

Entrepreneurial Perceptions of Students of University of Central Punjab, Lahore and Also Finding the Hindrances They Perceive

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Abstract

This study determines how students of University of Central Punjab, Lahore (UCP) perceive entrepreneurship as a career. The study considers four key factors that have the potential to influence the students' perception regarding entrepreneurship and thus contribute in determining their entrepreneurial intentions. The population consist of UCP students, out of which 40 students are selected by random purposive sampling who comprised of both male and female students. For collecting primary data open ended questionnaires are used. This study reveals that although majority of students have a positive perception of entrepreneurship as a career option, still there are various perceived hindrances which include fear of failure, fear of financial loss and lack of financial support. This study not only addresses the missing gap in current literature about entrepreneurship, but also provides implications for the university educators.

Keywords: Entrepreneurship; Entrepreneurial intentions; Perceptions

Introduction

Youth unemployment is one of the most severe socio-economic problems threatening developing and underdeveloped countries and Pakistan is not exceptional in this situation and this issue has become even much more bothersome in many parts of the world [1]. The solution to this problem is self-employment [2]. For developing countries entrepreneurship is the key basis of economic development [3]. Both educational research studies and economic procedures over the past two decade highlighted the significance of entrepreneurship as a profession [4-6]. The people engaged in entrepreneurship stated great advantages including independence in the choice making, high self-worth and more wisdom of manage [7].

Entrepreneurship is linked with the expansion of technological modernism and viable application and also with the enlargement of employment chances and competitiveness [5,8,9]. Haque further added that in developing countries, entrepreneurship is considered vital for enhancing employment opportunities. According to Qureshi and Sarfraz [10] limited concentration of policy makers and government has not flourished this field in Pakistan and this negligence towards entrepreneurship in the past has affected the student's intentions for selecting entrepreneurship as a career in Pakistan.

Previous research studies have established several generalizable reasons to the question that why some individuals decide to follow entrepreneurial endeavors whereas others do not. Carr and Sequeira described that by being grown in an entrepreneurial family unit extensively influences an individual's view towards entrepreneurship. On the other hand many experimental findings show that the students from underdeveloped countries have sharper and stronger entrepreneurial mind-set than those the students of developed countries. The results support the "Theory of Planned Behavior" in underdeveloped and developed countries [11]. Other research studies have examined and argued that the reason is the utility resulting from desiring self-employment over habitual career opportunities –as it is described by Kabui and Maalu that individuals will select self-employment as a professional opportunity if the value derived from this collection goes beyond the value resulting from employment.

But in the past no study has explored the entrepreneurial intentions of University of Central Punjab students by focusing on four major factors (entrepreneurial characteristics, risk perception, financial

support and entrepreneurial education). So this exploratory study is conducted to fill the current gap in literature by finding the perception of students of UCP towards selection of entrepreneurship as a career option and the hindrances they perceive.

The outcomes of this research are vital for various reasons. First, awareness of desirability and feasibility of innovative venture can help public strategy decision-makers. Secondly, this study will provide a hopeful solution to joblessness youth of university alumni to become job supplier through entrepreneurial proposal than job seekers. Lastly, the findings will help in modifying strategies and educational activities carried by university accordingly.

The essential role of entrepreneurship in community is widely acknowledged by many researchers like Kuratko, Hisrich et al. Many scholars have investigated entrepreneurial intentions, interests, or tendencies of students in literature like Turker and Selcuk, Neck and Greene, Shariff and Saud [12-14]. All of them used different approaches to investigate entrepreneurship, some focus on personal background or personality characteristics of respondents, and their effect of decision of becoming an entrepreneur. Amentie et al. studied the perceived factors that affects undergraduates and specified entrepreneur as a modernizer who introduce new things and increases the growth of economy by getting benefited from the opportunities.

Naudéab et al. emphasized the importance of entrepreneurship and found that entrepreneurship involves the discovery, valuation and utilization of future goods and services. Byabashaija et al. studied entrepreneur's behavior and explained that entrepreneurs work to get achievements so they take the risks and bring innovations and the students who have strong financial background can easily

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run their business but those who don't have financial support face lots of problems. Many researchers focused on the importance of a persons' perception towards selection of entrepreneurship as a career. Manuere et al. studied the behaviors of youngsters and found that after graduation 30% students do not get jobs and they don't come into entrepreneurship. Because they are afraid of the criticism like what people might say that a good educated person running a shop on small scale.

Byabashaija et al. investigated the importance of education on the entrepreneurial decision and they highlighted that other than perception of a person, skills and attitudes also affects a person decision. Kabui and Maalu explored the nature of an entrepreneur by focusing on motivational aspects, personality characteristics and general thematic attitudes, habits and behaviors through word association. They concluded that a person should have some characteristics like personal control, self-confidence, independence and innovative ideas to be a successful entrepreneur.

Hong examined entrepreneurial spirits of two different university students, he found that personality characteristics and motivational factors effect entrepreneurial decision. On the other hand Wang and Wong, investigated entrepreneurial interest of students in Singapore on the basis of their personal background and discovered that willingness for going into entrepreneurship is high when an individual's family has a business experience and level of business education is high. Malebana and Swanepoel studied the relationship between the exposure of entrepreneurial education and entrepreneurial self-efficacy and found that self-efficacy is one of the primary factors for becoming a successful entrepreneur. Audretsch and Keilbach [4] highlighted the importance of entrepreneurial education by stating that the proper entrepreneurial education is basic remedy of unemployment and social crisis. From the literature following research questions are developed.

The central research question of this study is the determination of the factors that influences a student's decision of becoming an entrepreneur. The study develops four research questions, each of which will highlight four key factors affecting students' perception for becoming an entrepreneur.

- 1: What kind of entrepreneurial characteristics moves entrepreneurial intentions of students?
- 2: What is the role of risk perception in creating entrepreneurial intentions among students?
- 3: How strong financial background of students contributes in having entrepreneurial intentions among students?
- 4: How proper entrepreneurial education drives entrepreneurial intentions?

First research question addresses the issue that what kind of entrepreneurial characteristics drives a student's decision of selection entrepreneurship as a career. The second research question determines in what way risk perception of students moves entrepreneurial intentions of students. The third research question explored how financial assistance leads to any change in the decision of students of becoming an entrepreneur. As Pieters et al. explained that obtaining desired amount of finances for a new launch is an issue which leads possible entrepreneurs to join employment and concluded that finance directly affects entrepreneurial intentions. The last research question explored that how entrepreneurial education can derive an entrepreneurial intentions of students.

Research Methodology

This is a case study of University of Central Punjab which focuses at assessing the entrepreneurial intentions of potential last year students of MBA and M.Phil./MS program (accounting and finance department). A qualitative approach is selected for this study because it proposes the most appropriate technique to evaluate the intellectual illustration of entrepreneurial intentions as detained by individuals [15].

The population of this research comprise of all students of UCP (business school) and the data for this study is collected from 40 students selected by doing purposive random sampling (20 students from MS/M.Phil. and 20 students from MBA last year are selected). Out of 40 students 22 are female and 18 are male students. Self-administered open ended (40) questionnaires were delivered to the students randomly. Questionnaire included questions about selected four factors that are vital elements in determining a student's decision of becoming an entrepreneur and analysis of data is done to assess the entrepreneurial perceptions of students of UCP. The response rate is 100% in this study as all questionnaires are filled by the respondents.

Findings and Discussion

In response to the first research question that is about entrepreneurial characteristics. Majority (70%) of students of MBA program and (60%) students of MS/M.Phil. program have the opinion that an individual who possess entrepreneurial skills like confidence, self-efficacy and self-control can easily start a new venture. Few examples of student's perception are;

- "I am a focused person and I trust my abilities. I believe that a person with strong entrepreneurial characteristics like confidence, self-efficacy and self-control can easily become a successful entrepreneur."
- "Self-efficacy is one of the most important skill for starting and running a new venture."
- "In my view confidence and professional skills are the basic requirement for becoming an entrepreneur."

While minority of students responded that they lack confidence, professional skills and self-efficacy and they don't consider these skills are important for becoming an entrepreneur and they prefer job over running own business. While in response to the second question majority (80%) of students of MBA program and (65%) students of MS/M.Phil. program responded that they don't perceive risk as a hurdle in their career. Few examples of student's perception are;

- "I consider risk as a challenge and a key to success in entrepreneurial career."
- "I would take risk till the end in order to be a successful entrepreneur."
- "Risk is not a hurdle, it should be managed properly in order to become a successful entrepreneur."

While a small number of students responded that they would never take risk due to the fear of failure, fear of financial loss and they consider these risks as a biggest obstacle in their career. In answer to third question (55%) of MBA program students and (60%) students of MS/M.Phil. program have the opinion that strong financial background contributes a lot in starting a new venture as they think finance is one of the key element required for stating a new entrepreneurial project. Few examples of student's perception are;

- “Finance is blood of every business and no one can initiate its own venture without having adequate financial sources.”
- “Without financial support no one can start and manage a new venture.”
- “With adequate financial resources an entrepreneur can face any challenge in his career.”

While 45% of students consider that strong financial background don't help in establishing a successful business because they consider having professional skills is the key of becoming a successful entrepreneur not the finance. In response to fourth research question (100%) students of MBA and MS/M.Phil. program expressed their opinion that proper entrepreneurial education helps a lot in becoming a successful entrepreneur. Few examples of student's perception are;

- “UCP is providing best entrepreneurial education by offering interesting courses, conducting different seminars and business plan competitions.”
- “Entrepreneurial education grooms personality of an entrepreneur and also guides him that how he can practically start his own business.”
- “An appropriate entrepreneurial education will boost students' skills and capability to start and run their own businesses.”

From the results it can be inferred that majority of UCP students who have the opinion that possession of entrepreneurial characteristics and risk taking attitude is necessary for becoming a successful entrepreneur are highly inclined towards entrepreneurship and this result also supports the findings of Kabui and Maalu, Islam et al. and Lee and Poh-Kam Wong. Further the results also depicts that UCP students who considers that strong financial background and proper entrepreneurial education helps a lot in starting a new venture are more likely to have high entrepreneurial intentions and this outcome also supports the findings of Audretsch and Keilbach [4], Malebana and Swanepoel, AlaeGamar [16] and Wang and Wong. Thus, the outcomes of this study also support the statement made in Shapiro-Krueger model [17] which clarifies that perceived desirability is inclined towards expected outcomes of beginning a business and susceptibility to act is the tendency that encourages an individual who want to initiate a business.

Conclusion, Limitations and Future Research Directions

This is an exploratory study aimed to contribute in understanding of entrepreneurial perceptions of last year (40) students of UCP (MBA and M.Phil.) program in order to find what kind of factors effects a student's decision of becoming an entrepreneur. Open ended research questions are used to collect primary data for this study. The findings of this study revealed that majority of students from selected programs have high entrepreneurial intentions because they consider themselves to have strong entrepreneurial skills like self-efficacy, confidence and self-control, positive risk perception, strong financial background and attainment of proper entrepreneurial education.

This study is subject to some limitations. First of all this article is focused on only entrepreneurial intentions and these intentions may not convert into real behavior. Secondly this study is conducted in one of the private university (UCP) in Lahore so its results may not be generalizable for all universities in Pakistan. Finally, more research could further check the actual student's behavior for finding levels of correspondences between their intentions and impact.

This study contributes in entrepreneurship literature by enhancing the understanding of entrepreneurial intentions of UCP students and also provides a base of future research in this area. As majority of students' intentions are positively inclined towards selecting entrepreneurship as a career the findings of this study would also help UCP business school faculty to enhance students' perceived feasibility of self-employment by providing them relevant workshops and start up opportunities and they should consider more advanced teaching techniques that involve students to have enterprise experience as well as to exercise entrepreneurial directed approach in improving entrepreneurial mindset of students of UCP.

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