

Addressing The Complex Issue Of Understanding Entrepreneurial Intentions Of Indian Millennials: Adopting A Intention-Driven, Theory-Based Model



K. Satyalakshmi¹



Pallavi Kumari²

The Millennials are considered the most entrepreneurial generation among the workforce. Given the unique traits and characteristics of this generation, understanding and predicting entrepreneurial intentions (EI) among Millennials will go a long way in facilitating new venture creation and start-up culture in the country. The Theory of Planned Behavior (TPB) that has been successfully applied to understanding consumer behavior can be applied to understand EI among Indian Millennials (Kolvereid). Shapero & Sokol's theory of the entrepreneurial event (SEE) is an intention-based model aiming to explain entrepreneurial intentions and better understand subsequent behavior.

Applying both the models of TPB and SEE to understand EIs of Indian Millennials requires a well-researched and contextual research design that includes all the elements impacting EI. This paper puts forth a research design using a conceptual framework/model containing the linkages between various mediating and independent variables and their subsequent impact on the dependent variable. The different parameters proposed to be used to understand EI have been carefully chosen after a diligent literature review. The research design is visualized keeping the tools used for collecting data from target respondents in mind.

Keywords: *Entrepreneurial intentions, Theory of planned behavior, Shapiro Entrepreneurial event, research design, conceptual framework*

Introduction

According to Schumpeter (1912) “entrepreneurs are individuals who exploit market opportunities through technical and/or organizational innovation”.

While enough has been written about the importance of Indian entrepreneurs and their contributions to the nation’s economy, concrete and systematic research on entrepreneurial intentions is too few and far in-between. Research that throws light on the factors that promote or impede the entrepreneurial aspirations of the Indian entrepreneur would go a long way in facilitating entrepreneurial activity in a big way.

Literature review reveals that EI was found to be impacted by factors like gender, education, having an entrepreneurial parent(s) or enterprise (Crant, 1998), (JC Carr, 2007). There are a number of studies on education affecting students’ attitude towards entrepreneurship (Basu and Virick, 2008). Studies have brought out the relation between entrepreneurial self-efficacy

¹ Research Scholar, ICFAI University Jharkhand, satyalakshmi.2010@gmail.com

² Assistant Professor, ICFAI University Jharkhand, pallavikumari@iujharkhand.edu.in

(ESE) and entrepreneurial intentions (EI)(Shinnar, Hsu, Powell, 2014).The relationship between entrepreneurial self-efficacy, self-regulation and entrepreneurial intention using Bandura's structural path model has also been pursued (Pihie, Z.A.L. & Bagheri, A, 2013). The statistically significant relationship between personality attributes and entrepreneurial intentions has been reported by researchers (Ozaralli and Rivenburgh 2016). The influence of cultural dimensions on entrepreneurs has been widely studied using the Hofstede Model (Ratsifandrihamanana, 2014; JR Fitzsimmons, 2005; Urban, 2008).

Study of entrepreneurial intentions (EIs) among Indian students revealed a number of factors that can have a significant impact (NC Bhandari, 2015). Part-time work experience and social network effects are found to be the strongest in shaping entrepreneurial intentions with equal impact on both male and female genders (Noel Saraf, 2015). The impact of age and educational qualification on entrepreneurial intent has been studied in Indian students (Arunkumar Velusamy, 2014).

However, demographic models have been found to have limited use in understanding EI. Similarly, personality traits are found to explain only 10% of the variance in behavior (Ajzen, 1987). Models based on demographics, personality traits or attitudinal approaches have been found to less predictive and are considered to be less robust approaches of studying EI (Tiurenkov, 2011).

Instead, it is proposed that entrepreneurial intentions (EI) be studied through the use of the intention model, which offers a coherent, parsimonious and highly generalizable theoretical framework to predict intentions (Krueger, Reilly & Carsrud, 2000).

In the social psychology literature, intentions have proved to be the best predictor of planned individual behaviors, especially when the target behavior is rare, difficult to observe, or involves unpredictable time lags (Krueger, Reilly, and Carsrud 2000). The entrepreneurial intention is most often expressed studied antecedent of venture creation. This kind of approach draws on a well-established body of literature linking intention of subsequent actions (Ajzen, 1987, 1991) and has been proposed several times as the best predictor of entrepreneurial behavior (Shapero, 1982; Honig, 2004). The present study incorporates the theories espoused by Ajzen and Shapero in the form of a conceptual framework to study EIs of population samples.

Theory of Planned Behavior

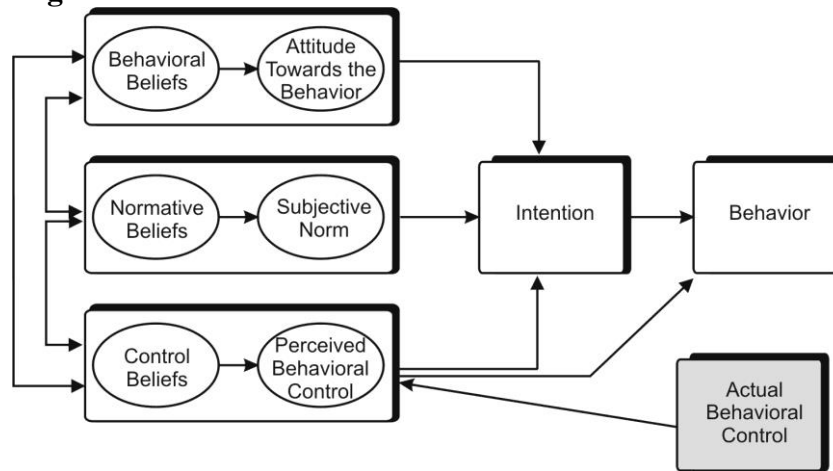
Ajzen's Theory of Planned Behavior (TPB) is widely used in psychology to understand the behavior of individuals (Krueger, Carsrud, 1993). TPB and its precursor, Theory of Reasoned Action focus on the theoretical constructs concerned with individual motivational factors as determinants of the likelihood of performing specific behaviors (DE Montano, D Kasprzyk, 2015). Intentions to perform behaviors of different kinds can be predicted with high accuracy from attitudes toward the behavior, subjective norms, and perceived behavioral control (J Cheon, S Lee, SM Crooks, J Song,2012, CJ Armitage, 2001, Koe, 2012); and these intentions, together with perceptions of behavioral control, account for considerable variance in actual behavior. Research works have demonstrated that the Ajzen's framework is a solid model for explaining or predicting entrepreneurial intentions (Kolvereid, 1992).

According to TPB, human action is guided by three kinds of considerations.

- Behavioral beliefs(beliefs about the likely consequences of the behavior)
- Normative beliefs (beliefs about normative expectations of others)

- Control beliefs (beliefs about the presence of factors that may facilitate/impede performance of the behavior)

Fig 1

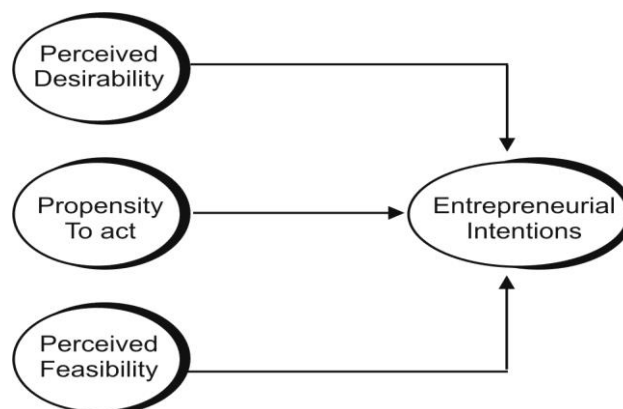


Source: Icek Ajzen, 1992

Shapero's Entrepreneurial Events (SEE)

Shapero's model assumes that inertia guides human behavior until something interrupts or displaces that inertia. Displacement can be negative or positive. Displacement precipitates a change in behavior and the decision maker seeks the best opportunity available from her or his enacted set of alternatives (Katz, 1992). The choice of the resulting behavior depends on the relative "credibility" of alternative behaviors (in this situation to this decision maker) plus some "propensity to act" (without which the decision maker may not take any significant action).

Fig 2



Both models (Shapero and Ajzen) have been used in a large number of studies undertaken to study EI. The models have been used separately and together with good results.

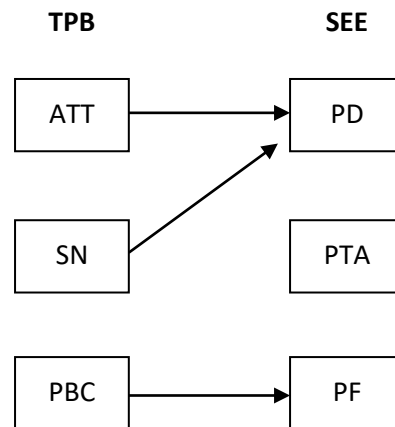
Major studies of EI carried out using TPB and/or SEE

NF Krueger, AL Carsrud	1993
JC Carr, JM Sequeira	2007
CJ Armitage, M Conner	2001

NF Krueger, MD Reilly, AL Carsrud	2010
C Schlaegel, M Koenig	2014
WL Koe and others	2012
Parvaneh Gelard , Majid Ghanbarinejad Esfaghansary and Mahdi Rahemi	2014
Rajeev Mukundan; Sam Thomas	2016
Tiurenkov V	2011

It is observed that both models show some degree of mutual compatibility. Both the TPB and SEE models provide comparable interpretations of entrepreneurial intentions (Krueger, N.F., 1993; 2000). Krueger demonstrated that attitudes and subjective norms in the Theory of Planned Behavior model are conceptually related to perceived desirability in SEE; while perceived behavioral control in TPB corresponds to perceived feasibility in the SEE model. Essentially, perceived desirability and perceived feasibility are fundamental elements of intentional behavior.

Compatibility between TPB and SEE (Krueger 2000)



(ATT=attitudes; SN= subjective norms; PBC= perceived behavior control; PD=Perceived desirability; PTA= propensity to act; PF= perceived feasibility)

Taking the similarities into consideration, an integrated model containing the elements of both the models is being used in the present study. This is done to avoid repetition and ambiguity. The model of entrepreneurial potential by Krueger and Brazeal (1994) is taken as a standard to create a model suitable for use on the targeted populations.

The target population

Indian Millennials are the chosen target population for this research study. Millennials or Gen Y refers to that group of individuals born between the year 1980 and year 2000 (Hartman, McCambridge, 2011). Among the four generations (Silent Generation, Baby Boomers, Gen X and Gen Y) understanding the factors that influence the entrepreneurial intentions of the millennials are considered to be the most significant (Koe et al, 2012).

The influencing factors of millennials across the globe vary from region to region and the contextual factors impacting Indian millennials need to be understood.

Taking the case of the Indian context, post-liberalization leading to the opening up of markets after 1991 saw this group impacted by significant cultural, socio-economic changes. All these

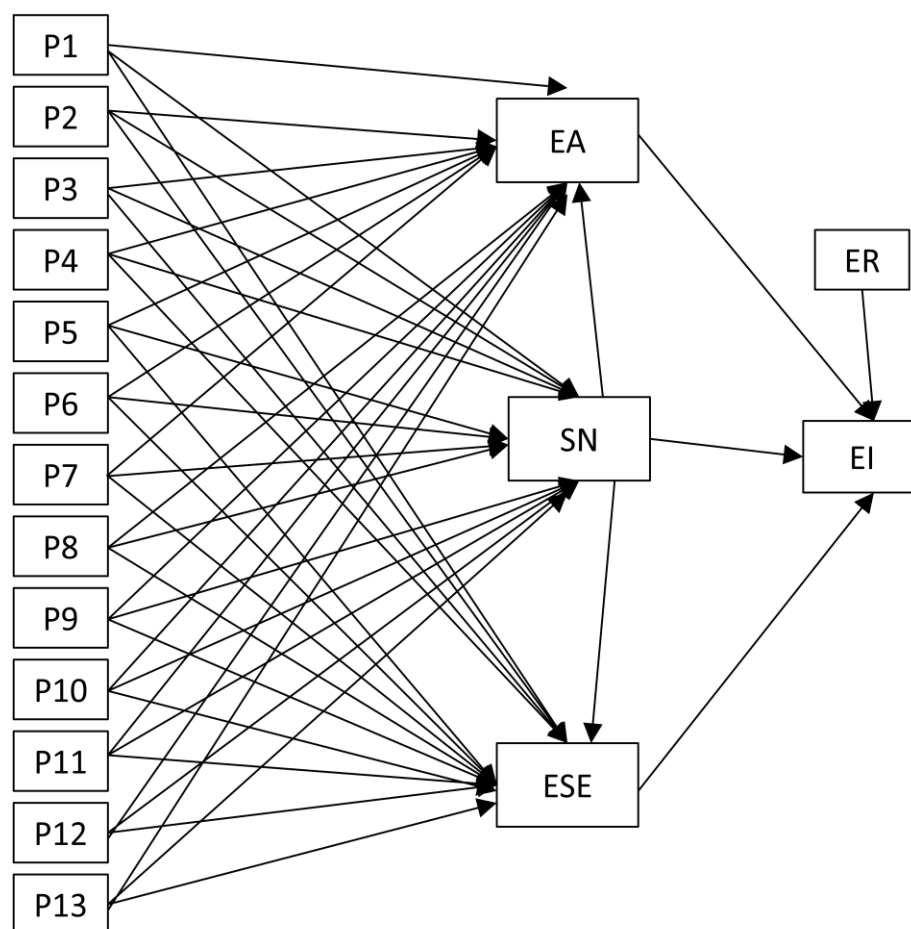
factors culminated in creating characteristics in the Millennials like increasing demand for ethical behavior, accountability, and transparency.

Encouraging entrepreneurial intention among this generation would result in intense entrepreneurial activity in diverse geographic regions.

Proposed model

Based on the review of the literature and previously tested models the following framework/model was conceived by the researcher for the study and is proposed to be used for the study of EI.

Proposed framework/model



(EI=Entrepreneurial intentions; ER=entrepreneurial resistance; EA=entrepreneurial attitudes; SN=subjective norms; ESE=entrepreneurial self efficacy; p1-13 different parameters for studying EA, SN and ESE)

The proposed model is based on a review of the literature to arrive at a pattern of association between the main variable EI and other dependent variables. The model also reveals the relationship between the variables as shown in the schematic diagram. The influence of various factors on the independent variable EI will be understood and analyzed through this model.

The various researches undertaken on different populations across the globe are used as a basis for the conception of this model. The details of the researchers are given below in the table.

Details of research work done using models of EI

<i>Study by</i>	<i>Thrust of the research</i>
Krueger, Norris, 1993	Feasibility and desirability perceptions and propensity to act each proved significant antecedents of entrepreneurial intentions.
Norris F. Krueger JR, Michael D. Reilly, Alan L. Carsrud	Promoting entrepreneurial intentions by promoting public perceptions of feasibility and desirability are feasible
Davidsson	An economic-psychological model of factors that influence individuals' intentions to go into business for themselves is developed and tested on Swedish subjects
Kolvereid a	Using a sample of 128 Norwegian undergraduate business students, it was found that employment status choice intentions only indirectly through their effect on attitude, subjective norm, and perceived behavioral control
Kolvereid b	Study developed a classification scheme of reasons given for preferring self-employment versus organizational employment using Norwegian master degree students
Alexei Tkachev, Lars Kolvereid	Hypothesis based on TPB tested on 512 Russian students
Raijman R	Determination of EI tested on Mexican immigrants based in Chicago
Douglas, Evan and Shepherd, Dean	Study explores the relationship between entrepreneurial attitudes and the intention to be self-employed of alumni of Australian University
Phillip H. Phanpoh Kam Wongclement K. Wang	Relationships between EI and determinants among university students of Singapore
Luthje and Franke	Testing of EI model on engineering students of MIT
Tein Kristiansen and Nurul Indarti	Testing models of entrepreneurial intent among Norwegian and Indonesian students
Wilson, Fiona; Marlino, Deborah; Kickul, Jill	Testing entrepreneurial intentions among teens
CC Chen, PG Greene, A Crick	The results of this study demonstrate the potential of entrepreneurial self-efficacy as a distinct characteristic of the entrepreneur.

The proposed model is intended to study the impact of various parameters on EI of students in final year management and engineering. These students are crucial for the study as they are about to embark on careers and will be making major decisions regarding their future career plan.

While EI is the dependent variable in the model, entrepreneurial attitude (EA), subjective norms (SN) and entrepreneurial self-efficacy (ESE) will be the mediating variables (Koe et al, 2012). The impact of various parameters P1-P12 on EI will be mediated by these variables. Selection of various parameters is based on literature review and the results of the pilot study conducted by the researcher. These parameters will act as dependent variables in the study.

Factors impacting EI

Independent variables P1-P12 are used in the model to study their impact on all the three mediating variables. The different variables are discussed below:

P1-Gender: Gender of the respondent will be collected as part of the general information questions

P2-previous entrepreneurial experience: Previous studies show that previous entrepreneurial experience can positively impact EI (JC Carr, JM Sequeira)

P3-Entrepreneurial skill: This parameter is a factor that contributes to understanding entrepreneurial self-efficacy (Kautonen Gelderen Fink, 2015; Man TWY, 2000). Studies by Davidsson (1995) have demonstrated the relevance of using this parameter to measure ESE.

P4-Innovation orientation: a Behavioral component of attitude and its impact on EI is assessed by inclusion of this parameter. Experiential activities known to promote creative thinking like exposure to other cultures, new experiences and art events were found to contribute to perceived innovativeness (N Ozarelli, 2016).

P5- Fear of failure: a Pilot study conducted on Millennials and their entrepreneurial intentions has revealed that fear of failure is a significant factor that impacts EI.

P6- Achievement orientation: By including this parameter in the model, the impact of achievement orientation of EI can be assessed. Literature review has revealed that this parameter has been positively associated with EI (Zhao, Sibert, Lumpkin, 2009)

P7- Individual control: Individual's control over his/her behavior is found to account for significant amounts of variance of EI (Armitage, Conner, 2001)

P8-Previous entrepreneurial experiences of parents: Together with P9 and P10 this parameter accounts for notable impact of EI as part of subjective norms (Kolvereid 1996, Davidsson 1995)

P9- Previous entrepreneurial experience of siblings: Part of subjective norms

P10- Previous entrepreneurial experience of friends/acquaintances: Part of subjective norms- The above three parameters bring out the relevance of role models in furthering EI (Linen, Chen, 2009)

P11-Perceived support for entrepreneurship from policymakers: Dedicated efforts in the promotion of entrepreneurs by governments, institutions, and individuals are found to positively impact EI. (Goel, Vohra, Zhang, Arora, 2007)

P12-Presence of the entrepreneurial environment: Literature review shows that enhancing ESE is to work in the environment of potential and actual entrepreneur's supportive environment (Chen, Greene, Crick, 1998; (Kolaba, 2014)).

The proposed model is expected to bring out the linkages between each of the independent variables with each of three mediating variables.

Methodology and Data analysis

The above-described model will be used to create a focused and structured questionnaire. Students of Engineering and Management are the target population for administering this questionnaire. The questions included in the questionnaire are proposed to be Likert style questions.

The relationships envisaged in the model cannot be categorized as deductive or linear in nature. Use of multiple regression models may also be insufficient. The model needs to be proved by a robust statistical analysis involving structure equation modeling.

Conclusion

Drawing from the findings of a pilot study conducted on 60 Gen Y employees of a game designing firm, this article presents a research design aimed at understanding the entrepreneurial intentions of Millennials. The target research sample, instruments of research and the framework/model to be used in research are all carefully designed keeping in mind that understanding EI is a complex process. It involves careful analysis and understanding of the impact of multiple determinants that directly or indirectly impact EI.

The study has focused on Millennials' entrepreneurial intentions for two reasons; one, their numbers (40% of the Indian population) which is expected to swell significantly in the next decade. Second, the innovativeness and risk-taking propensity associated with the Millennials have been identified as important factors to become an entrepreneur (Kolaba, 2014). Choice of Indian Millennials as target population is justified by these two reasons. The target population for this study is the Millennials who are in the final year of study and are soon about to embark on a career path.

The research framework/model carefully assimilates all the factors that have been associated with EI or theories of TPB and SEE in earlier studies. A questionnaire will be prepared to bring out the linkages as indicated in the framework/model. Analysis of the results made available through the research instrument is expected to contribute to the understanding of EI of Indian Millennials. Additionally, answers to some often-asked questions as indicated below are also expected to come out of the study.

- (1) Why is it that only some persons choose to become entrepreneurs but not others?
- (2) Why is it that only some persons recognize opportunities for new products or services that can be profitably exploited but not others?
- (3) Why are some entrepreneurs so much more successful than others? (Baron, 2004)

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