

# STUDY OF AN INDIVIDUAL'S ENTREPRENEURIAL INTENTION: EVIDENCES FROM TELECOM INDUSTRY IN JAIPUR CITY

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## Abstract

*Entrepreneurs have been regarded as the key drivers in the progress and development of a nation. Entrepreneurs are persons undertaking innovation, finance and business acumen in order to transform these innovations into economic goods. Risk taking, opportunity seeking and speculation are normally considered as characteristics of entrepreneurs in various researches. The study explored the factors required by managers intending to become an entrepreneur. This study focussed on the relationship between individual motivational factors critical to entrepreneurial business success. Factors behind the motivational levels of individuals who intend to become entrepreneurs such as opportunity recognition, trigger event, need for achievement, innovation, self-efficacy and propensity for proactive behaviour were chosen as the main variables and a questionnaire was designed. The questionnaire was sent to 40 local managers and employees of telecom industry and 25 valid responses were received. A correlation coefficient was determined among all the above variables. Similarly, the correlation study suggests a positive correlation between triggering event and need for achievement and propensity for proactive behaviour (512, 573). A low positive correlation was found between need for achievement and innovation (345). The results suggest that incubation practices and training could enhance the entrepreneurial capabilities among the employees. Entrepreneurship is a process and could be nurtured by thorough programs that promote entrepreneurial attitude and help potential entrepreneurs engage in entrepreneurial activities.*

## Introduction

Entrepreneurship is a triggering factor for economic growth of any nation. The European Union has widely accepted the idea that its future prosperity is rooted in the creation of entrepreneurial ventures (Garavan and O'Connell, 1994). In fact, for most nations, entrepreneurship is the major catalyst for economic growth (Gorman, Hanlon, and King, 1997). Ultimately, new firms are formed by individuals who perform the entrepreneurial activity necessary to create a new business. Each individual brings an accumulation of unique combinations of factors resulting from background and disposition that either encourage or discourage entrepreneurial activity (Naffziger, Hornsby, and Kuratko, 1994). In recent times the competition intensity in telecommunication industry in India has increased (Salwan et al., 2010). This has resulted in a sharp decline of profits for this industry. It has simultaneously placed a lot of pressure on the employees working in these organisations. It has been suggested that a person's career goes through five life stages: exploration, establishment, mid-career, late career, and decline (Maanen and Schein, 1987). In each of these stages, an individual faces significant events that lead to important career decisions. During the mid-career stage, the

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individual assesses his or her success which may lead to a decision to either change careers or continue to develop the present career. The creation of a new business is an example of planned entrepreneurial behavior that is the result of careful thought and action over a period or time (Carland and Carland, 2001; Bird, 1988; Katz and Gartner, 1988). Therefore, individuals in their mid or late career are primary targets for entrepreneurship.

### Exploratory Model and Hypothesis

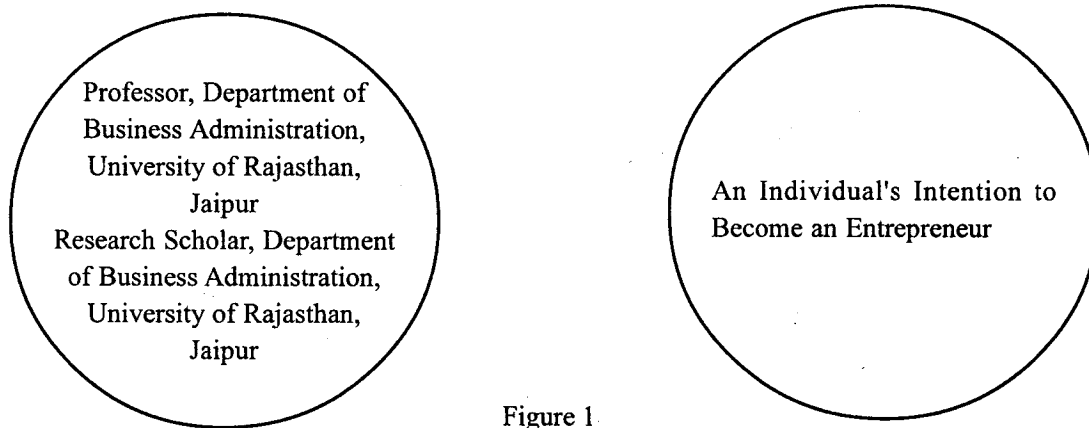


Figure 1

- H01 Self-efficacy has a positive relationship with the intention to become an entrepreneur.
- H02 Need for achievement has a positive relationship with the intention to become an entrepreneur.
- H03 Opportunity recognition has a positive relationship with the intention to become an entrepreneur.
- H04 Trigger event has a positive relationship with the intention to become an entrepreneur.
- H05 Innovation has a positive relationship with the intention to become an entrepreneur.
- H06 Propensity for proactive behaviour has a positive relationship with the intention to become an entrepreneur.
- H07 All the above factors in combination have a positive relationship with the intention to become an entrepreneur.

### Research Methodology

The first step in the research was to establish whether the individual has the intention to become an entrepreneur and how there exist various factors which are responsible for this intention. An exploratory study was undertaken to determine the above objectives. A random sample was collected from the middle level managers of telecom companies. Data were collected through self-administered questionnaires. Entrepreneurial intention was assessed using a 6-item likert scale. Independent and dependent variables were operationalised using indicators for each variable in the questionnaire. The questionnaire was administered to middle level managers in the major telecom companies of Jaipur city. Thirty-five questionnaires were sent and 25 valid responses were received. Data was analysed using Pearson correlation among the various variables and hypothesis test was carried out.

**Data Analysis Table:1**

**Descriptive Statistics**

N	Minimum	Maximum	Mean	Std. Deviation	
SE	25	4.00	6.00	5.3600	.56862
AC	25	1.00	3.00	1.9600	.88882
OR	25	5.00	6.00	5.4400	.50662
TE	25	5.00	6.00	5.7600	.43589
IN	25	3.00	5.00	3.5200	.58595
PB	25	4.00	6.00	5.2800	.61373
Intention	25	4.00	6.00	5.4000	.57735
Valid N (listwise)	25				

The descriptive statistics analysis of the variables suggests a mean of 5.4 for the Intention of becoming an entrepreneur. Similarly, mean values were greater than 5 for opportunity recognition, triggering event and propensity for proactive behaviour. Similarly the correlation study suggests a positive correlation between triggering event and need for achievement and propensity for proactive behaviour (.512, .573). A low positive correlation was found between the need for achievement and innovation (.345). A positive correlation was also found between innovation and intention (.345). A negative relationship was found between opportunity recognition and intention to become an entrepreneur.

**Correlation**

		SE	AC	OR	TE	IN	PB	Intention
SE	Pearson Correlation	1						
	Sig. (2-tailed)							
	N	25						
AC	Pearson Correlation	.030	1					
	Sig. (2-tailed)	.888						
	N	25	25					
OR	Pearson Correlation	.295	-.144	1				
	Sig. (2-tailed)	.152	.491					
	N	25	25	25				
TE	Pearson Correlation	-.309	.512**	-.445*	1			
	Sig. (2-tailed)	.132	.009	.026				
	N	25	25	25	25			
IN	Pearson Correlation	-.335	-.358	-.241	.020	1		
	Sig. (2-tailed)	.101	.079	.245	.926			
	N	25	25	25	25	25		
PB	Pearson Correlation	-.181	.021	-.547**	.573**	.042	1	
	Sig. (2-tailed)	.385	.919	.005	.003	.843		
	N	25	25	25	25	25	25	
Intention	Pearson Correlation	.178	-.130	-.484*	-.099	.345	-.094	1
	Sig. (2-tailed)	.395	.536	.014	.637	.091	.655	
	N	25	25	25	25	25	25	25

\*\* . Correlation is significant at the 0.01 level (2-tailed).

\* . Correlation is significant at the 0.05 level (2-tailed).

The R<sup>2</sup> value for the predictors' opportunity recognition, propensity for proactive behaviour, self-efficacy and innovation was found to be .782 which explains a great deal of variance in the dependent variable. The t test for hypothesis test suggests that at 95% confidence interval need for achievement and innovation factors which had values between +\_ 2.492 (.5931 and 1.3269. and 2.278 and 2.235 were accepted. The remaining hypotheses were rejected:

Table 2

**Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.484a	.235	.201	.51598
2	.647b	.418	.365	.45993
3	.724c	.524	.456	.42592
4	.782d	.611	.533	.39454

a. Predictors: (Constant), OR

b. Predictors: (Constant), OR, PB

c. Predictors: (Constant), OR, PB, SE

d. Predictors: (Constant), OR, PB, SE, IN

Table 3

**One-Sample Test**

Test Value = 1

	t	df	Sig. (2-tailed)	Mean Difference	95% Confidence Interval of the Difference	
					Lower	Upper
SE	38.338	24	.000	4.36000	4.1253	4.5947
AC	5.400	24	.000	.96000	.5931	1.3269
OR	43.820	24	.000	4.44000	4.2309	4.6491
TE	54.601	24	.000	4.76000	4.5801	4.9399
PB	34.869	24	.000	4.28000	4.0267	4.5333
IN	21.504	24	.000	2.52000	2.2781	2.7619
Intention	38.105	24	.000	4.40000	4.1617	4.6383

**Discussion and Conclusions**

The study was exploratory in nature with a purpose to investigate the objective whether managers or employees could become entrepreneurs. The sample selected was from the telecommunication sector. The model tested the relationship between the various motivational factors for intention to become an entrepreneur.

The data clearly suggests that the need for achievement and innovation were considered the primary variables for intention to become an entrepreneur. The need for achievement could play an important role in explaining entrepreneurial activity (Shane et al., 2003). The remaining variables as opportunity recognition, propensity for proactive behaviour and self-efficacy were also contributing to the intention to become an entrepreneur although the contribution was moderate. The mid career stage was also recognized as a factor contributing to

entrepreneurial intention. If an individual is discouraged or dissatisfied with his or her current career prospects entrepreneurship provides a viable alternative. Various training and incubation activities can be provided by the government to encourage these entrepreneurs at the mid career stage. In case of triggering event it was found that negative events have more impact on entrepreneurial decisions. This finding is in accordance with the findings of Summer (2000). Entrepreneurship is a process and could be nurtured through programs that promote entrepreneurial attitude and help potential entrepreneurs engage in entrepreneurial activities.

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