

# EFFECT OF ENTREPRENEURIAL TRAINING PROGRAM ON ENTREPRENEURIAL INTENTION OF POTENTIAL ENTREPRENEURS. (THE BUSINESS MANAGEMENT STUDENTS)

K.YOGALAKSHMI

Assistant Professor of Business Administration,  
Annamalai University, Annamalai Nagar – 608 001, Tamilnadu, India.

## ABSTRACT

*Entrepreneurship is the driving force of socio-economic development of a nation. The objective of the present study is to understand the entrepreneurial intention among the students and factors affecting this intention and to study the effect of entrepreneurial training program on their entrepreneurial intention. To achieve the purpose of this study forty entrepreneurs were selected from Chidambaram town of cuddalore district, Tamilnadu, at random and their age ranges from 30 to 65 years and all of them are health and normal. They are divided into two groups and designed as control group (students have not underwent training) and treatment group (students underwent entrepreneurial training program) twenty entrepreneurs each. The treatment group underwent a four weeks of entrepreneurial development training program. The control group was restricted from any form of training intervention. The primary data was collected through a well structured questionnaire before the training period and after the training completion. The collected data was analyzed using analysis of variance (ANCOVA). The results of the study showed that EDP training can be an effective training intervention to enhance entrepreneurial intention of entrepreneurs.*

**Keywords:** *Entrepreneurial intention, EDP, entrepreneurship*

## 1.INTRODUCTION

Human beings are differing genetically, environmentally and culturally from each others, due to this difference their preferences are also differ. This opinion gives the birth of their ability to get attracted towards certain things while distracted and demotivated by certain factors and forces (Delmar and Davidsaon, 2000). Entrepreneurial intention and career are such aspects. Parker (2004) defines intention is an individual's specific propensity to perform an action or a series of actions. It is the result of conscious thinking that directs behavior. Bird (1989) defines intention as a conscious state of mind that directs attention toward a specific goal. Individuals with the intention to start a business not only have a propensity to start, but in addition, adopt a rational

behaviour to reach their goal. Intentionality is, thus, grounded in cognitive psychology that attempts to explain or predict human behavior (Ponmani et al, 2014).

### **Entrepreneurial Training in Indian context.**

There is a growing body of literature arguing that entrepreneurial intentions play a very relevant role in the decision to start an entrepreneurship career. Entrepreneurship promotion through training intervention is becoming increasingly popular in developed countries. Training in entrepreneurial attitude should start at the high school level through well designed courses, which could build Confidence through behavioral games. Entrepreneurship among student, no doubt improves the wealth of the nation in general and of the family in particular. Student today are more willing to take up activities. Student entrepreneurship must be molded properly with entrepreneurial traits and skills to meet the change in trends, challenges global markets and also be competent enough to sustain and strive for excellence in the entrepreneurial arena (Nanu Lunavath, 2015).

The development of entrepreneurial talent is important in sustaining a competitive advantage in a global economy that is brought about by entrepreneurial creativity and innovation. Empirical evidence confirms that entrepreneurial programs have successfully imparted relatively higher confidence among the potential entrepreneurs to pursue their own-line of entrepreneurial activities. (Akhtar Ali et al, 2011). Moreover, academic experience of entrepreneurs significantly predicts their entrepreneurial attributes and motivation (Lope Pihie, 2008). University institutes the potential entrepreneurs with those attitudes that help them to take responsibility of their own actions, being innovative, and also to develop their creativity in their lives. In India, it is believed that tremendous latent entrepreneurial talent exists which, if properly harnessed, can help accelerate the pace of socio-economic development, balanced regional growth, exploitation of locally available resources and creation of gainful employment and self-employment. Such a realisation on the part of planners and policy formulators has resulted in the emergence of entrepreneurship development programmes (EDPs) for various target groups of population in the country. EDPs are being offered by a large number of organisations with a view to bringing to the fore the latent entrepreneurial ability in various target groups and motivating the programme participants to establish their own enterprises. (Saini and Bhatia, 1996). EDP conducting institutions, programme sponsoring organisations and entrepreneurship trainers and educators would naturally be interested in knowing the impact of their efforts. However, practically no attempts were made in this direction for almost two decades after the EDPs made their appearance in India, and it is only recently that a few studies assessing the effectiveness of EDPs have come out. (Ravikumar,1987 ; Robert G.Wyckhan,1990 ; Sureshbabu,1990 ; D. D. Mali, 1990 ; Bharathi Sharma, 1991 ; D. N .Aswathi and Jose Sebastin, 1992 ). What is important to emphasize is that a near infinite

number of combinations of attributes may lead to the decision to become an entrepreneur. This complexity, however, is not reflected in the selection criteria of most training programmes around the world. (Dennis M. Ray, 1993)

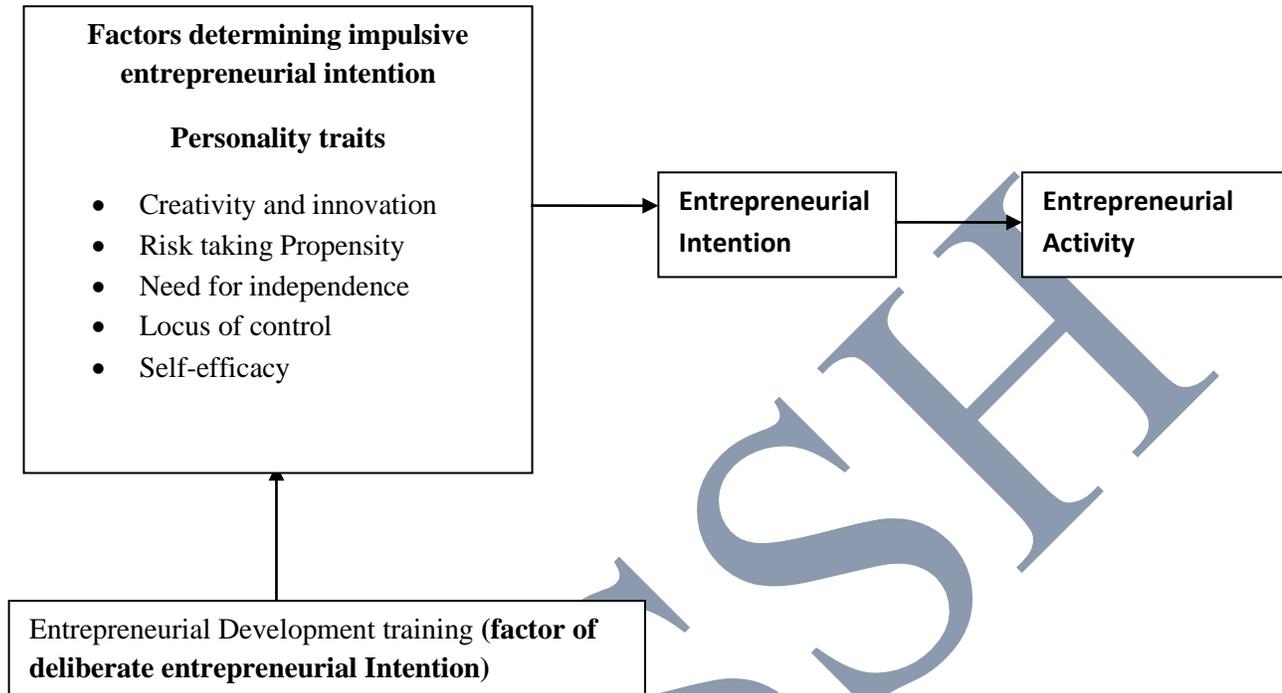
## 2. NEED OF THE STUDY

The objective of this study is to find out whether entrepreneurial development training intervention can have effect on the entrepreneurial intention of potential entrepreneurs. It is widely assumed that there is a universal set of finite and linear personality attributes that determines whether one can be an entrepreneur. One might assume that students of business administration have a higher propensity for entrepreneurship (Sexton and Bowman, 1986). Psychological research claims that intentions are a critical predictor of consequent planned behavior (Bagozzi, Baumgartner & Yi, 1989). Consequently entrepreneurial intention is an important phenomenon, and has involved substantial cognitive research. (Mohammed Ismail, 2009). Research into the cognitive processes of entrepreneurs attempts to understand more about the how entrepreneurs think (Mitchell et al., 2007) and considers the modes that entrepreneurs process information (Baron, 2004). Entrepreneurial cognition is the process through people sort and makes sense of all the information they perceive through cognition. Perwin (2003) defined cognition as: "The person's thought processes, including perception, memory, and language – the ways in which the organism processes information." Through this process people construct cognitive schemes (Kelly, 1955), sometimes referred to as mental maps (Senge, 1990). Studying the cognitive process and the cognitive schemes is important, because it helps to understand what we perceive as relevant in new knowledge, how we process information and how we structure it (Krueger, 2007). Studying entrepreneurial cognition includes studying how entrepreneurs use cognitive ability to process information relating to starting and running a business (Mitchell et al. 2007). Entrepreneurial cognition is believed to be the explanation as to why some people become entrepreneurs while others do not, and why some people recognize opportunities which other fail to see (Shane & Venkataraman, 2000). Quan (2012) argued that entrepreneurial intention is of two types namely Impulsive and Deliberate. Impulsive entrepreneurial intention refers to intention without realistic control of business resources. It can be influenced by personal characteristics, culture or demographic factors. Deliberate entrepreneurial intention is the willingness of the individual to venture into business due to the feasibility of entrepreneurial behaviors. It depends on external resources such as prior experience or network building etc. This paper aims to study the effect of an external resource (entrepreneurial training) in the entrepreneurial intention of the potential entrepreneurs. This implies that whether impulsive entrepreneurial intention can be enhanced through deliberate entrepreneurial intention.

### 3. REVIEW OF LITERATURE

**Saini and Bhatia, (1996)** in their paper “**Impact of Entrepreneurship Development Programmes**” remembers about the beginnings of entrepreneurship development programmes (EDPs). EDPs can be traced back to the early 1960s. While the movement has gained considerable momentum since then, attempts to evaluate their effectiveness and impact are being made only since the last few years. Not only are the studies directed to this end few in number, they by and large have assessed these programmes with reference only to the number of trainees launching their own enterprises. This, the authors claim, is too limited a criterion. They employ a more comprehensive framework to evaluate such programmes organised in a specific region of the country. **Krishna, (2003)** in his paper “**Bridging the Gap: Conceptual Paradigms and Training for Entrepreneurship Development**” opines that in the process of entrepreneurship development, training is responsible for generating awareness, developing attributes and providing the necessary linkages. He brings a number of implications regarding training in entrepreneurship and brings out a notable implication as creating awareness on the importance of an entrepreneurial way of life among key stakeholders could possibly be a role of educators and trainers involved with entrepreneurship. For potential entrepreneurs, the awareness of an inevitable mismatch between their way of life and stakeholders’ ways of doing things should contribute to the required preparedness for ensuring entrepreneurial ‘effectiveness’. **Ethen Duyglues (2008)** in his study titled “**Institutional profiles and entrepreneurship orientation: A case of Turkish graduate students**” tried to investigate whether entrepreneurs and non-entrepreneurs have systematically different psychological characteristics, especially in terms of proactive behaviour or personality. He used the entrepreneurship model proposed by Kostova (1997). The model suggests that among other things, those certain entrepreneurial activities and these characteristics make them different from non-entrepreneurs. It was found that 67.9 percent of the students were found to be entrepreneurially inclined. The income of the family and profession of the family members was found to be a significant factor that influences the entrepreneurial orientation of students. A strong relationship between proactive behaviour and entrepreneurship orientation was found in the study. **Gangaiah and viswanath (2014)** in his research titled “**Impact of Management education in developing entrepreneurial aspirations and attitudes among management students**” found out that 92.22 percent of the students perceive EDPs as factor that develops entrepreneurial intention.

#### 4. CONCEPTUAL FRAME WORK OF THE STUDY



Source: Own Elaboration

#### 5. RESEARCH METHODOLOGY

The research design is experimental in nature. Subjects for the present study were forty entrepreneurs from the Chidambaram town at district of Cuddalore, Tamilnadu, India. The subjects were business administration students who were termed as potential entrepreneurs. Probability random sampling technique was used. The selected subjects were divided into Potential entrepreneurs underwent entrepreneurship Development training (PEEDP) as treatment group and Potential entrepreneurs not underwent entrepreneurship development training(PENEDP) as treatment group with twenty subjects each. The experimental group underwent a four weeks entrepreneurship development training intervention. The control group was not given the training. The training program was designed for eight hours per day. The training module comprised of theory sessions, field visits to industrial sites and financial institutions, panel discussion with entrepreneurs and finance officers.

##### 5.1 Data collection

Data was collected through primary data collection and secondary data sources. Primary data was collected through well structured questionnaire designed based on the literature review. The

questionnaire was administered to the respondents before the training commenced and completed to the treatment and control group.

## 6. ANALYSIS AND DISCUSSION

**Table 1: Pre-post test mean, Standard deviation and adjusted post-test mean of Entrepreneurial Intention of Potential entrepreneurs**

Variables		Control group(PENEDP)	Treatment group(PEEDP)	df	'F'
Creativity and Innovation	Pre-Test mean	84.6	84.85	1	0.008
	SD	10.01	7.35	38	
	Post-Test mean	82.65	74.75	1	12.7*
	SD	6.67	7.29	38	
	Adjusted Post-Test Mean	82.68	74.72	1 37	
Risk Taking Propensity	Pre-Test mean	113.25	114.45	1	0.06
	SD	14.88	15.58	38	
	Post-Test mean	119.10	104.80	1	6.99*
	SD	15.23	18.79	38	
	Adjusted Post-test mean	119.71	104.19	1 37	
Need for Independence	Pre-Test mean	83.6	83.8	1	0.008
	SD	10.01	7.35	38	
	Post-Test mean	82.65	74.75	1	12.7*
	SD	6.67	7.27	38	
	Adjusted Post-test mean	82.68	73.72	1 37	
Locus of Control	Pre-Test mean	84.6	84.85	1	0.008
	SD	10.01	7.35	38	
	Post-Test mean	82.65	74.75	1	12.7*
	SD	6.67	7.29	38	
	Adjusted Post-test mean	82.68	73.72	1 37	
Self-Efficacy	Pre-Test mean	113.25	114.45	1	0.06
	SD	14.88	15.58	38	
	Post-Test mean	119.10	104.80	1	6.99*
	SD	15.23	18.79	38	

	<b>Adjusted mean</b>	<b>Post-test</b>	119.71	104.19	1	44.79*
					37	
					37	

\*significant at 0.05, the table value required for significance at 0.05 (DF 1, 38=4.10) & (df 1, 37=4.09)

The proposed hypothesis  $H_a$  is, that there is a significant difference in Impulsive Entrepreneurial Intention Factors (Personality traits) of Potential entrepreneurs due to entrepreneurial training intervention.

The statistical analysis from the table-I shows that for the variable creativity and innovation the pre-test means for control group and experimental groups are 84.60 and 84.85 respectively. The obtained F ratio 0.008 for pre-test is less than the tabulated value 4.10. The result of pre-test indicates that there is no significant difference between the control group and experimental group. The post- test means of experimental group and control group are 74.79 and 82.65 respectively. The obtained F ratio 12.7 is greater than the table value 4.10. The result of the post- test indicates that there is significant difference between the experimental group and the control group after the entrepreneurial training. The adjusted post test mean for the control group and experimental group are 82.68 and 74.72 respectively. The obtained F ratio for adjusted post-test 13.9 is greater than the tabulated value 4.09. It interprets that there is significance change in the creativity and innovation trait as a result of entrepreneurial training. The results also reveal that there is significant difference. Similarly for the variable risk taking propensity the pre-test means for control group and experimental groups are 113.25 and 114.45 respectively. The obtained F ratio 0.06 for pre-test is greater than the table value 4.10. The result of pre-test indicates that there is no significant difference between the control group and experimental group. The post- test means of experimental group and control group are 74.79 and 82.65 respectively. The obtained F ratio 12.7 is greater than the table value 4.10. The result of the post-test indicates that there is significant difference between the experimental group and the control group after the entrepreneurial training. The adjusted post test mean for the control group and experimental group are 82.68 and 74.72 respectively. The obtained F ratio for adjusted post-test 13.9 is greater than the table value 4.09. It interprets that there is significance change in the risk taking propensity as a result of entrepreneurial training. The results also reveal that there is significant difference. For the variable need for independence the pre-test means for control group and experimental groups are 113.25 and 114.45 respectively. The obtained F ratio 0.06 for pre-test is greater than the table value 4.10. The result of pre-test indicates that there is no significant difference between the control group and experimental group. The post- test means of experimental group and control group are 74.79 and 82.65 respectively. The obtained F ratio 12.7 is greater than the table value 4.10. The result of the post-test indicates that there is significant difference between the experimental group and the control group after the

entrepreneurial training. The adjusted post test mean for the control group and experimental group are 82.68 and 74.72 respectively. The obtained F ratio for adjusted post-test 13.9 is greater than the table value 4.09. It interprets that there is significance change in the said personality trait need for independence as a result of entrepreneurial training. The results also reveal that there is significant difference. The pre-test means for control group and experimental groups are 84.60 and 84.85 respectively for the trait locus of control. The obtained F ratio 0.008 for pre-test is less than the tabulated value 4.10. The result of pre-test indicates that there is no significant difference between the control group and experimental group. The post- test means of experimental group and control group are 74.79 and 82.65 respectively. The obtained F ratio 12.7 is greater than the table value 4.10. The result of the post-test indicates that there is significant difference between the experimental group and the control group after the entrepreneurial training. The adjusted post test mean for the control group and experimental group are 82.68 and 74.72 respectively. The obtained F ratio for adjusted post-test 13.9 is greater than the tabulated value 4.09. It interprets that there is significance change in the said trait as a result of entrepreneurial training. The results also reveal that there is significant difference. The pre-test means for control group and experimental groups are 113.25 and 114.45 respectively for the trait self efficacy. The obtained F ratio 0.06 for pre-test is less than the tabulated value 4.10. The result of pre-test indicates that there is no significant difference between the control group and experimental group. The post- test means of experimental group and control group are 119.10 and 104.80 respectively. The obtained F ratio 6.99 is greater than the table value 4.10. The result of the post-test indicates that there is significant difference between the experimental group and the control group after the entrepreneurial training. The adjusted post test mean for the control group and experimental group are 119.71 and 104.19 respectively. The obtained F ratio for adjusted post-test 44.79 is greater than the tabulated value 4.09. It interprets that there is significance change in the said trait as a result of entrepreneurial training. The results also reveal that there is significant difference.

The results of the study endorse the finding of **Gangaiah and viswanath, (2014)**. As they found out the entrepreneurial training proved to be significant factor which induces the deliberate entrepreneurial intention of students say the potential entrepreneurs. As the study of **Saini and Bhatia, (1996)** brings out evaluation of entrepreneurial training should be done periodically to find out its effectiveness. This is done by this experimental study. Moreover the results of this study promptly brings out that the even the personality traits of humans can also be influenced by effective training. **Ethen Duyglues (2008) found out** a strong relationship between proactive behaviour and entrepreneurship orientation of students. This study proves that proactive behavior is upon the personality and that can be influence by training, thus the entrepreneurial orientation can be influenced by properly designed and implemented entrepreneurial training program.

## CONCLUSION

Many entrepreneurial researches have been done on students of management but experimentally this concept has not been approached in Indian setting. This research is an attempt to verify whether entrepreneurship can be externally taught and trained. The study revealed that is also positively possible.

## REFERENCES

1. Ali, A., Topping, K. J., & Tariq, R. H. (2011). Entrepreneurial attitudes among Potential Entrepreneurs. *Pakistan Journal of Commerce Social Science* , 5 (1), 12-46.
2. Awasthi. D.N. and Jose Sebastian, 'Evaluation of Entrepreneurship Development Programmes' (Ahmedabad: Entrepreneurship Development Institute of India, 1992, mimeo.).
3. Baron, R. (2004). Potential benefits of the cognitive perspective: *Journal of Business Venturing*, 19, 169-172
4. Bagozzi, R., Baumgartner, H., and Yi, Y. (1989). An investigation into the role of intentions as mediators of the attitude-behaviour relationship. *Journal of Economic Psychology*, 10:35-62
5. Bharati Sharma, 'Challenges and Opportunities in Creating First Generation Entrepreneurs: An Analysis of Effectiveness of EDPs in North-East India', Proceedings of World Conference on Entrepreneurship and Innovative Change (Singapore: Nanyang Technological University, 1991)
6. Bird, B. J. (1989). Implementing entrepreneurial ideas: The case for intention. *Academy of Management Review*, 13, 442 – 453.
7. Ray, M.D,(1993)," Entrepreneurial Attributes, Skills and Training Programmes", *Journal of Entrepreneurship*,2(33)
8. Duv, E. (2008). Institutional profiles and entrepreneurship Orientation: A Case of Turkish graduate students. *MRPA paper*. Izmir, Turkey.
9. Gangaiah.B, & Viswanath, J. (2014). Impact of Indian Management education in developing entrepreneurial aspirations and attitudes among management students. *Asian Pacific Journal of Research* , 1 (1), 1-10.

10. Kelly, G.A. (1955). *Psychology of Personal Constructs*. New York: Norton
11. Krishna, K.V.S.M. (2003), Bridging the Gap: Conceptual Paradigms and Training for Entrepreneurship Development, *Journal of Entrepreneurship*, 12(91)
12. Lunavath, N. (2015). A Study on entrepreneurial Intention among Students. *American Research Journal of Business and Management* , 1 (1).
13. Mali D.D., 'Entrepreneurship Development in Northeastern Region', paper presented at National Conference on Twenty-Five years of Entrepreneurship in India : Retrospects and Prospects, National Institute for Entrepreneurship and Small Business Development, New Delhi, 1990
14. Mitchell, R. K., Busenitz, L., Bird, B., Gaglio, C. M., McMullen, J., Morse, E., & Smith, J. (2007) .The central question in entrepreneurial cognition research: Entrepreneurship Theory and Practice, 1-27.
15. Mohammed, M., & M. .. (2011). Entrepreneurial Intentions of MBA students- A study in Hyderabad. *Entrepreneurial practice Review* , 1 (4), 20-37.
16. Perwin, L. (2003). *The Science of Personality*. Oxford: Oxford University Press.
17. Ravi Kumar, 'Training of Entrepreneurs: An Evaluation', Economic Times, 13 August 1987
18. Robert G. Wyckhan, 'Report on the Evaluation Study of EDPs of North Eastern Council' (Shillong: North Eastern Council, 1990)
19. Saini, J.S and Bhatia, B.S (1996), Impact of Entrepreneurship Development Programmes, *Journal of Entrepreneurship*, 5(65)
20. Sexton, D.L. and Bowman, N. B. (1986), "Validation of a Personality Index: Comparative Psychological Characteristics Analysis of Female Entrepreneurs, Managers, Entrepreneurship Students and Business Students". In Ronstadt, J.A., Honraday, A., Peterson, R. and Vesper, K.H. (eds.), *Frontiers of Entrepreneurship Research*, Wellesley, MA: Babson College, 40-51. Velusamy, A. (n.d.). *Students' Attitude and Intention toward Entrepreneurship in India*. Retrieved from [www.researchgate.net/Publication/262912702](http://www.researchgate.net/Publication/262912702).

21. Shane, S. & Venkataraman, S. (2000). The Promise of Entrepreneurship as a Field of Research: *Academy of Management Review*, 25, 217-226.
22. Sivarajah, k., & Achchuthan. (2013). Entrepreneurial Intention among Undergraduates: Review of Literature. *European Journal of Business and Management* , 5 (5).
23. Suresh Babu, 'Review of EDPs in Karnataka', paper presented at the National Conference on Twenty-Five years of Entrepreneurship in India : Retrospects and Prospects, National Institute for Entrepreneurship and Small Business Development, New Delhi, 1990

IJRSSH