bank for Agriculture and Rural Development (NABARD)

NABARD was established in 1982 to promote integrated rural development. Since then, it has keep on adapting multi dimensions strategy for the promotions of rural business. Not only agriculture, but it also supports small industries, cottage and village industries, and rural artisans using credit and non-credit approaches. It also offers counseling and consultancy services and organises various training and development programmes for rural entrepreneurs.

The Rural Small Business Development Centre (RSBDS)

It is the first of its kind established by the world association for small and medium enterprises which is sponsored by NABARD. It provides assistance to the socially and economically disadvantaged individuals and groups. It aims at providing management and technical support to current and prospective micro and small entrepreneurs in rural areas. Through these programmes it covers a large number of rural unemployed youth and women in several trades, which includes food processing, soft toys making, ready-made garments, candle making, incense stick making, two-wheeler and servicing, vermicomposting, and non-conventional building materials.

National Small Industries Corporations (NSIC)

This was established in 1955 with vision to promote aid and foster the growth of small business units in the country. This focuses on the commercial aspects of these functions. Export the products of small business units and develop export-worthiness, supply indigenous and imported machines on easy hire-purchases terms, procure, supply and distribute indigenous and imported raw materials, creating awareness on technological up gradation.

Small Industries Development Bank of India (SIDBI)

Set up as an apex bank to provide direct/ indirect financial assistance under different schemes, to meet credit needs of small entrepreneurs or business organisations and coordinate the functions of other institutions in similar activities.

The National Commission for Enterprises in the Unorganised Sector (NCEUS)

The NECUS was constituted in September 2004, with the following objectives:

- To recommend measures considered necessary for improving the productivity of small enterprises in the informal sector.
- To enhance the competitiveness of the sector in the emerging global environment.
- To generate more employment opportunities on a sustainable basis, particularly in the rural areas.
- Potential for public-private partnership in imparting the skills required by the informal sector. Provision of micro-finance and related services to the informal sector.

Rural and Women Entrepreneurship Development (RWED)

The rural and women entrepreneurship development (RWED) programmes aim at promoting a suitable business environment and to encourage and support the entrepreneurial initiatives of people and specially women. RWED provides the following services:

- Creating a business environment that encourages initiatives of rural and women entrepreneurs.
- Providing training manuals for women entrepreneurs and training them.

World Association for Small and Medium Enterprises (WASME)

It is the only international non-governmental organisation of micro, small and medium enterprises based in India, which was set up an International Committee for Rural Industrialisation. Its aim is to develop an action plan model for sustained and continuous growth of rural enterprises. Besides this, there are several plans or schemes to promote the non-farm activities, mostly initiated by the Government of India:

- Schemes for entrepreneurship through subsidised loans like Integrated Rural Development Programme (IRDP),
- Prime Minister Rojgar Yojana (PMRY),
- Schemes to provide skills like Training of Rural Youth for Self Employment (TRYSEM), and
- Schemes to strengthen the gender component like Development of Women and Children in Rural Areas (DWCRA).

Scheme of Fund for Regeneration of Traditional Industries (SFURTI)

The central government set up this fund with Rs.100 crore allocation in 2005 which is implemented by the Ministry of Agro and Rural Industrial in collaboration with state government. The main objectives of the scheme are as follows:

- To build innovative and traditional skills, improve technologies and encourage public-private partnerships, develop market intelligence etc., to make them competitive, profitable and sustainable and
- To create sustained employment opportunities in traditional industries.

Family Background and Gender

Early studies in entrepreneurship tended to suggest that female entrepreneurs possess a tendency toward taking less risk than their male counterparts, perhaps because they perceive less support across situations (Hisrich & Peters, 1998). By contrast, recent evidence suggests the influence of gender is less convincing. Masters and Meier (1988) presented the results of a study conducted to determine whether male entrepreneurs and female entrepreneurs in the United States differ in risk-taking propensity. Schenkel, Brazeal and Azriel (2013) explained that previous experience and self-efficacy demonstrate a strong association to the development of entrepreneurial intentions, particularly in the presence of a family business background. On the other hand, when considered more universally, or independent of family business background, self-efficacy demonstrates a strong association to the development of entrepreneurial intentions in the short run but not in the long run. Thus, the combination of socio-cognitive and family business background theory suggests the possibility that the role of startup experience and self-beliefs may be confounded by broader aspects of an individual's personal background.

Objective of the Study

The objective of the study is to explore the impact of gender and family background on the entrepreneurial activity and intention towards startups.

Review of Literature

Jacob, Kollat, and Stevan (2017) investigated the determinants of environmental orientation of entrepreneurial activity and revealed that for many variables, such as age, gender and income, differences are observed when compared to earlier findings on the determinants of social entrepreneurship. Policy makers can learn from the analysis that policy measures should not only be designed specifically for environmental entrepreneurship, but also be adapted to the domestic economic circumstances.

Raquel, Cervilla, González, and Auletta (2017) conducted study in Venezuelan entrepreneurs and identified variables that explain aspiration to growth, namely belonging or not to the Base of Pyramids (BoP), gender, education, motivation, recognition, age, and years of study. The use of the contextual BoP variable in relation to the aspiration to growth furthers the reach of the traditional income variable through a construct that implies a wider characterisation of the entrepreneur propensity to marginalisation.

Antonioli, Nicolli, Ramaciotti, and Rizzo (2016) conducted a study to understand the entrepreneurial intention among academic scientists. The study was conducted in one of the leading universities of Italy and reveals that academic entrepreneurial intention seems to be mostly driven by intrinsic motivations. The effects of extrinsic motivations, which are regarded as a main antecedent of entrepreneurial behaviour among scientists, are largely mediated by academic positions, work environment and different combinations of these two factors. This work points therefore to the importance of social norms in the investigation of entrepreneurial intention in academia.

Cuong (2017) also investigated the entrepreneurial intention among international business students in Vietnam. The author used Theory of Planned Behaviour (TPB) model. 372 students of international business were selected to respond and confirmed that the attitude toward entrepreneurship and perceived behaviour control is positively related to entrepreneurial intention. Entrepreneurial intention is significantly influenced by two components of TPB model i.e. attitude toward entrepreneurship and perceived behaviour control. Similar study was conducted by Tiwari, Bhat, and Tikoria (2017) using the same model in Indian context and considered emotional intelligence, creativity, moral obligation, attitude toward becoming a social entrepreneur, subjective norms, and perceived behavioural control. The proposed model explained 47% variation in explaining the social entrepreneurship intention. Creativity showed a strongest positive relationship followed by emotional intelligence.

Singh, Verma, and Rao (2016) analysed the influence of individual and socio-cultural factors on entrepreneurial intention. The study explores that entrepreneurs play vital role in the economic development by innovation, creating competition and constructing employment. Individual factors such as innovativeness, self-efficacy, proactiveness, risk taking propensity, and socio-cultural factors such as perceived opportunity and role model have significant impact of the entrepreneurial intention. Therefore, these factors must be considered while designing entrepreneurial education and training programmes.

Chattopadhyay and Ghosh (2008) considered demographic factors, personal characteristics, personality trait, social factors, cultural factors and environmental factors to predict the entrepreneurial success. The study explored that entrepreneurial status, technical expertise, individualism, collectivism, task motivation and locus of control have a significant effect on entrepreneurial economic success. But, age and gender has no impact to predict the success of entrepreneurs. India is developing country, therefore, entrepreneurship is highly desirable and needed. Government is also introducing many policies to promote the new venture. But, not every individual is capable of performing successfully as an entrepreneur. Therefore, it is extremely important to identify the individuals who have real entrepreneurial potential.

Research Method

In order to see the student's perception toward the entrepreneurship, a self-designed questionnaire is prepared consisting 17 items. The items in the questionnaire were related to the confidence, risk taking ability, benefits for the society, supports from family, and education institutes to become an entrepreneur. Primary data is collected from 400 students of management educational institute. The target sample of the study was selected on the basis of family background i.e. business class family and service class family and gender. For data collection convenience sampling technique is used. To avoid non-response, incomplete responses or response error, 5% extra responses were gathered. Unfilled/ partially filled responses were dropped to avoid errors. The extraneous factors that might affect the responses or may lead to bias result were controlled by randomisation and elimination

To see the impact of family background and gender on the inclination towards the entrepreneurship, two-way analysis of variance (ANOVA) has been used.

Table 1: Family Background

		Business Class Family	***Service Class Family***
GENDER	Male	A	b
	Female	C	d

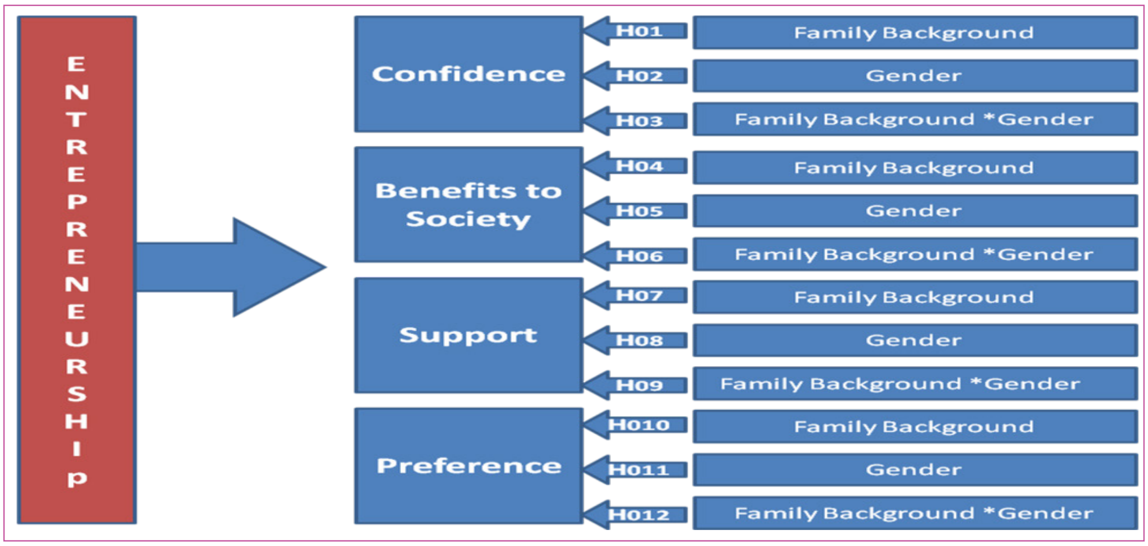

Fig. 1: Relation of Hypotheses

HYPOTHESES

H_{01}: The confidence level of students belonging to business class family and service class family does not differ significantly.

H_{02}: Gender has no significant effect on the confidence level to become entrepreneur.

H_{03}: No interaction occurs between gender and family background affecting the confidence level to become entrepreneur.

H_{04}: Students belonging to business class family and service class family do not differ significantly in the opinion that entrepreneurship is beneficial for the society.

H_{05}: Gender has no significant effect on considering entrepreneurship is beneficial for the society.

H_{06}: No interaction occurs between gender and family background affecting the opinion that entrepreneurship is beneficial for the society.

H_{07}: Students belong to business class family and service class family do not differ significantly in the opinion that they get sufficient support from family, friends and education institutes to become entrepreneur.

H_{08}: Gender has no significant effect on the opinion that they get sufficient support from family, friends and education institutes to become entrepreneur.

H_{09}: No interaction occurs between gender and family background affecting the opinion that they get sufficient support from family, friends and education institutes to become entrepreneur.

H_{010}: The preference to become entrepreneurs does not differ significantly between the students belong to business class family and service class family.

H_{011}: Gender has no significant effect on the preference to become entrepreneur.

H_{012}: No Interaction occurs between gender and family background affecting the preference to become entrepreneur.

Result Analysis

Table 1: Shows the Descriptive Statistics

Dependent Variable: Confidence				
Family background	***Gender***	***Mean***	***Std. Deviation***	***N***
Business	Male	3.6	0.74396	100
	Female	3.7861	0.44304	100
	Total	3.7291	0.55126	200
Service	Male	3.4091	1.11196	100
	Female	3.1488	0.80008	100
	Total	3.2727	0.94563	200
Total	Male	3.5236	0.89199	200
	Female	3.6303	0.6078	200
	Total	3.5922	0.71761	400

Table 2: Shows the Tests of Between-Subjects Effects

Dependent Variable: Confidence						
Source	***Type III Sum of Squares***	***df***	***Mean Square***	***F***	***Sig.***	
Corrected Model	3.777[a]	3	1.259	2.617	0.058	
Intercept	677.499	1	677.499	1.41E+03	0	
Family Background	2.39	1	2.39	4.968	0.029	H_{01} rejected
Gender	0.019	1	0.019	0.04	0.842	H_{02} accepted
Family background * Gender	0.694	1	0.694	1.443	0.234	H_{03} accepted
Error	31.755	66	0.481			
Total	938.81	400				
a. R Squared = .106 (Adjusted R Squared = .066)						

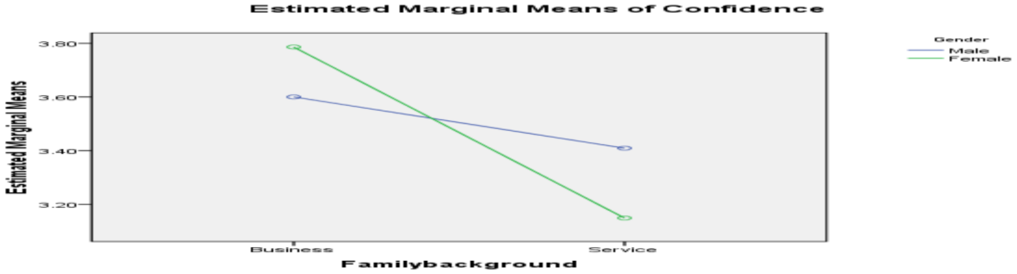

Fig. 2: Estimated Marginal Means of Confidence

Table 3: Shows the Descriptive Statistics

Dependent Variable: Society Benefits				
Family background	***Gender***	***Mean***	***Std. Deviation***	***N***
Business	Male	3.6	1.0556	100
	Female	3.4706	0.82518	100
	Total	3.5102	0.89262	200
Service	Male	3.3	1.33749	100
	Female	3	0.89443	100
	Total	3.1429	1.10841	200
Total	Male	3.48	1.15902	200
	Female	3.3556	0.85694	200
	Total	3.4	0.96909	400

Table 4: Shows the Tests of Between-Subjects Effects

Dependent Variable: Society Benefits						
Source	***Type III Sum of Squares***	***df***	***Mean Square***	***F***	***Sig.***	
Corrected Model	2.629[a]	3	0.876	0.93	0.431	
Intercept	622.928	1	622.928	661.298	0	
Family Background	2.069	1	2.069	2.197	0.143	H_{04} accepted
Gender	0.643	1	0.643	0.682	0.412	H_{05} accepted
Family Background * Gender	0.101	1	0.101	0.108	0.744	H_{06} accepted
Error	62.171	66	0.942			
Total	874	400				
a. R Squared = .041 (Adjusted R Squared = -.003)						

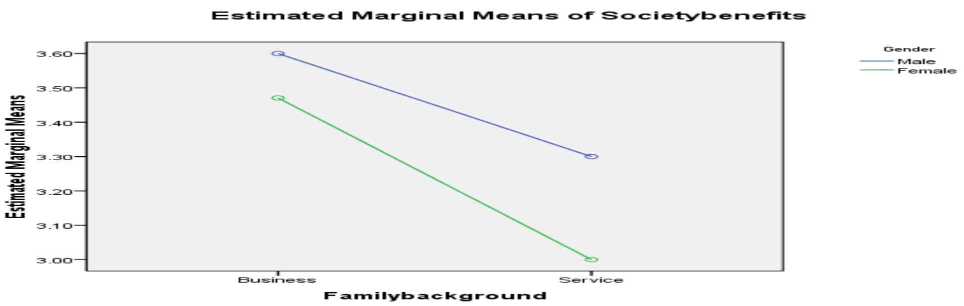

Fig. 3: Estimated Marginal Means of Society Benefits

Table 5: Shows the Descriptive Statistics

Dependent Variable: Support				
Family background	***Gender***	***Mean***	***Std. Deviation***	***N***
Business	Male	3.4667	1.01712	100
	Female	3.5515	0.59918	100
	Total	3.5255	0.7417	200
Service	Male	2.975	1.38168	100
	Female	3.1818	0.9943	100
	Total	3.0833	1.16815	200
Total	Male	3.27	1.17465	200
	Female	3.4611	0.72094	200
	Total	3.3929	0.90547	400

Table 6: Shows the Tests of Between-Subjects Effects

Dependent Variable: Support						
Source	***Type III Sum of Squares***	***df***	***Mean Square***	***F***	***Sig.***	
Corrected Model	3.173[a]	3	1.058	1.307	0.279	
Intercept	604.833	1	604.833	747.569	0.00	
Family Background	2.585	1	2.585	3.195	0.078	H_{07} accepted
Gender	0.296	1	0.296	0.366	0.547	H_{08} accepted
Family Background * Gender	0.052	1	0.052	0.064	0.801	H_{09} accepted
Error	53.398	66	0.809			
Total	862.375	100				
Corrected Total	56.571	69				
a. R Squared = .056 (Adjusted R Squared = .013)						

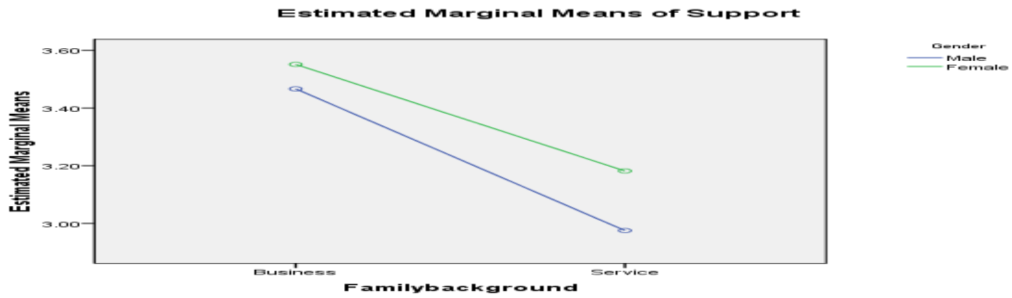

Fig. 4: Estimated Marginal Means of Support

Table 7: Shows Descriptive Statistics

Dependent Variable: Preference				
Family Background	***Gender***	***Mean***	***Std. Deviation***	***N***
Business	Male	3.5333	0.83381	N
	Female	3.8235	0.93649	100
	Total	3.7347	0.90773	100
Service	Male	3	1.33333	200
	Female	3	1.34164	100
	Total	3	1.30384	100
Total	Male	3.32	1.06927	200
	Female	3.6222	1.09314	200
	Total	3.5143	1.08672	400

Table 8: Shows the Tests of Between-Subjects Effects

Dependent Variable: Preference						
Source	***Type III Sum of Squares***	***df***	***Mean Square***	***F***	***Sig.***	
Corrected Model	8.811[a]	3	2.937	2.667	0.055	
Intercept	621.65	1	621.65	564.557	0	
Family Background	6.415	1	6.415	5.826	0.019	H_{010} rejected
Gender	0.293	1	0.293	0.266	0.607	H_{011} accepted
Family Background * Gender	0.293	1	0.293	0.266	0.607	H_{012} accepted
Error	72.675	66	1.101			
Total	946	400				
a. R Squared = .108 (Adjusted R Squared = .068)						

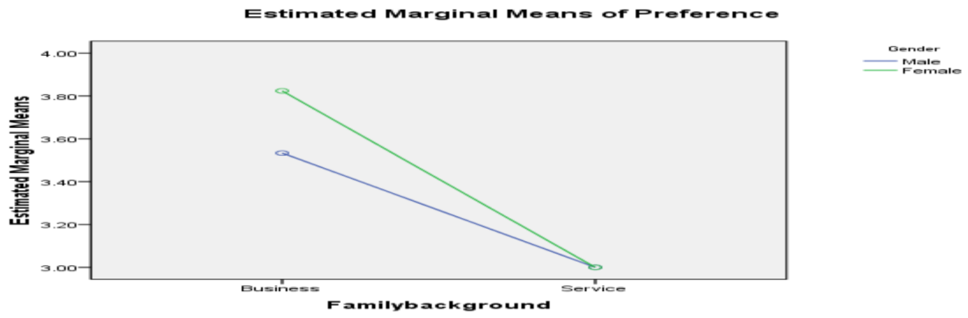

Fig. 5: Estimated Marginal Means of Preference

Discussion and Conclusion

Entrepreneurship is considered to be one of the important career options to be chosen among the students. One of the reasons behind that may be that students prefer to start their own venture instead of becoming the employee of any organisation. Becoming the owner of venture gives the pleasure of leader, independent decision making power and much more. At the same time, it requires innovative ideas, creativity, risk taking ability, courage to face the hurdles and bear the profit and loss both. The aim of the study was to reveal the perception of students towards entrepreneurship. One of the important factors is confidence to turn the innovative ideas into the reality and face the challenges.

The study concludes that background of the family is one of the important determinants to become entrepreneurs among the management students. Students belonging to business class family are more confident to take entrepreneurship as one of the career options. As they revealed that to become an entrepreneur sounds attractive to them which will utilise their ability to convert their ideas into reality. Starting their own venture and facing the problem is more preferable rather than becoming the manager of any company. On the other hand, students whose families are in the service class show lesser interest in the entrepreneurship as a career option. Their confidence in handling any new venture and risk taking ability is comparatively low.

On the discussion of how society gets the benefits from entrepreneurship, both have equal opinion and there is no considerable difference in their opinion. Although while discussing about the support from family, friends and the positive environment from the education institute, both the classes have the same opinion that they get moderate support from them. Students belonging to any categories do not get any kind of special support. Many private groups such as National Entrepreneurship Network by Wadhwani group organises seminars, workshops and activities to promote the entrepreneurship. Now public and private sector banks are also offering loan for small, median and large scale business to support the new venture. The idea must be to promote entrepreneurs so as to increase the production and will ultimately contribute to the economy. Students having strong economic and business family background may not require the loan, but weak economic and service class background students require some assistance to become entrepreneurs. Surprisingly confidence level, perception towards the received support, preferences to become entrepreneur and the benefits derived from entrepreneurship do not differ with the gender. Therefore, gender is not a significant determinant to predict the entrepreneurial skills.

Looking at the current scenario of availability of jobs, many management students, even from service class family are interested to become entrepreneurs. But, the basic skills to become entrepreneur are needed to be developed. Both family and educational institutes' support are needed for the same. For that, regular seminars and workshops by successful entrepreneurs, business plan competitions, and revision of course curriculum of entrepreneurship in which current government policies to promote startup, financial aid by financial institutions etc. should be included. Exposure of corporate houses interested for investment in business plan should also be made available by educational institutions.

The present study was conducted with limited demographic variables. Some more variables such as age, marital status and different educational backgrounds like engineering, pharmacy, architecture, fashion designing can also be studied where different results may come. Some more entrepreneurial skills may also be included as dependent variables.

References

Antonioli, D., Nicolli, F., Ramaciotti, L., & Rizzo, U. (2016). The effect of intrinsic and extrinsic motivations on academics' entrepreneurial intention. *Administrative Sciences, 6*(4), 1-18.

Chattopadhyay, R., & Ghosh, A. (2008). Entrepreneurial intention model-based quantitative approach to estimate, *Journal of Small Business and Entrepreneurship, 21*(1), 1-22.

Cuong, N. (2017). Entrepreneurial intention of international business students in Viet Nam: A survey of the country joining the trans-pacific partnership. *Journal of Innovation & Entrepreneurship, 6*(1), 1-13.

Hisrich, R. D., & Peters, M. P. (1998). *Entrepreneurship,* (vol. 5th). Irwin McGraw-Hill. Boston, MA.

Jacob, H., Kollat, J., & Steven, B. (2017). What influences environmental entrepreneurship? A multilevel analysis of the determinants of entrepreneurs' environmental orientation. *Small Business Economics, 48*(1), 47-69.

Masters, R., & Meier, R. (1988). Sex differences and risk-taking propensity of entrepreneurs. *Journal of Small Business Management, 26*(1), 31-35.

Raquel, P., Cervilla, M. V., González, C. G., & Auletta, N. (2017). Determinants of the aspiration to growth of entrepreneurial initiatives: A quantitative study in venezuelan ventures from the GEM data. *Small Business Economics, 48*(3), 699-726.

Schenkel, M. T., Brazeal, D. V., & Azriel, J. A. (2013). Pathways in the development of entrepreneurial intent: Exploring the roles of prior experience, sex and family business background. *Journal of Business and Entrepreneurship.*

Singh, B., Verma, P., & Rao, M. K. (2016), Influence of individual and socio-cultural factors on entrepreneurial intention. *South Asian Journal of Management, 23*(1), 33-55.

Tiwari, P., Bhat, A. K., & Tikoria, J. (2017). An empirical analysis of the factors affecting social entrepreneurial intentions. *Journal of Global Entrepreneurship Research, 7*(1), 1-25.