Chapter - 1

INTRODUCTION
CHAPTER-I
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1.1 Introduction:
The shortage of job opportunities in the formal sector is one of the major problems faced by the graduates in the country. Because of this shortage entrepreneurship was viewed with great interest and encouraged ever since in a many economies, more so in developing and under developed economies. Internationally entrepreneurship is deemed to be of vital importance for economic development and growth desperate desire for growth among the developing countries have placed the spotlight squarely on entrepreneurship as a major factor in the success of capitalist economies. If we want entrepreneurship to be considered as a potential career or job option, we have to raise the level of awareness of entrepreneurial qualities already present in the society in general and the students in particular. The third world policy makers are especially interested in entrepreneurship and its noticeable economic impact on developing societies they view entrepreneurship, small business venturing and job creation as a counterbalancing high unemployment, slow economic growth and high birth rates prevailing in many third world economies. Entrepreneurship is currently fashionable in many developed countries. It is a golden age of entrepreneurship.present day entrepreneurs have the skills and funding that entrepreneurs of the past decades only dreamt about. Just as important, becoming an entrepreneur has become an acceptable alternative to working for a corporation.entrepreneurs are the new heroes and role models. Magazines are developed for their exploits, books are written for their benefit, and society applauds their initiative and independence.

Entrepreneurship development today has assumed great significance as it is a key to economic development. The objective of industrial development, regional growth and employment generation depend upon entrepreneurial development. Entrepreneurs are the seed of industrial development and its fruits are greater employment opportunities, increase in per capita income, higher standard of living and balanced regional development.
Entrepreneurs have altered the direction of national economies, industries and markets. They have invented new products and developed organisations and the means of production to bring them to market. They have introduced quantum leaps in technology and more productive uses of the existing resources. They have forced the reallocation of resources away from existing users to new and more productive uses. Many innovations have transformed the society and altered the pattern of living and many services have been introduced to alter or create new service industries.

**India needs entrepreneurs.** It needs them to capitalize on new opportunities to create wealth and new jobs. A recent McKinsey –NASSCOM report estimates that India needs at least 8000 new businesses to achieve its target of $87 billion IT sector by 2008. Similarly by 2015, 110-113 million Indian citizens will be searching for jobs, including 80-100 million looking for their first jobs; seven times the population of Australia. This does not include disguised unemployment of over 50 percent among 230 million employed in the rural sector. Since traditional large players may find it difficult to sustain this level of employment in future, it is the entrepreneurs who will create these new jobs and opportunities.

**Concept of entrepreneurship:** Entrepreneur is a person who creates an enterprise. The process of creation is called as entrepreneurship. It can be defined as a process of action an entrepreneur undertakes to establish his enterprise. According to McCulland, entrepreneurship is doing things in a new and better way and decision making under condition of uncertainty. According to Peter Drucker, entrepreneurship is neither a science nor an Art. It has a knowledge base. Knowledge in entrepreneurship is a means to an end.

**Entrepreneurial intent among students:** Recently there has been a growing interest in undertaking and intensifying actions promoting and supporting the idea of entrepreneurship as an attractive alternative to wage employment among students. There are several reasons for this interest. Firstly well educated entrepreneurs are expected to create ventures that grow faster than their counterparts. The importance of education to successful performance of new ventures is well recognized by management parishioners and researchers. secondly due to the process of
restructuring in organisations following intensified competition in the market worldwide, previous advantages with wage employment in large, established enterprises, such as job security or reward for loyalty have lost on their actuality, thus increasing the desirability of self employment. The unemployment among graduates has also been increasing.

Over the years the decision to become an entrepreneur has been analysed using different methodologies. Researchers began looking for the existence of certain personality traits that could be associated with entrepreneurial ability. Later studies have pointed out to the importance of different characteristics such as age, gender, origin, religion, level of studies, labour experience etc. They are usually called as demographic variables. Both these approaches have allowed the identification of significant relationship among certain traits or demographic characteristics of the person. However their predictive capacity has been very limited. From the theoretical perspective, these approaches have been criticized, both for their methodological and conceptual problems and for their low explanatory capacity.

Since the decision to become an entrepreneur may be considered as voluntary and conscious, it seems reasonable to analyze how that decision is taken. In this sense, entrepreneurial intention would be a previous and determinant element towards performing entrepreneurial behaviour. In turn the intention to carry out a given behaviour will depend on the person’s attitude towards that behaviour. A more favorable attitude would increase the intention of carrying it out. In this manner this “Attitude Approach” would be preferable to those traditionally used approaches used, such as the trait or the demographic approaches. Thus attitude would measure the extent to which individual positively or negatively evaluates something. Attitudes are relatively stable, but may change according to time and situation.

1.2 Significance of the study:
Entrepreneurship is gaining great respect from the scholars as a field of research as well as practical application worldwide, as a means to achieve wealth creation and personal fulfillment. It has been proved that with each economic downturn, it is the entrepreneurial drive and persistence that brings back economic growth. It is the
capacity in the individual to innovate, to bear risk, to foresee the prospects of the project, confidence and competence to meet unforeseen and adverse conditions. The activities of entrepreneurs are crucial to the economic growth and prosperity of the modern society.

Hence efforts to know more about entrepreneurship, factors influencing their decision to become entrepreneurs and their ultimate success are becoming important. It is becoming an issue of interest globally among policy makers.

The present study aims to find out the attitude of management students towards entrepreneurship. Management students by virtue of their training can identify business opportunities and convert them into profitable business ventures. Thus if these students venture into business they can create businesses which can grow and create wealth many times than entrepreneurs with other backgrounds.

1.3 Statement of the problem:
There has been rapid growth of management education in India in general and Maharashtra state in particular. The policy decision of the government to private unaided engineering and management institutes led to the explosion of engineering colleges and management institutes all over the state. There are more than 130 management institutes affiliated to the University of Pune alone.

With large number of management graduates passing out every year there have been concerns about the placement of these graduates. Apart from some top institutions students of many management institutes find it difficult to get placed in good organisations. However with the opening of the economy, accesses to technology and information lot of business opportunities are being created in the economy. Management students with their training and skills are better suited to exploit their opportunities by setting up new business ventures. It was in this back drop that that the researcher identified a research gap regarding finding the attitude of the management students towards entrepreneurship and entrepreneurial careers. The dismal proportion of MBA graduates setting up their business ventures inspite of having equipped with all the necessary training and skills let the researcher to find out
why are management graduates not interested in setting up their business ventures. What are the factors that keep them away from venturing into business? Are they interested in business, what is their attitude towards entrepreneurship and entrepreneurial careers, can entrepreneurship be considered as a career option in today’s global scenario? These and many other questions led the researcher to carry out this research work.

1.4 Objectives of the study:
The objectives of the study are as follows
1) To study the attitude of MBA students towards entrepreneurship as a career option
2) To find out the factors that attract students towards entrepreneurial career
3) To find out the factors that discourage students from undertaking entrepreneurial careers
4) To analyze the personality traits and demographic characteristics of students interested in entrepreneurial careers
5) To study the role of entrepreneurship development agencies in promoting entrepreneurship among students
6) To suggest measures to promote entrepreneurship among MBA students
7) To suggest measures to overcome the factors that discourage students from taking entrepreneurial careers

1.5 Hypotheses of the study
The study will be based on the following hypotheses
1) The attitude of majority of the MBA students towards entrepreneurial career is unfavorable
2) Independence and financial returns are the primary factors that attract students towards entrepreneurial careers
3) Lack of finance and technical know how are the factors that discourage students from entrepreneurial careers
4) Lack of achievement motivation and encouragement at institute level has an impact on students intention to venture into business
5) Demographic and personality traits of the students have an impact on their decision to venture into entrepreneurship.

1.6 Scope of the study
The study has been carried out to find out the attitude of MBA students towards entrepreneurship and entrepreneurial careers. The study deals with only MBA graduates undergoing their studies in management institutes in Pune city affiliated with University of Pune only. The study is restricted to only final year students of MBA institutes and does not include the students who have passed out or started their business.

1.7 Chapter Scheme:
The study is organized into the following chapters

Chapter: I: Introduction
This Chapter deals with the introduction to the field of study, the significance of the study, the objectives of the study, hypothesis and scope of the study.

Chapter II: Review of literature
This chapter deals with the status of current studies conducted in the field of entrepreneurship. Empirical and conceptual articles and papers on entrepreneurship intention among students and entrepreneurial attitude have been reviewed.

Chapter III: Research methodology
This chapter deals with the methodology followed in the collection of data and the sources of data. It deals with the research design, sample selection and the research instrument used for the study.

Chapter IV: Entrepreneurship and Entrepreneurial Attitude
This chapter deals with the various theories of entrepreneurship, the models of entrepreneurship and entrepreneurship development among students.
Chapter V: Theory of planned behaviour
This chapter deals with the theory of planned behaviour and the theory of entrepreneurial intention. It discusses various models of entrepreneurial intention.

Chapter VI: Entrepreneurship and Economic Development
This chapter discusses the relation between entrepreneurship and economic development. It deals with the various theories and models linking entrepreneurship with economic growth and development.

Chapter VII: Analysis and Interpretation of Data
This chapter deals with the tabulation, classification and analysis and interpretation of the data collected for the study.

Chapter VIII: Hypothesis Testing
This chapter deals with the hypothesis of the study and the use of statistical tests for testing of hypothesis.

Chapter IX: Findings, Suggestions and Conclusions
This chapter will deal with the observations and findings from the analysis of the collected data, the suggestion and conclusion arrived on the basis of the observations and findings.