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CHAPTER - I

INTRODUCTION AND DESIGN OF THE STUDY

1.0 INTRODUCTION

Entrepreneurs are individuals who recognize opportunities where others see chaos or confusion. They are the aggressive catalysts for change within the marketplace. Entrepreneurship is more than the mere creation of business. The characteristics of seeking opportunities, taking risks beyond security and having tenacity to push an idea through reality combine into a special perspective that permeates entrepreneurs.

India is currently one of the leaders in economic growth. India’s economic growth is the result of the exploitation of opportunities by those individuals who have been able to think beyond the traditional concept of a job or profession. The economic development largely depends on human resources. Again, human resources alone cannot produce economic development. It requires an agent who is nothing but a dynamic entrepreneur.

Entrepreneurship plays a crucial role in the growth of any society particularly in a fast developing country like India. The entrepreneur is an important agent in our society, who can be a catalyst of social and economic changes.\(^1\) As a career, it can offer unlimited scope for development and diversity of choices. It is the only profession where there is absolutely no bar of any sort, be it age, sex, education or any other.\(^2\)

The entrepreneur is one of the most important inputs in the economic development of a country or of regions within the country. Entrepreneurial competence makes all the difference in the rate of economic growth. Entrepreneurial talent exists in


all sections of the society. A high level of entrepreneurship is found in developed economy. Once it was considered that entrepreneurs are born and not made. Entrepreneurial talents can be developed by motivating people and making them capable of perceiving and exploiting business opportunities. Hence the entrepreneurs can be ‘Made’ by proper motivation and training. Realising the importance of entrepreneurship development the planners and policy makers have formulated Entrepreneurship Development Programmes (EDP) for various target groups of population in the country.

An entrepreneurial mindset can be developed in individuals. This mind set can be exhibited inside or outside an organization, in profit or not for profit enterprises, and in business or non business activities for the purpose of bringing forth creative ideas. Thus entrepreneurship is an integrated concept that permeates an individual’s business in an innovative manner. It is this mindset that has revolutionized the way business is conducted at every level and in every country. Imitative entrepreneur has a vital role to play in developing countries. Innovative entrepreneurs are scarce in developing countries. To add fuel to fire, there is also a problem of scarcity of capital and skilled labour in the developing countries, which hinder innovative entrepreneurship. In this context, the imitative entrepreneur fills up this gap very admirably by simply imitating the technology, skill and techniques already developed by innovative entrepreneurs from the developed countries.

The role of entrepreneurship in economic development caries from economy to economy depending upon its material resources, industrial climate and the responsiveness of the political system to the entrepreneurial function. The entrepreneurs contribute more in favorable opportunity conditions than in the less
favorable opportunity conditions. Entrepreneurs are the prime movers of economy. They perform overall co-ordinating function of bringing together the factors of production, locating new ideas and putting them into effect. These casual people see things as opportunities for creative goal setting and putting events into motion. Institutions of higher learning play a vital role in developing entrepreneurship. An equally challenging role is that of instilling the traits that successful future entrepreneurs, intrapreneurs and mangers must possess, including that of transferring / diffusing entrepreneurial knowledge and values to all of its constituents. A formal education with special emphasis on entrepreneurship can help to prepare a person to start a business. The entrepreneurial traits and values could be intensified through education system.

Thoothukudi district have numerous educational institutions, Polytechnic Colleges, Schools which provide quality education. There are eighteen arts and science colleges which produces nearly six thousand graduates every year. They have lot of opportunities in the district to become an entrepreneur but they are not focusing on this. Most of the students are preferring job instead of becoming an entrepreneur. As the entrepreneurship is playing a vital role in the economic development of a nation, initiatives needs to be taken to infuse the need for entrepreneurship in the minds of the students.

1.1 STATEMENT OF THE PROBLEM

Entrepreneurial development in a country accelerates industrial growth of a nation. Development of entrepreneur in a country contributes industrial growth. Industrial growth depends upon the growth of the young entrepreneurs in the country. But the involvement of the youngsters in entrepreneurship activities is very low.
Majority of the youngster are showing interest to grasp a job after their graduation. They are not ready to take risk to become entrepreneur. Today’s youth are the tomorrows pillar stone of a nation. So the educated youth need to be motivated to take up this challenging task. Instead of searching for job the youth must become the job provider.

In India the institutes of higher learning produce approximately 3.1 million graduates every year. India currently has around 347 institutes of higher learning and 16,885 colleges with a total enrollment of over 9.9 million. These institutes produce around 495,000 technical graduates, nearly 2.3 million other graduates and over 3,00,000 post-graduates every year. Among this a majority are from Arts and Science Colleges. Out of that most of them are job seekers. In Tamil Nadu this case remains the same. The same trend prevails in the Thoothukudi district where the aspiration of the students is getting a good job and they are not ready to take risk to become a provider of job. Though Thoothukudi district is having a major port, the industrial scenario has not changed much. The District administration is also taking necessary steps to improve the industrial development. So there is an urgent need to encourage the younger generation to pursue entrepreneurship especially the college students.

Taking into account the need for industrial growth and the steps to be taken to encourage the freshers from the college to opt for entrepreneurship as the career, the researcher wish to study the entrepreneurial traits and achievement motivation of the college students. This study will give an insight in to the entrepreneurial traits and achievement motivation among the arts and science college students. The research findings will help the planners and policy makers to do the necessary to promote entrepreneurial acumen among the college students.
1.2 OBJECTIVES OF THE STUDY

The study has the following objectives.

1. To study the socio economic background of the final year college students.
2. To ascertain the entrepreneurial traits among the final year college students.
3. To analyses the factors leading to entrepreneurial traits.
4. To examine the achievement motivation of the final year college students.
5. To assess the entrepreneurial motivation of the final year college students.
6. To study the relationship between the profile variables and the entrepreneurial traits of the college students.
7. To examine association between factors leading to entrepreneurial traits and entrepreneurial motivation.

1.3 SCOPE OF THE STUDY

The main aim of the study is to assess the entrepreneurial traits and achievement motivation of college students in Thoothukudi district. This study was conducted among the outgoing under graduate arts and science college students of Thoothukudi district. The study also examines the factors leading to entrepreneurial traits, relationship between the profile variables and the entrepreneurial traits of the college students.
students. Moreover, the study also examines the association between factors leading to entrepreneurial traits and entrepreneurial motivation.

1.4 OPERATIONAL DEFINITION OF CONCEPTS

Entrepreneurship

Entrepreneurship is the purposeful activity of an individual or a group of associated individuals, undertaken to initiate, maintain or aggrandize profit by production or distribution of goods and services.

Motivation

Motivation refers to the way in which urges, drives, desires, striving, aspirations or needs direct, control or explain the behavior of human being.

Achievement Motivation

The need for achievement plays an important role in making an entrepreneur as successful. It is an inner spirit that activates an entrepreneur to strive for success. The need for achievement is the desire to do well.

Entrepreneurial Traits

The possession of certain knowledge, skill or personality profile is called entrepreneurial competencies or traits. In other words the underlying characteristics possessed by an entrepreneur which result in superior performance are called entrepreneurial traits.
1.5 STUDY AREA

Thoothukudi district was purposively selected for this study for many reasons. Thoothukudi being the port town more number of opportunities are available for the business people to thrive and succeed. Moreover, industries are also concentrated in Thoothukudi. This throws a lot of opportunities for the prospective entrepreneurs to step in to the business. Considering entrepreneurial potentials of the district, the researcher wish to study the entrepreneurial traits and achievement motivation among college students.

1.6 PERIOD OF STUDY

The primary data relevant to the study was collected from June 2012 to April 2013 from the final year undergraduate students of arts and science colleges in Thoothukudi district.

1.7 HYPOTHESES

The following hypotheses are framed by the researcher and it will be tested using appropriate statistical tools to draw inferences.

- There is no significant difference in factors leading to entrepreneurial traits and profile variables.
- There is no significant relationship between factors leading to entrepreneurial traits and entrepreneurial traits.
- There is no significant relationship between factors leading to entrepreneurial traits and achievement motivation.
There is no association between profile of the students and their level of achievement motivation.

There is no relationship between components of achievement motivation and entrepreneurial traits.

There is no association between profiles of the students and their level of entrepreneurial motivation.

There is no relationship between entrepreneurial traits and achievement motivation.

There is no relationship between achievement motivation and entrepreneurial motivation.

1.8 METHODOLOGY

The present study was based on both primary and secondary data. Interview schedule was used to collect the primary data from the sample respondents. A well structured interview schedule was prepared after consulting the experts in the field. Before finalizing the interview schedule, a pilot study was made and with that response, final interview schedule was prepared to collect the information required for the study. The relevant secondary data were collected from the books, journals, magazines, and published materials. The information available in the website was also collected for the study.

1.8.1 Sampling

The study attempts to measure the entrepreneurial traits and achievement motivation of college students in Thoothukudi district. Hence it is decided to select sample respondents from final year undergraduate students of arts and science colleges.
in Thoothukudi district. Stratified proportionate random sampling method was used to select the sample respondents from the population. The arts and science colleges were stratified into three categories such as urban, semi-urban and rural on the basis of place where the college is situated. From among the final year undergraduate arts and science students ten per cent of the students were selected from each category at random as detailed in Table 1.1.

Table 1.1
Place of College wise stratification

<table>
<thead>
<tr>
<th>S.No</th>
<th>Place of College</th>
<th>Final year undergraduate Arts and Science students</th>
<th>Sample Respondents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Urban</td>
<td>1,484</td>
<td>148</td>
</tr>
<tr>
<td>2</td>
<td>Semi-urban</td>
<td>2,942</td>
<td>294</td>
</tr>
<tr>
<td>3</td>
<td>Rural</td>
<td>1,340</td>
<td>134</td>
</tr>
<tr>
<td></td>
<td><strong>Total</strong></td>
<td><strong>5,766</strong></td>
<td><strong>576</strong></td>
</tr>
</tbody>
</table>

1.8.2 Plan of Analysis

The collected data were classified and grouped according to the purpose for which it was collected. Necessary tables were prepared and the tabulated data were analysed with the help of appropriate following statistical tools exploratory factor analysis, confirmatory factor analysis, analysis of variance, multiple regression and discriminant analysis to interpret the data to arrive at relevant inferences.

Exploratory factor analysis

Factor analysis is a very useful method of reducing data complexity by reducing the number of variables being studied. It is a good way of resolving the confusion and identifying latent or underlying factors from an array of seemingly important variables.
Exploratory factor analysis is used to analyse the factors leading to entrepreneurial traits among the college students. The validity of data for EFA have been tested with the help of Kaiser - Meyer - Olkin measure of sampling adequacy and Bartletts test of sphericity.

In order to narrate the important components of entrepreneurial motivation, variables in entrepreneurial motivation have been included for Exploratory Factor Analysis. The validity of data for EFA is tested with the help of KMO measure of sampling adequately and Bartlett’s test of sphericity.

**Confirmatory factor analysis**

The Confirmatory Factor Analysis is one of the multivariate statistical tools which is applied to confirm the extracted variables in the factor which explains the factor in a reliable manner or not. It explains the reliability and validity of variables in each construct developed in the present study. The content validity, convergent validity and discriminant validity have been tested through the Confirmatory Factor Analysis.

In the present study, the CFA has been administered to examine the reliability and the validity of variables related to entrepreneurial traits, achievement motivation and entrepreneurial motivation.

The score of variables in entrepreneurial traits have been included for confirmatory factor analysis in order to examine the reliability and validity of variables in entrepreneurial traits. The overall reliability of variable in entrepreneurial traits has been estimated with the help of Cronbach alpha.
Analysis of Variance

The one way analysis of variance has been administered to find the significant differences existing among the three or more sample groups in relation to a variable. The total variance in a set of data is divided into variation within groups and variation between groups.

In this study analysis of variance has been administered to find out the significant difference among urban, semi-urban and rural students regarding their entrepreneurial traits, achievement motivation and entrepreneurial motivation.

The analysis of variance has also been used to find out the association between the profile of the respondents and level of entrepreneurial traits, level of achievement motivation and entrepreneurial motivation.

The association between the profile of the respondents and their level of entrepreneurial traits has been estimated with the help of one way analysis of variance.

The achievement motivation has been measured with the help of variables under eight dimensions. The one way analysis of variance has been executed to find out the significant difference among the urban, semi-urban and rural college students towards each dimension.

The one way analysis of variance has been executed to examine the significant difference among the three groups of students regarding their views relating to entrepreneurial motivation.
Multiple Regression analysis

Multiple regression analysis has been administrated to find out the impact of factors leading to entrepreneurial traits on the level of entrepreneurial traits.

The fitted regression model is:

\[ y = a + b_1 X_1 + b_2 X_2 + \ldots + b_{12} X_{12} + e \]

Whereas \( y \) – score on entrepreneurial traits among the students

\( X_1 \) - Score on coordination among the students
\( X_2 \) - Score on innovativeness among the students
\( X_3 \) - Score on optimism among the students
\( X_4 \) - Score on informativeness among the students
\( X_5 \) - Score on decision making among the students
\( X_6 \) - Score on hard work among the students
\( X_7 \) - Score on problem solving among the students
\( X_8 \) - Score on confidence among the students
\( X_9 \) - Score on enterprising among the students
\( X_{10} \) - Score on punctuality among the students
\( X_{11} \) - Score on sincerity among the students
\( X_{12} \) - Score on forecasting ability among the students

\( b_1, b_2, \ldots, b_{12} \) - Regression coefficient of independent variables
\( a \) - intercept and
\( e \) - error term

Multiple regression analysis has also been administrated to find out the impact of achievement motivation on the entrepreneurial traits, the impact of factors leading to
entrepreneurial traits on the entrepreneurial motivation and the impact of achievement motivation on entrepreneurial motivation.

**Discriminant analysis**

The discriminant analysis has been applied to study the important discriminant factors regarding entrepreneurial traits, achievement motivation and entrepreneurial motivation among urban, semi-urban and rural college students.

The Discriminant factors leading to entrepreneurial traits, achievement motivation and entrepreneurial motivation among the urban, semi-urban and rural respondents has been examined with its statistical significance. The discriminant power of factor has been estimated with the help of wilks lambda.

**1.9 LIMITATIONS OF THE PRESENT STUDY**

The present study is subjected with the following limitation.

1. The sample size of the study is arbitrarily assigned as ten per cent of the total population.

2. The scope of the study is limited to Thoothukudi district only. Further the scope is confined to undergraduate arts and science college students only.

3. The present study on the entrepreneurial traits and achievement motivation is based on the data collected from the sample respondents.
1.10 SCHEME OF REPORT

The present study on entrepreneurial traits and achievement motivation among college students in Thoothukudi District is presented in seven chapters as detailed below.

The first chapter deals with the design of the study. This chapter includes statement of the problem, scope of the study, objectives of the study, hypotheses, methodology, plan of analysis, limitations of the study and chapter scheme.

The second chapter presents the review of literature. Reviews of previous studies organized according to topics of importance in the chronological order have been presented in this chapter.

The third chapter gives the profile of the study area. The study area is Thoothukudi district. This chapter gives information about the history of Thoothukudi district and the entrepreneurial opportunities which are available in the district.

The fourth chapter deals with the socio economic background of the students and their entrepreneurial traits. All the information relating to socio-economic conditions of the undergraduate students of arts and science colleges were classified and grouped on the basis of the location of the college like urban, semi-urban and rural.

The fifth chapter deals with the analysis of achievement motivation and entrepreneurial traits among undergraduate students of arts and science colleges in Thoothukudi district.
The sixth chapter deals with entrepreneurial motivation and its determinants among urban, semi-urban and rural undergraduate students of arts and science colleges in Thoothukudi district.

The seventh chapter highlights the summary of findings and suggestions based on the analysis and interpretation of the study.

1.11 CONCLUSION

The design of the study helped the researcher to draw the detailed plan or outline for the research work to be conducted. The objectives of the study shows the action plan and the direction of the study. This chapter also gives information about the tool to be used for the data collection, the sampling methods and the size of the sample, the plan of analysis and the limitations of the study.