

Analysis of Experience and Education on Becoming Of an Entrepreneur

Dr. Arun Korath¹, Berhanu Getinet²

¹Department of Management, School of Business and Economics, Dilla University, Dilla Ethiopia

²Dean, College of Business and Economics, Dilla University, Dilla Ethiopia

Abstract: In this paper we have tried to analyze the various factors like previous-self employment experience, previous-work experience, those who scored good marks in exam and educational course of graduating students on their decision to take entrepreneurship as a career choice. The results revealed that the respondents who have an previous entrepreneurship experience has no or a negligible impact on their decision to choose to become an entrepreneur. No relationship was seen between the previous-work experience and on student's decision to choose to become an entrepreneur. Students scoring good marks in exam were seen to have no or little influence on student's decision to choose to become an entrepreneur. Students who were in undergoing business management courses were little better influenced to choose a career of an entrepreneur.

Keywords: Entrepreneurship; Career choices; Individual factors; Career intentions.

1. INTRODUCTION

A course or subject on entrepreneurship in student's education has a great influence on their entrepreneurial perception. There is a need in society to motivate the entrepreneurial perspective among students and to create a more positives. Entrepreneurship means to convert the idea into a reality which basically required processing of information or knowledge. It involves generation of new idea, some innovation in existing process, risk taking ability, planning and certain managerial skills. By entrepreneurship training or education the perception of young people towards starting their own new business ventures will change and they will see a positive way through and this in turn will help society and economy. There has been a steady demand for entrepreneurial learning ever still its inscription in educational system. But there are various reasons acting as hindrance for entrepreneurship education. There isn't any qualified faculty nor much funding agency for those institution teaching entrepreneurship skills. In entrepreneurship education more emphasis is made on how to start a new venture and run in long run. There should be better contribution and foresight into entrepreneurship education. The growing unemployment is a societal problem for any country. This paper deals with factors like previous entrepreneurial experience, previous work experience and those who scored good marks in exam to begin new business ventures.

2. LITERATURE REVIEW

Career choice is a an operation that affects mental contents driven by beliefs, attitudes and experiences (Davidsson, 1991; Katz, 1992; Shaver & Scott, 1992). According to Simon (1979) an individual sets his goal based on the existing knowledge and from his previous experience. It is found out that entrepreneurship education as a course or subject would become as a important determinant that would influence students (Kolvereid & Moen 1997; Peterman & Kennedy, 2003). Ghazali, et al. (1995) and Othman et al. (2006) gave interference that students learning in Universities who is having work experience showed better chance of being an entrepreneur. Those candidates who were an entrepreneur also showed better prosperity to start their own ventures after their study (Boyd & Vozikis, 1994; Cooper et al.2004). Individuals would think before reacting as they gain more experience since one will have better awareness of what could be a better solution(Pomery et al.2009).

3. DATA ANALYSIS

The analysis of the data is done using SPSS 16 software.

Testing hypothesis H1:

Previous entrepreneurial experience has no influence on student's decision to take entrepreneurship as their carrier.

To test this hypothesis, we have used Chi-square test. From the cross tabulation made out of 250 respondents 39 respondents had prior entrepreneurship experience, but majority of the respondent's i.e 211 respondents had no entrepreneurship experience. But the interesting fact is that out of 39 students who had entrepreneurship experience, only 5 were further interested to take entrepreneurship as a career while the majority of 27 respondents wanted to take up a job. It may be because of their previous bad experience. From the chi-square test it was inferred that there is a no relationship between the two variables.

Table 1 Cross tabulation

	Yes	No	Total	
Goal after completing the course	Start a new business venture	5	9	14
	Seek a suitable job	27	157	184
	Go for higher education	6	31	37
	Not yet decided	1	14	150
		39	211	250

Testing hypothesis H2:

Previous work experience of a student in job has no impact on their decision to choose entrepreneurship as their career.

Table 2 Cross tabulation

Goal after completing the course	Previous Work Experience					Total
	Yes, Less than 1 year	Yes, Between 1-2 years	Yes, Between 2-3 years	Yes, 3 Years & above	No experience	
Start a new business venture	3	1	1	0	10	15
Seek a appropriate job	23	2	1	0	154	180
Go for further higher studies	10	3	10	0	15	38
Not yet decided	5	7	0	0	5	17
Total	41	13	12	0	184	250

Based on their previous work experience in a job, students were divided into five categories - Students with no previous experience, with previous experience of less than 1 year, with previous experience between 1 to 2 years, with previous experience between 2 to 3 years and students with previous experience of 3 and above years (Table 2). From the cross tabulation made out of 250 respondents, 184 respondents did not have any previous working experience, 41 respondents had experience of less than 1 year, 13 respondents had previous working experience between 1 – 2 years, 12 respondents

had previous working experience between 2 – 3 years and no student had any previous working experience of 3 years or more. From the chi-square test it was inferred that there is a there is no relationship between the two variables.

Testing hypothesis H3:

Academically those who scored good marks in exam have no influence on his entrepreneurial intentions. The academically those students who have scored good marks from Xth Grade exam has been identified for this purpose. Respondents who have scored first class from grade 10th is put in ‘High’ Category, those respondents who have scored either first or second class from 10th grade onwards is put in ‘Medium’ category and those respondents who have consistently scored second class from grade 10th onwards is put in ‘Low’ category. From the cross tabulation made out of 250 respondents, 156 respondents belong to the high category, 82 to the medium category and 12 to the low category. The Chi-Square test indicated that there isn’t any relationship between the two variables.

Table: 3 Cross tabulation

Cross tabulation				
Goal after completing the course	Academic those who scored good marks in exam level			Total
	High	Medium	Low	
Start a new business venture	5	7	2	14
Seek a appropriate job	110	67	7	184
Go for further higher studies	30	4	2	36
Not yet decided	11	4	1	16
Total	156	82	12	250

Testing hypothesis H4:

Students studying different courses have different entrepreneurial view. To test the above hypothesis, we have used Chi-square test. The hypothesis was tested on the two group i.e MBA students and Engineering. Based on stratified sampling technique selective students from the final year batch was taken into consideration. They were enquired about their opinion and preference towards their career choice after completing the course.

Table: 4 Cross tabulation

Goal after completing the course	Courses		Total
	MBA	B.Tech/B.E	
Start a new business venture	13	2	15
Seek a appropriate job	46	138	184
Go for further higher studies	8	29	37
Not yet decided	2	12	14
Total	69	181	250

Out of the total 250 respondents 187 respondents were from engineering background and 63 respondents were from post graduate course in management. From the table it can be inferred that majority of the respondents wanted to go for a job after completing the course. But when we see the respondents who will be starting their own venture are those completed their post graduate course in management. So there is a slight more upward slope for MBA students to be an entrepreneur. Chi-square test reveals that there is an effect on course which students study with their decision to take entrepreneurship as a career.

4. CONCLUSION

The results revealed that previous self-employment experience has a negative impact on student's decision to choose to become an entrepreneur. No relationship was seen between the previous-work experience and on student's decision to choose to become an entrepreneur. Students scoring good marks in exam were seen to have no or little influence on student's decision to choose to become an entrepreneur. Students who were in undergoing business management courses were little better influenced to choose a career of an entrepreneur. Research indicated that MBA course were more chance to start new venture than others. This would be because Entrepreneurship is taught as a subject for MBA.

REFERENCES

- [1] Boyd, NG, & Vozikis, GS (1994). The influence of self-efficacy on the development of entrepreneurial intentions and actions. *Entrepreneurship: Theory and Practice*, 18(4), 63–77.
- [2] Cooper, S, Bottomley, C, Gordon, J (2004). Stepping out of the classroom and up the ladder of learning, 18(1), 11–22.
- [3] Davidsson, P (1991). Continued entrepreneurship: Ability, need, and opportunity as determinants of small firm growth. *Journal of business venturing*, 6(6), 405–429.
- [4] Ghazali, A, Ghosh, BC, Tay, RST (1995). The determinants of self-employment choice among university graduates in Singapore. *International Journal of Management*, 12, 26–35.
- [5] Katz, JA (1992). A psychological cognitive model of employment status choice. *Entrepreneurship: Theory and Practice*, 17(1), 29–37.
- [6] Kolvereid, L, & Moen, Ø (1997). Entrepreneurship among business graduates: does a major in entrepreneurship make a difference? *Journal of European Industrial Training*, 21(4), 154–160.
- [7] Othman, MN, Ghazali, E, Sung, YS (2006). Graduate versus non-graduate entrepreneurs in urban Malaysia: *Journal for International Business and Entrepreneurship Development*, 3(1), 57–76.
- [8] Peterman, NE, & Kennedy, J (2003). Enterprise education: Influencing students' perceptions of entrepreneurship. *Entrepreneurship theory and practice*, 28(2), 129–144.
- [9] Pomery, E, Gibbons, F, Reis-Bergman, M, Gerrard, M (2009). From Willingness to Intention: Experience moderates the shift from reactive to reasoned behavior. *Personality and Social Psychology Bulletin*, 35(7), 894–908.
- [10] Shaver, K, & Scott, L (1992). Person, process, and choice: The psychology of new venture creation. *Entrepreneurship: Theory and Practice*, 16(2), 23–45.
- [11] Simon, HA (1979). Rational decision making in business organizations. *The American Economic Review*, 69(4), 493–513.