

Student's Behaviour in Start-Up Business Trend

Msc. Huynh Canh Thanh Lam

Can Tho Technical Economic College, Can Tho, Vietnam

ABSTRACT

This paper focuses on the students' trend in starting their own businesses on graduation. Moreover, it evaluates the undergraduate students at university level to create their own companies on graduation and analyse the personal attributes and competencies that may influence such trend. The statistical procedures adopted in the processing of the data collected from a sample of 240 students with particular regard to the possibility of their establishing their own enterprise. Gender, risk, factors related to profession/employment choice and academic training were found to significantly affect students' interest in and motivation for start-up business.

Keywords: entrepreneurial trend, start-up business, student behavior

How to cite this paper: Huynh Canh Thanh Lam "Student's Behaviour in Start-Up Business Trend"

Published in
International Journal
of Trend in Scientific
Research and
Development

(ijtsrd), ISSN: 2456-
6470, Volume-4 |

Issue-2, February 2020, pp.858-860, URL:
www.ijtsrd.com/papers/ijtsrd30147.pdf



IJTSRD30147

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I. INTRODUCTION:

Entrepreneurship, particularly in relation to small and micro-enterprises, is frequently seen as a key vehicle for employment creation (Folster, 2000) an essential means of enhancing the innovation dynamic in the local, regional and national economies (Robbins et al., 2000). In this way, entrepreneurial initiatives contribute to the process of adaptive remodelling and restructuring of the contemporary business world, providing a constant stream of learning experiences and consequently underpinning development of a more sustainable type (Van Auken, 2006).

While at a macro-level entrepreneurship is seen as being responsible for job-creation, innovation and the creation of wealth, at a more individual level, the development of enterprising behaviour has been characterised as one of the primary stimuli to the widening of career options, particularly among first-time labour market entrants (Reynolds et al., 1994).

In recent years, the rapid changes unleashed by a new phase of globalisation, combined with a deteriorating economic conjuncture – both in Portugal in particular as well as in the international economy in general, has shrunk recruitment and/or significantly altered employment conditions in many of the traditional types of employment that, in the past, absorbed most university students. Today, graduating students are more likely than before to see the possibility of establishing their own enterprises as a positive rather than residual career option (Kolvereid & Moen, 1997). However, both the extent of the propensity for students to do so and the opportunities for them to accumulate the necessary attributes and competencies would appear to be highly

variable between countries and regions, as well as between courses of study.

Various studies, both in the USA, (e.g. Kourilsky & Walstad, 1998; Lüthje & Franke, 2003; Van Auken et al., 2006) and in Europe (e.g. Kolvereid & Moen, 1997; Gürul & Atson, 2006) have provided clear evidence of a general growth in people's propensity to create their own enterprises. Though there appears to be widespread agreement concerning the main factors at work when employed professionals opt to establish their own firms, it would be unwise and inappropriate to uncritically assume that these factors play exactly the same role when the research focuses on recently-graduated university students. A number of recent studies (e.g. Lena & Wong, 2003; Franke & Luthje, 2004; Teixeira, 2007; Rodrigues et al, 2008) have attempted to gain a better understanding of precisely which variables may contribute most significantly to graduate start-up business.

II. LITERATURE REVIEW

Cunningham & Lischeron, 1991 argued that the definition of the entrepreneur to be adopted will depend on the type of data to which the researcher gives the greatest emphasis, and on the particular aspect of entrepreneurship the study seeks to elucidate. More frequently than not, researchers deploy a combination of behaviour, classical and managerial assumptions regarding entrepreneurship, focusing both on key individual psychological characteristics (such as creativity, imagination, ambition and determination), and more technical organisational competences such as decision-making ability and resource-coordination capacity (Henderson & Robertson, 1999). According to Hatten &

Ruhland, 1995, the behavioural characteristics most commonly found in entrepreneurs include their propensity for innovation and their use of strategic management practices in their entrepreneurial initiatives. Additionally, the belief that entrepreneurs have distinctive psychological characteristics has a long tradition in entrepreneurship research (Gartner, 1988). Numerous studies have focused on personality traits that may be in some way connected to entrepreneurial behaviour through their influence over either the constitution of future entrepreneurial intentions and/or the reinforcement of established ones (Kennedy et al., 2003; Brice, 2004; Liñán-Alcalde & Rodríguez-Cohard, 2004; Barahona & Escudero, 2005; Asián, 2005; Li, 2006). The type of factors most frequently associated with entrepreneurial behaviour and, for this reason, analysed in many studies, include age, gender, professional background, work experience, and broad-based aspects of the potential entrepreneur's educational and psychological profile (Delmar & Davidsson, 2000). Three factors in particular have been frequently used to measure entrepreneurial tendencies: personal characteristics, personality traits (e.g. Robinson, 1987), and contextual factors (e.g. Naffziger et al., 1994).

More concretely, the idea of becoming an entrepreneur may become more and more attractive to students because it is seen as a valuable way of being employed without losing one's independence (Martínez et al., 2007). While there has been a large number of studies of entrepreneurial propensity (e.g. Naffziger et al., 1994; Brandstätter, 1997), only a limited number of studies have focused on students' entrepreneurial intent (e.g. Scott & Twomey, 1988; Oakey et al., 2002; Klapper & Léger-Jarniou, 2006). In general, the results of such studies indicate that males with a strong need for achievement, with evidence of creativity and leadership capacity, with a propensity for risk taking, and whose parents are or have been self-employed, are those that possess the key factors favouring the decision to become an entrepreneur (e.g. Lena & Wong, 2003; Franke & Luthje, 2004; Teixeira. 2007; Rodrigues et al. 2008).

III. RESEARCH METHODOLOGY

We designed a questionnaire, pre-tested and applied during the academic year 2018-2019. A sample was obtained from a population of students who at the time were attending a third to fourth academic years (undergraduate) course at the

Can Tho Technical Economic College. The sample covered a total of 240 students, distributed over 3 faculties including: accounting, finance-banking, business administration. The survey was conducted using a self-administered questionnaire. The questionnaire contained 20 questions, which included specific demographic descriptors (such as gender, age, student status, and family occupation), as well as data on previous professional experience, academic performance, and the individual's social context. Students were presented with statements designed to measure the extent of their fears with regard to the possible creation of a business venture, provide an assessment of the key difficulties and obstacles they expected to encounter, and to identify factors associated with success in such an initiative. Respondents' attitudes were evaluated using a 5-point Likert scale. Entrepreneurial potential was directly assessed by asking students to indicate the intensity of their current *general* interest in creating their own business on graduation, and the extent to which they had taken steps to concretise the intention to establish their own firm.

IV. RESEARCH FINDINGS

The major aim of this study was to assess which are the main determinants of student's entrepreneurial propensity. The nature of the data collected with regard to the dependent variable [Do you intend to create your own business? (1) Yes; (0) No] dictated the choice of the estimation model. Conventional estimation techniques (e.g. multiple regression analysis), in the context of a discrete dependent variable, are not a valid option. First of all, the assumptions needed for hypothesis testing in conventional regression analysis are necessarily violated – it is unreasonable to assume, for instance, that the distribution of errors is normal. Secondly, in multiple regression analysis, predicted values cannot be interpreted as probabilities – they are not constrained to fall in the interval between 0 and 1 (Hosmer & Lemeshow, 2000).

According to the above literature, there exists a set of factors, such as student's demographic descriptors (gender, age, student status), students' behavior (innovation, self-decision, risk taking and self-confident), and support factors (such as the type of job desired, extent of supporting on start-up business eco-system, academic training). The estimates of the β_s are given in Table 1 below.

Table1 Determinants of students' behaviour in start-up business trend

	Estimates (β_s)
Individual characteristics	
(1) Gender (Female=1)	-0,539**
(2) Age	0,060
(3) Student status (Normal=1)	0,513
Psychological characteristics	
(1) Innovation	0,089
(2) Self-decision	-0,137
(3) Risk taking	0,303**
(4) Self-confident	-0,017
Contextual factors	
(1) Factors related to job designed	-0,672*
(2) Extent of start-up business eco-system support	-0,041
(3) Academic training (in general) Constant	0,345*
	1,463
N	240
Goodness of fit statistics (correct %)	75,7
Hosmer and Lameshow test (p-value)	3,126 (0,715)

* Significant at 1%; ** significant at 5%.

Method: Forward Stepwise (Likelihood Ratio)

In this model females demonstrate a much lower trend for entrepreneurship. This ties in with other studies that have indicated that start-up business behaviour is found more commonly in males. Psychologically related factors, namely risk taking, self-decision, innovation and self-confident, emerge as critical for explaining students' entrepreneurial intent in the factorial analyse. The main differences between potential entrepreneurs and other students are observed in risk bearing. In this competence the scores of potential entrepreneurs are much higher than those of the remaining students.

V. CONCLUSION

In conclusion, the start-up business trend of undergraduates in Can Tho Technical Economic College are examined along with their related factors.

The findings provide insights with practical implications for researchers, university educators and administrators, as well as government policy makers. Future studies need to be longitudinal, and need to focus on the specific effects of entrepreneurship training, rather than university education in general. Clearly, more research is required, however, if we are to assess the influence of specific educational inputs both on students' decisions to establish their own enterprises on graduation, and in the subsequent success and sustainability of such entrepreneurial initiatives.

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