Starting a Business- Intention of Higher Education Students in Southern India

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Abstract

Internal and external stakeholders in Higher Education have been actively pushing entrepreneurship as a profitable career choice among students since the adoption of the National Innovation and Startup Policy and the implementation of the National Education Policy 2020 throughout the Nation. There is a dearth of studies examining the entrepreneurial motivations of college students. In this setting, the present investigates whether or not college students plan to launch a company while they are still in school. Respondents were recruited via the use of a structured online questionnaire. The responders were undergraduates and graduate students from all universities and colleges around the country. The research provides useful information for entrepreneurs interested in launching a firm in a variety of fields. The results of this research will be useful for academics, University leaders, and public and private sector officials. The findings of this investigation will add to the little data already available in southern India.

Keywords: National Education Policy 2020, National Innovation and Startup Policy, Business, Intention, Students, Higher Education, Southern India.

1. Introduction

There are 460 public universities, 128 public universities, 56 public universities, and 430 private universities in India, according to data from the University Grants Commission (UGC) website. There are exactly 1074 of them. According to a research by University World News, India's higher education system is expected to increase from its current 26.3% to 50% by the year 2035, making it the second biggest in the world. There are now 38 million students enrolled in higher education in India. Students enroll in schools of higher learning to improve their prospects in the workforce, further their education, or launch their own businesses by earning an undergraduate or Postgraduate degree. When given the choice between starting a company and getting a job during their campus placements, the vast majority of students at four-year colleges and universities pick the former. Even though academic programs in higher education prepare students to start a business while enrolled or after graduation, the percentage of students actually doing so is viewed as low, even by academics and administrators of higher education institutions. As part of the National Education Policy 2020 that became effective in 2022, colleges and universities will be required to place an even greater focus on fostering entrepreneurial spirit and practice. The approach to cultivate more entrepreneurs and startups incorporates a required entrepreneurship development course into the academic curriculum and makes suggestions on executing different entrepreneurial

skill development events and activities. These efforts are anticipated to boost the national economy and employment rates. Knowing what you want to accomplish before spending time, money, and energy into entrepreneur training is crucial. There is a lack of both a theoretical framework for comprehending students' entrepreneurial aspirations and empirical research into the topic. Therefore, the purpose of the current research is to provide academicians', university administrators, and policymakers with new information.

2.   Review of Literature

This section discusses research on entrepreneurial education, career decision making, and entrepreneurship education.

[12] found that college students in Ghana prioritized intrinsic value and employability/financial prospects above status and ideal working circumstances when deciding on a career path. In contrast, [1] showed that in the private sector, the most important elements influencing the career choices of female Emirati students were the students' emotional stability (in the case of engineering majors) and a mismatch between the students' talents and the jobs they were applying for (in the case of business majors). Career choices are heavily impacted not only by the students themselves but also by their parents and guardians. [2] found that dads had a significant impact on their daughters' decision to pursue a profession in IT. It was surprising to see such a lack of focus on the future among educators and guidance counselors.

Information technology's rise ushered in new possibilities for academics as well as commercial enterprises. [16] investigated if students' time spent abroad affects their desire to start their own businesses. Differences in entrepreneurial self-efficacy, curiosity, job choices, and expected outcomes were discovered between local and overseas students. The location of the institution was also a factor in the students' decision to pursue careers in the private sector. It's possible that domestic students will have a better understanding of the local business climate and the potential for new venture creation than their overseas counterparts.

Opportunities for further study in a wide range of fields are abundant in today's higher education system. Career options for graduates may be affected by differences in the objectives and outcomes of different academic programs. The same logic might be used to the option of being self-employed. According to research by [11], students' entrepreneurial preparedness is independent of their chosen major. Nonetheless, a correlation existed between the student's academic curriculum and their entrepreneurial preparedness. In addition, having access to company beginning capital was associated with a person's gender, which in turn affected their readiness to launch a new venture.

According to [17] and others on the topic of entrepreneurship orientation evaluation, the entrepreneurial attitude orientation (EAO) subscale may distinguish between students who are interested in entrepreneurship and those who are not. A favorable and statistically significant correlation between the EAO and the desire to launch an entrepreneurial venture was also found in the research. EAO was also used to distinguish between those who had a high and a low desire to start a company. Students' responses on the EAO subscales varied across fields.

According to [3], the viewpoint from Jordan was reported in the context of a developing nation. The findings suggested that entrepreneurship education in Jordan was in its formative stages, with little entrepreneurship-related courses being offered to students. Only one of Jordan's numerous colleges offers a significant degree program in

entrepreneurship, and only 27.5% of schools have dedicated resources to encouraging creative problem solving and business development. There was a scarcity of entrepreneurial studies programs.

According to [13] pupils in France and Poland who participated in entrepreneurship education had a more entrepreneurial outlook. The training had a surprising negative effect on male German pupils. When compared to male students, female students benefited more from this course. The student argued that exposing European pupils to entrepreneurship education may help foster a more entrepreneurial mindset. Gender, cultural, and industry background were all shown to potentially mitigate entrepreneurial education's impact.

The situation of entrepreneurship education in Tanzania was described by [6]. All first-year students are required to take a course in development studies, and most institutions of education include an entrepreneurship module in this course. Separate entrepreneurship programs at the undergraduate and graduate levels have been created at several universities. Although they have knowledge in their field, the survey found that entrepreneurship educators simply used conventional methods of instruction and evaluation. Teachers of entrepreneurship have identified a dearth of relevant textbooks and an increase in student enrollment as significant obstacles.

[11] found that entrepreneurship and small business management were taught in university settings in Sub-Saharan Africa. There was a lack of depth in the entrepreneurial curriculum. As opposed to older, more established universities, newer ones are more likely to offer concentrations in business and entrepreneurship. University-based entrepreneurial centers were few among the surveyed educational institutions.

[10] noted that the entrepreneurial education offered by Italian colleges is lacking in comparison to that offered by institutions in the United States and Europe. Entrepreneurship was only taught in a select few business departments and in a few scientific and engineering departments at Italian universities. Even while shifting the Italian economy from conventional to high-tech industries is essential, the research found that Italian universities were falling behind the curve in terms of providing entrepreneurial education.

According to a study by [15] higher education institutions in the Indian state of Uttarakhand lacked sufficient levels of entrepreneurial awareness and understanding in their curricula. The students who had attended entrepreneurial classes showed this by having a poor awareness and knowledge level.

In his review of the literature on what motivates students to become entrepreneurs and what makes for good entrepreneurship education, [5] identified five key elements. "incremental pedagogical efficiency and flexible evaluation system," "extended support," "the entrepreneurial experience of the faculty," "holistic mentoring," and "experiential learning" are all important. Entrepreneurship education has a favorable influence on transdisciplinary students' motivation to establish their own businesses, according to research by [14]. Students' propensity to establish their own businesses was shown to be favorably impacted by demographic characteristics (gender and degree concentration) and theoretical constructs (attitude, perceived behavioral control, and social background) examined within the framework of the theory of planned behavior. Entrepreneurial training and education were shown to be good predictors of the student-level outcome of entrepreneurial intention mediated by human capital, as reported by

[4]. Therefore, the research suggested emphasizing entrepreneurship training programs at universities to improve student outcomes.

3.   Research Gaps

[12, 1, 2, all of whom centered their attention on professional paths. Several academic works, including those by [16, 11, 17, 5, 14, 4, , and [3] have investigated the relationship between Several authors, including [3, 6, 13, 10 and 11] and [15] have documented the present state of entrepreneurship teaching at universities throughout the world. Since there is a dearth of research on student entrepreneurs in India, the current study seeks to address that need.

Objectives

The main objective of the study is to understand the intention of higher education students to start a business in southern India.

4.   Methodology

The researchers used a questionnaire to conduct their survey and gather their results. To enlist more people, a convenience sampling strategy was used. Anyone enrolled in a degree program at an accredited university or college is welcome to take part in the survey. The survey might be finished in about ten minutes. The survey's questionnaire was prepared using research from the literature and then verified by industry professionals. There were 227 total responses. All 227 answers were included in the descriptive statistics, which included a percentage breakdown and a frequency distribution, once the data was verified to be complete.

5.   Analysis and Results

Table 1. Basic demographic information, awareness of business and intention to start a business

S.No	Gender	Frequency	Percentage
1	Male	127	56%
2	Female	100	44%
3	Total	227	100%
	Current Educational Qualification		
1	Under-graduation	173	76%
2	Post-graduation	54	24%
	Total	227	100%
	Prior work experience		
1	Yes	115	51%
2	No	112	49%
	Total	227	100%
	Awareness of close circle running the business		
1	Yes	115	51%
2	No	112	49%
	Total	227	100%
	Family Business		
1	Yes	87	38%

2	No	140	62%
	Total	227	100%
	Prior Experience		
1	Southern India	163	72%
2	Northern India	33	15%
3	Eastern India	20	9%
4	Central India	6	3%
5	Western India	5	2%
	Total	227	100%
	Awareness of business functions of a particular sector		
1	Yes	81	36%
2	No	146	64%
	Total	227	100%
	Current status of running the business		
1	Yes	34	14.98%
2	No	193	85.02%
	Total	227	100.00%
	Intention to start the business		
1	Yes	141	62%
2	No	86	38%
	Total	227	100%

Table: 1 includes questions on business knowledge, entrepreneurial aspirations, and basic demographics. Male participants in the research made up 56% of the total, while female participants made up 44%. In comparison to graduate students, undergraduates made up 76% of the study's participants. The percentage of native Southern Indians who answered the survey was much greater than that of any other area (72%). Southern Indian undergraduates are a better target audience for the current study's findings.

In terms of entrepreneurial know-how and motivation, 51% of respondents had actual job experience. Internships, part-time jobs, and full-time jobs all count as work experience. To the same extent, 51% of respondents are personally acquainted with key members of the company's management. Only 38% of respondents own a firm run by members of their immediate family. Eighty-one percent of those surveyed had a complete understanding of the business operations of the industry they were researching. This encouraging number reflects the practical training and experience that students get at universities and colleges. While 81% of respondents are aware of the opportunity, just 34% are actively pursuing it. The term "business" encompasses both "side" and "main" endeavors. Finally, the survey looked at whether students wanted to establish businesses after finishing the course, and 62% of respondents said they did. The high percentage of students who say they want to start a company is encouraging. This may be the result of higher education institutions' emphasis on entrepreneurial education and training, or the transfer of practical skills relevant to certain industries.

Table 2. Reason for starting the business

S.No	Reason for starting a business	Frequency	%
1	I can gain better industry experience by running a business	20	9%
2	Starting a business at a young age is advantageous for me.	17	7%
3	It is my passion to start a business	17	7%
4	I do not like to work under someone	15	7%
5	It is my dream to start a business	11	5%
6	I can control my lifestyle and align my schedule by balancing my personal and business requirements.	10	4%
7	Starting a business will help me to develop my network.	8	4%
8	I feel starting a business is a good career option	7	3%
9	Starting a business will help me to put my learning into practice	6	3%
10	It is ok to start the business early and experience failure	5	2%
11	I see a huge business opportunity in today's market	5	2%
12	I am interested in employing unemployed youths/needy people	3	1%
13	I have a family business; hence I am planning to start a business	3	1%
14	Entrepreneurs have inspired me to start a business	3	1%
15	I can solve a societal problem by providing relevant solutions through products or services.	2	1%
16	I am interested in generating more wealth through entrepreneurship	2	1%
17	I have studied entrepreneurship in my academic programme	2	1%

Table 2 shows that the top five reasons people start their own businesses are (a desire to be their own boss, a dislike of working for others, a strong desire to pursue a passion, the opportunity to gain better industry experience by running a business, and a young age at which to launch the venture).

Table 3. Reason for not starting a business

S.No	Reason for not starting a business	Frequency	%

1	I will gain industry experience first and then start a business later	12	5%
2	I do not have entrepreneurship experience	9	4%
3	My family members have recommended getting a job first	9	4%
4	I do not have the finance to start a business	8	4%
5	I naturally do not like running a business	7	3%
6	I need a regular income to manage my personal commitments, which will not be possible by starting a business	5	2%
7	I need to pursue higher education first and then start a business later	5	2%
8	I do not know about starting a business	4	2%
9	I do not have the skills to start a business	4	2%
10	I am scared to start the business because of the fear of failure	3	1%
11	I have an education loan to pay; hence I do not want to start a business	3	1%
12	My family members will not allow me to start a business	2	1%
13	I do not have investors to start a business	2	1%
14	I do not have a business mindset (entrepreneurship mindset)	2	1%
15	I do not have a personality of an entrepreneur	2	1%
16	It is difficult to sustain in business	2	1%

Table 3 shows that the top five reasons for not starting a business are: wanting to gain experience in the industry first, not having any, having family members advise getting a job first, not having enough money to start a business, and having an innate aversion to doing so.

6.   Discussion

Sixty-two percent of students have a favorable or very positive desire to start a company after completing the academic program. Higher education institutions may not be able to, or be required by, employment and entrepreneurship standards to inspire 100% of students to establish their own businesses. The students' desire to get professional experience was a major motivating element in their decision to launch a firm.

It is true that students will obtain more valuable industry experience if they are given the opportunity to operate a firm and take on numerous roles inside that business. Many of the people surveyed in this research said they wished they had started their own businesses when they were younger. One possible explanation is that early professional success and failures may both be beneficial if learned from at a young age. Moreover, young individuals who were interested in launching a company since it was their life-

long desire. There were likely many other sparks that may have lit the students' enthusiasm and aspiration to start the firm, including start promotions from HEIs, government, inspiration from entrepreneurs, and TV programs. Lastly, the respondents voiced their distaste for having a boss. The preference for individuality, liberty, and adaptability among today's youth may be to blame. Working in or with someone from the organization might make this impossible. The lack of action was motivated by a desire to first acquire relevant work experience in the field. Even if someone has worked in the sector before, it doesn't indicate they have what it takes to successfully operate their own company. A person's confidence in starting and running a company may increase once they have relevant work experience.

A lack of previous business expertise was also a contributing issue. Exposure to the industry may not guarantee competence to manage the firm, as was said before. A student's professional path is heavily influenced by their family. Most families favored the more conventional route of seeking gainful work. One respondent cited the advice of friends and family members to get employment before launching their firm.

Lack of necessary startup capital was another reason the firm didn't get off the ground. It's a known truth that there are costs associated with launching a company. This might be due to financial commitments or limits, such as paying off student loans or providing for a family. Finally, not everyone has the temperament to be an entrepreneur, and aversion to the idea of beginning a firm is a common reason for not doing so.

7.   Implications

There are theoretical and practical ramifications of this research. Theoretically, this has important ramifications, such as a better understanding of students' entrepreneurial motivations and a new framework for assessing such motivations. The findings have important practical consequences, including new knowledge for educators about what variables impact students' decisions about whether or not to launch their own businesses. Administrators and faculty at HEIs may use the findings of this research to establish a framework and set of actions to foster entrepreneurship at their institutions. Higher education institutions (HEIs) may increase their students' desire to start a company during or after their studies by giving them additional opportunities to get industrial expertise, entrepreneurial experience, and financial assistance.

8.   Limitations

The research only includes the opinions of 227 undergraduates from southern India, hence its generalizability is low. Therefore, care has to be used when extrapolating the study's conclusions. Only the top five reasons that students cited as important in deciding whether or not to launch their own company were taken into account for this analysis.

9.   Future Research Directions

More study is needed to determine how various demographic factors, business knowledge, business experience, and business aspiration all interact with one another. This study's structure may be used in various settings with minor adjustments.

10.   Conclusion

Before creating a framework or programs to foster entrepreneurship among college students, it is crucial to learn why these individuals are interested in doing so. More student companies may be expected to be created if students are given the opportunity to get practical experience in entrepreneurship alongside the academic curriculum, as well as mentorship and financial assistance.

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