

EXPLORE REPERCUSSION OF ROLE MODELS ON ENTREPRENEURIAL INTENTION

Journal of Social Review
Volume 2 (1)
June 2014
Department of
Social Sciences

P. Pretheeba
R. Ponmani
R. Annapoorani

Abstract

A decision to start a business is persuaded not only by individual characteristics but also through socialization. Inspiration an individual had via family, school, peers, mass media, public opinion, volunteer groups and spirituality play an imperative role in their career decision. However there is dearth of studies on influence of role models in mounting entrepreneurial inclination especially among students in South-Asian perspective. An attempt has been made to present a detailed empirical reconnaissance on effect of role models in creating entrepreneurial intentions among postgraduate students in India. The study employs the Ajzen's theory of planned behaviour, in which intentions are regarded as upshots of attitudes, subjective norms and perceived behavioural control. Data were compiled via questionnaire survey from 188 post-graduate students from science and non-science degree from a recognized university in Tamilnadu, India. Structural Equation Modelling (SEM) was worked-out to scrutinize the influence of role models on science and non-science postgraduate students' entrepreneurial intention and the antecedents of entrepreneurial intention. The outcome of the survey divulged that there is a significant relationship between the role models and level attitude, perceived behavioural control and subjective norms towards entrepreneurial activity.

Introduction

The unemployment among youth has been increasing in recent past in India. This mounting trend of unemployment among youth increase crimes, law and order issues, and socio cultural problems which traumatize the economic activities of the nation. One of the most effectual alternatives suggested by the economists to generate employment is entrepreneurship. Entrepreneurship can contribute a great amount of output through-out the world whereas India is not an exception. It is well said that a career that influenced by the entrepreneurship surely offers the

individuals an inspiration and ability to discover an opportunity, fabricate new value, reap greater financial payback and gain towards overall economy through a contribution to innovation, job enhancement, and economic development. The significance of entrepreneurship stems from its imperative contribution to the national economy through increasing economic efficiencies, creativity, creating new jobs and sustaining employment levels (Hindle and Rushworth, 2000; Shane and Venkataraman, 2000; Carree and Thurik, 2003; Van Braag and Versloot, 2007; Wu and Wu, 2008). For developing economies like

India, entrepreneurship works like an engine to eradicate unemployment, social adjustment and economic growth.

Encouraging entrepreneurial attitude among youth become as an accepted wisdom in economic management and government decisions in India. One crucial element to foster entrepreneurship is to motivate individuals to become entrepreneurs and groom them with the right skills to convert opportunities into successful ventures. Krueger et al., (2000) proved that entrepreneurship activities are intentional based, in which people will not become as an entrepreneur abruptly without certain stimulates and most importantly, intention. Henley (2007) also pointed out that entrepreneurship is intentional activity. The intention is formed at least a year in advance of new venture creation, suggesting a link between entrepreneurship and intention. Wong and Choo (2009) added that the intention is the single best predictor of entrepreneurial behaviour. Mazzarol, et al., (1999) noted that starting a business is not an event, but a process which may take many years to evolve and come to an execution. Even though entrepreneurship has been pondered as imperative to economic growth and development in developing countries, astonishingly dearth of research has been coxswained on the factors that influence individuals intentions to start new businesses in Indian contexts, in particular intentions of those who are still in the educational system.

Abundant investigations have been conducted on determinants of entrepreneurial intention divulged individual characteristics like gender, age, marital status, employment status (Reynolds et al., 2002; Bates, 1995; Ritsila and Tervo, 2002), attitude (Luthje and Franke,

2003, Wu and Wu, 2008), personality (Crant, 1996), locus of control (Evans and Leighton, 1989), goal setting (Locke and Latham, 1990), self-efficacy (Zhao et al., 2005), entrepreneurial related education (Guerrero et al., 2006) and environmental factors (Grundsten 2004, Lowe, 2002) are responsible for entrepreneurial intention. However, this study focuses on the role of role models as they affect entrepreneurial intention in Indian context.

Researches have explicated that role models plays a pertinent role in university students choice of both academic discipline (Nauta and Kokaly, 2001) and employment (Howard Van Auken et al., 2006; Scott Wright et al., 2002; Matthews and Moser, 1996). As role models easily influence, they could be considered as an imperious interference to influence students intentions and the decisions to be an entrepreneur. Role models have been defined as those whose life and activities influenced the respondents in specific life decisions (Basow and Howe, 1980), who are worthy of imitation in some area of life (Pleiss and Feldhusen, 1995). Parents are considered to be the major role models for entrepreneurs. Indeed, research suggests that the likelihood of starting a business is increased if parents actually owned their own business (Matthews ad Moser, 1996). Role models may also include relatives, classmates, work peers and observed strangers (Shapero and Sokol, 1982) as well as employers, teachers or anyone the individual has had the opportunity to observe (Scherer et al., 1989). As yet, little research has been conducted to determine the range of role models that influence on employment decisions and entrepreneurial intentions in developing economies. To this end, this study intends to assess at the existing level entrepreneurial intention and influence of role models in determining the intention among youth in India.

The next section presents the related literature and base theory for an individual's intention and behaviour, followed by hypothesis on role models and entrepreneurial intention and its antecedents. Subsequent section briefly presents the methodology of the study. Subsequently results of the findings are presented along with a discussion in the following section. The last section concludes by discussing the implications with respect to researchers, educators and policy makers.

Literature Review and Hypothesis

Role models can be the family members, relatives, acquaintances, teachers and successful entrepreneur. There are people who are influenced in occupying the business line because of the achievement and gaining that earned by the successful entrepreneurs, such as their financial improvement, more experience and getting the attraction of the society. Role model behaviour impacts both the perceived desirability and feasibility of the role for the individual (Krueger and Brazeal, 1994; Krueger, 2000; Krueger, Reilly and Carsrud, 2000).

Study conducted among engineering students in Hong Kong revealed that, no matter students took an entrepreneurship course or not, there are significant differences in entrepreneurial intentions between students with and without role models like entrepreneurial parents, relatives or friends (Hongyi Sun, 2012). Howard Van Auken et al., (2006) examines the impact of role model activities on potential entrepreneurs desire to own a business. This study looks at the relationship between several business activities and the desire to own a business. Role model activities

related to involving the respondent in professional activities, employment in the business, and discussions about the business were found to be significantly related with interest in starting a business. Karimi et al., (2012) conducted a survey among Iranian college students. They outcome of the survey revealed that role models have positive influence on students' attitude, perceived behaviour and subjective norms of Iranian college students. These empirical studies were took place in a western setting. The adaptability of the same in Indian context is questionable.

Research Method

Role models play a significant role in shaping an individual's attitudes, norms and behaviour. In this sense the role of role models have been considered in inducing the entrepreneurial intention, attitudes, subjective norms and perceived behavioural control. Based on the arguments following conceptual model has been formulated;

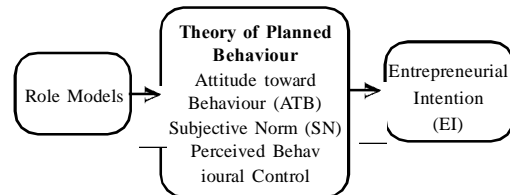


Figure 1 : Research model of the Study

Figure 1 illustrates the conceptual model of this work. The model put forward based on Theory of Planned Behaviour which explains the entrepreneurial intention of students. It also demonstrates the influence of role models on students' attitudinal antecedents namely attitude towards entrepreneurial behaviour, subjective norms and perceived behavioural control as well as on entrepreneurial intention. Based on the model following hypothesis were formulated

H₀₁: There is no significant relationship between the scores on role models and attitude towards behaviour.

H₀₂: There is no significant relationship between the scores on role models and perceived behavioural control.

H₀₃: There is no significant relationship between the scores on role models and subjective norms.

In order to test the above hypothesis questionnaires were administered to full-time post-graduate students from science and non-science degrees, during academic year 2012 ó 2013 from recognized university in India, with previous authorization from the lecturer/professor. Systematic random sampling method was used to select the respondents in order to administer the Entrepreneurial Intention Questionnaire. The Entrepreneurial Intention Questionnaire (EIQ) adopted for this study is a modified version of the one used by Linan and Chen (2009). In this scale items measuring the key constructs were randomly ordered. Some reversed items were also included. Students answered items that addressed four central constructs of the theory of planned behavior: Entrepreneurial Intention (20, 22, 25-reversed-, 29, 33 and 35-rev-), Attitude towards Entrepreneurship (18-rev-, 26, 28-rev-, 31 and 34), Perceived Behavioral Control (17, 21-rev-, 23, 30, 32-rev-, 36), and Subjective Norms (19, 24, 27). EI was measured via statements such as *õready to do anything to be an entrepreneurõ, õtake efforts to start and run an own businessõ, etc., Attitude towards entrepreneurship was measured through õAmongst various options, I would rather be anything but an entrepreneurõ, õEntrepreneur career is unattractiveõ etc., PBC was identified using õStarting and running a business is an easy taskõ etc and SN was measured through*

õFamily members approve the decision to start a businessõ etc., Students also responded to five items concerning the role models. Items were measured by responses on a four point Likert scale in agreement with statements, ranging from 1 = strongly disagree, 2 = disagree, 3 = agree and 4 = strongly agree.

The survey was initiated with an introduction to the purpose of research. Necessary guidance and instructions were given to the respondents with regard to questionnaire filling. The questionnaires were distributed to sample of 200 final-year students. On perusal it was found that a 12 response sheets were incomplete and a few were not marked properly. Hence, those response sheets were eliminated from the sampling units. Totally the final sample consisted of 188 students which yield 94 percent response rate.

Descriptive analysis and Structural Equation Modelling (SEM) were employed to examine the influence of role models on respondents' intention towards entrepreneurial activity.

Results and Discussions

This section covers the outcome of the investigation. Table 1 provides the descriptive statistics of the research. A basic descriptive analysis was performed to determine the average scores and the dispersion of scores for the constructs attitude, subjective norms, perceived behavioural control and entrepreneurial intention.

The results are shown in Table 1. It is clear from the figures that the mean score on entrepreneurial intention for male students from science and non-science degree are significantly higher than female students. It is thus inferred that potential male entrepreneurs would have higher levels of intention to have a business venture compared to potential female entrepreneurs. Further the

figures indicate the attitude mean score is at an average, which consecutively imply that the respondents have a positive attitude towards entrepreneurship. Meanwhile, the mean scores for subjective norms and perceived behavioural control were moderately high.

Table 1:
Mean and SD Scores of the Respondents on Study Variables

Variables	Science		Non-Science	
	Male N = 40	Female N = 44	Male N = 47	Female N = 57
EI	16.30 (4.25)	15.45 (3.19)	17.36 (3.15)	15.70 (2.85)
ATB	14.52 (2.86)	13.86 (2.96)	15.06 (3.23)	13.68 (2.40)
PBC	16.37 (2.97)	15.77 (2.71)	17.60 (3.19)	16.12 (2.03)
SN	21.45 (3.94)	20.61 (2.88)	20.55 (3.46)	20.94 (2.34)

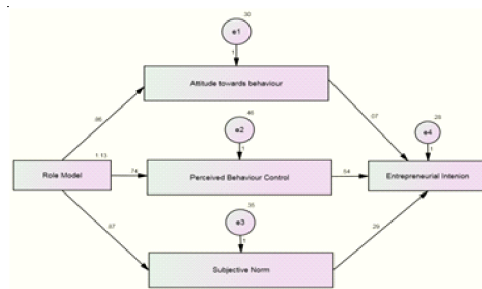


Figure 2:
Influence of Role Models on Entrepreneurial Intention

Structural Equation Modeling (SEM) was employed to examine the influence of role models on respondents' intention towards entrepreneurial activity. Figure 2 exhibit the influence of role models on entrepreneurial intention of young generation. The RMSEA offers value of 0.1, the CFI, NFI present values 0.985, 0.981 respectively and GFI represents 0.961 indicating that the model in above figure provides an appropriate representation of the data. Taking into

account the set of a fit index, the model presents a good fit to the data for the postgraduate students.

Table – 2:
The Assessment of the Structural Model

Hypothesis Tested	Estimate (Bvalue)	S.E.	C.R. (t-value)	P
H ₀₁ : Role Model → Attitudes	0.856	23.522	0.036	***
H ₀₂ : Role Model → Perceived Behaviour	0.742	16.411	0.045	***
H ₀₃ : Role Model → Subjective Norms	0.872	22.100	0.039	***
Attitude → Entrepreneurial Intention	0.119	2.141	0.056	***
PBC → Entrepreneurial Intention	0.532	10.392	0.051	***
Subjective Norm → Entrepreneurial Intention	0.242	4.557	0.053	***

It can be seen from the Table 2 that attitude towards entrepreneurial behaviour, perceived behavioural control and subjective norms significantly influenced the students' entrepreneurial intention. The results also showed that role models positively influenced attitude, perceived behavioural control and subjective norms supporting the hypothesis 1, 2, and 3 respectively. Hence, the null hypothesis that there is no significant relationship between the scores on role models and attitude towards behaviour, there is significant relationship between the scores on role models and perceived behavioural control and there is significant relationship between the scores on role models and subjective norms are rejected. The alternate hypothesis that there is significant relationship between the scores on role models and attitude towards behaviour, there is significant relationship between the scores on role models and perceived behavioural control, and there is significant relationship between the scores on role models and subjective norms are ascertained.

Conclusions

The decision to become as an entrepreneur may be voluntary and conscious. Therefore, it seems reasonable to analyze how that decision is taken by individuals especially by the young generation. This study was performed to explore the influence of role models towards entrepreneurial proclivity of the youth in Tamilnadu, India.

Students who have attracted towards role models have positive attitude on entrepreneurial behaviour, perceived behavioural control and subjective norms. The most frequently identified role models were family members, followed by peers, famous persons and teachers.

References

- Basow, S. and Howe K. (1980) "Role-model influence: Effects of sex and sex-role attitude in college students", *Psychology of Women Quarterly*, Vol. 4, pp. 558-572.
- Bates, T. (1995) "Self-employment entry across industry groups", *Journal of Business Venturing*, Vol. 12 No. 02, pp. 109-124.
- Carree A. Martin and Thurik. The impact of entrepreneurship on economic growth, [http://people.few.eur.nl/thurik/Research/Articles/The % 20 impact % 20 of % 20 entrepreneurship % 20 on % 20 economic % 20 growth % 20 % 20thurik % 20 chapter.pdf](http://people.few.eur.nl/thurik/Research/Articles/The%20impact%20of%20entrepreneurship%20on%20economic%20growth%20%20thurik%20chapter.pdf), Retrived on June, 2012.
- Crant, M. J. (1996) "The proactive personality scale as a predictor of entrepreneurial intentions", *Journal of Small Business Management*, Vol. 34 No. 03, pp. 42- 49.
- Evans, D., and Leighton, L. (1989) "Some empirical aspects of entrepreneurship", *American Economic Review*, Vol. 79, pp. 519-535.
- Grundsten, H. (2004) "Entrepreneurial intention and entrepreneurial environment: A study of technology-based new venture creation", Doctoral Dissertation, Helsinki University of Technology, Finland Available at <http://lib.tkk.fi/Diss/2004/isbn9512271311/isbn9512271311.pdf>.
- Guerrero, M., Rialp, J. & Urbano, D. (2006) "The impact of desirability and feasibility on entrepreneurial intentions: A structural equation model", *The International Entrepreneurship and Management Journal*, Vol. 4 No. 01, pp. 35-50.
- Henley, A., (2007) "From entrepreneurial aspiration and transition to business startup: evidence from British longitudinal data", *Entrepreneurship and Regional Development*, Vol. 19 No. 03, pp. 253-280.
- Hindle, K. and Rushworth, S. (2000) "Global Entrepreneurship Monitor: Australia", Hawthorne, Victoria, Swinburne University of Technology.
- Howard Van Auken, Fred L. Fry, and Paul Stephens (2006) "The Influence of Role Models on Entrepreneurial Intentions", *Journal of Developmental Entrepreneurship*, Vol 11 No. 02, pp. 157-167.
- Hongyi Sun (2012) "Impact of role models on the entrepreneurial intentions of engineering students", IEEE International Conference on Teaching, Assessment and Learning for Engineering (TALE).
- Karimi Saeid, Biemans J.A. Harm, Lans Thomas, Chizarib Mohammad, Mulder Martin, Karim Naderi Mahdeic (2013) "Understanding role models and gender influences on entrepreneurial intentions among college students", *Procedia - Social and Behavioral Sciences* Vol. 93, 2046-214.

- Krueger, N. F., Reilly, M. D., & Carsrud, A. L. (2000) "Competing models of entrepreneurial intentions", *Journal of Business Venturing*, Vol. 15 No. 05, pp. 411-432.
- Krueger, N. F., Brazeal D. V. (1994) Entrepreneurial Potential and Potential Entrepreneurs, *Entrepreneurship theory and practice*, 91-104, [http://www.cemi.com.au/sites/all/publications/Krueger % 20 and % 20 Brazeal % 201994.pdf](http://www.cemi.com.au/sites/all/publications/Krueger%20and%20Brazeal%201994.pdf)
- Locke, E. A., & Latham, G. P. (1990) "A theory of goal setting and performance", Englewood Cliffs, NJ: Prentice-Hall.
- Lowe, R. (2002) "Invention, innovation and entrepreneurship: The commercialization of university research by inventor founded firms", PhD dissertation, University of California at Berkeley.
- Luthje, C., & Franke, N. (2003) "The making of an entrepreneur: Testing a model of entrepreneurial intent among engineering students at MIT", *R&D Management*, Vol. 33 No. 02, pp. 135-148.
- Mathews, C.H., and Moser, S.B. (1996) "A longitudinal investigation of the impact of family background and gender on interest in small firm ownership", *Journal of Small Business Management*, Vol. 34 No. 02, pp. 29-43.
- Mazzarol, T., Volery, T., Doss, N., and Thein, V., (1999) "Factors influencing small business startups", *International Journal of Entrepreneurial Behaviour and Research*, Vol. 5 No. 02, pp. 48-63.
- Nauta, M. and Kokaly, M. (2001) "Assessing role model influences on students' academic and vocational decisions", *Journal of Career Assessment* Vol. 9 No. 01, pp. 81-99.
- Pleiss, M.K., and Feldhusen, J.F. (1995) "Mentors, role models, and heroes in the lives of gifted children", *Educational Psychologist*, Vol. 30 No. 03, 159-169.
- Reynolds, P., Carter, N., Gartner, W., Greene, P, and Cox, L. (2002) *The entrepreneur next door: Characteristics of individuals starting companies in America*. Kansas City, MO: Ewing arion Kauffman Foundation
- Ritsila, J., & Tervo, H. (2002) "Effects of unemployment on new firm formation: Micro-level panel data evidence from Finland", *Small Business Economics*, Vol. 19, pp. 31-40.
- Scherer, R., Adams, J., Carley, S. and F. Wiebe (1989) "Role model performance effects on development of entrepreneurial career preferences", *Entrepreneurship Theory and Practice*, Vol. 13 No. 03, pp. 53-71.
- Shane, S. and Venkataraman, S. (2000) "The promise of entrepreneurship as a field of research", *Academy of Business Review*, Vol. 25 No. 01, pp. 217-26.
- Shapiro, A., and Sokol, L., (1982) The social dimension of entrepreneurship. In: Kent, C. A., Sexton, D. L., & Vesper, K.H. (eds.), *The Encyclopedia of Entrepreneurship*, Englewood Cliffs, NJ., Prentice-Hall.
- Van Praag, C. and Versloot, P. (2007) "What is the value of entrepreneurship? A review of recent research", *Jena Economic Research Papers*, Available at <http://ftp.iza.org/dp3014.pdf> .
- Wong, M Choo, S. (2009) "Entrepreneurial intention: Triggers and barriers to new venture creation in Singapore", *Singapore Business Review*, Vol. 28 No. 02, pp. 47-64.

- Wu, S. & Wu L. (2008) "The impact of higher education on entrepreneurial intentions of university students in China" *Journal of Small Business and Enterprise Development*, Vol. 15 No. 04, pp. 752-774.
- Zhao, H. & Seibert, S. E. (2006) "The big five personality dimensions and entrepreneurial status: A meta-analytical review" *Journal of Applied Psychology*, Vol. 91 No. 02, pp. 259-271.
- Zhao, H., Seibert, S. E., & Hills, G. E. (2005) "The mediating role of self-efficacy in the development of entrepreneurial intentions" *Journal of Applied Psychology*, Vol. 90, pp. 1265-1272.