



3rd Business and Management

Conference

Driving Transformation

Entrepreneurial Orientation along with Factors and Barriers to Business Startups

**Noel Morgan
DBA CANDIDATE
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Background

Global Context

Entrepreneurship important in modern economy:

- Leads to new ventures, job creation and socio economic development (Kwaramba 2017; Kuratko, 2016; Pathan et al., 2015).
- Global recognition of the strategic importance of entrepreneurship spurred interest in entrepreneurship education and research (Ghio et al. 2014).
- Entrepreneurship is the most powerful force known to mankind. Global economy actually based on entrepreneurial forces (Bosma, 2013; Kuratko 2016).



Background

Global Context

- World is now fundamentally different from the past (Morris et al, 2013).
- Entrepreneurship strongly linked to MSMEs (Samitowska, 2011; Schmiermann, 2008).
- Entrepreneurial orientation has become a central focus of the entrepreneurship literature (Koe, 2016; Covin and Wales, 2012).
- Expansion of entrepreneurship education in universities of critical importance (Kuratko, 2016; Fillion, 2009; Robinson and Sexton, 1998).



Background

Importance of the Study

- Dearth of research and empirical findings on entrepreneurial intentions within a university context (Durrant, 2014; Morris et al., 2013; Giacomini et al., 2011; Byabashaija and Katono, 2011; Pruett et al., 2009; O Shea et al., 2007).

Research Questions

1. How entrepreneurial are university students who pursue entrepreneurship courses?
- 2 (a). What are the factors (motivation) that would influence a university student to choose entrepreneurship as a major for a course of study?
- 2 (b). Are these factors perceived as important in the decision to start a new business?
3. What are the barriers perceived by university students in starting a new business?

Theoretical Foundations

- The Theory of Planned Behaviour (Lortie and Castogiovanni, 2015; Schlaegel and Koenig, 2014; Kolvereid and Isaksen, 2006; Fayolle et al, 2006; Ajzen, 1991; Ajzen, 1985).
- The Decision Theory (Schades and Seigel, 2008; Williams et al., 2007; Casson, 1982).

Review of Relevant Literature

Review done of the extant literature on established relationship between entrepreneurship and its key components including:

- ✓ The entrepreneur (Carland and Carland, 1997; Dees, 1998; McClelland 1961)
- ✓ Entrepreneurship (Morris et al, 2013; Bosma et al, 2012; Kuratko and Hodges, 2004; Druker, 1985; Schumpeter, 1934; Weber, 1898;)
- ✓ Entrepreneurial orientation (Birch, 1979; Lumpkin and Dess, 1996; Child 1972; Kilby, 1971)
- ✓ Entrepreneurship and University Education (Sihombing, 2012; Peterka, 2011; O Shea et al., 2007; Berkovitch and Fieldman, 2006; Clark, 1998)

Review of Relevant Literature

Extensive review done of the extant literature on established relationship between entrepreneurship and its key components including:

- ✓ The impact of entrepreneurship on socio economic development (Bosma et al, 2016; Kelley et al, 2016; GEM, 2014; Porter, 1990)
- ✓ Entrepreneurship education (GEM, 2010; Katz, 2007; WEF, 2009; Henley, 2007)
- ✓ Entrepreneurial motivation and intention (Carsud and Brannback, 2011; Bird, 1988; Murray, 1938; Schumpeter, 1934; Fried, 1924)
- ✓ Barriers to business start-ups (Samitowska, 2011; Krasniqi, 2007; Riinvest, 2003)



Approach

- ▶ Survey instrument developed with **three scales: intention, motivation, and barriers to starting a new business** along with **demographics**
- ▶ Scales were **already established** in the literature:
 - ▶ intention to start a new business (Genesca and Veciana, 1984)
 - ▶ Motivation and barrier scales (Giacomin et al., 2010)
 - ▶ The Carland Entrepreneurial Index (Carland and Hoy, 1992)
- ▶ Final sample of **269** consisted of **over 70% young adults** from 4 Universities
- ▶ **Factor analysis, Binomial logistics regression, Structural equations and Central tendency statistics** were used for model development and data analysis

Sample Description

Variables	N	%
Undergraduate entrepreneurship course	269	100
University attending		
UWI	115	42.8
UTECH	76	28.2
NCU	45	16.7
Stetson	33	12.3
	269	100
Major in course of study		
Entrepreneurship	49	18.2
Not entrepreneurship	220	81.8
	269	100
Year of study		
1 st	9	3.3
2 nd	68	25.3
3 rd	111	41.3
4 th	81	30.1
	269	100
Gender		
Male	129	48.0
Female	140	52.0

Sample Description (cont'd)

Age group (years)		
18-20	59	21.9
21-25	156	58.0
26-35	38	14.1
36-55	16	6.0
56+	0	0
	269	100
Nationality		
Jamaican	229	85.1
Barbadian	1	0.4
Trinidadian	1	0.4
American	31	11.5
British	3	1.1
Other	4	1.5
	269	100
Marital Status		
Single	238	88.4
Married	29	10.8
Separated	1	0.4
Divorced	1	0.4
	269	100
Relative engaged in entrepreneurial venture		
Yes	183	68.0
No	86	32.0
	269	100

Example of Items on Questionnaire

➤ Motivation among Entrepreneurship Students

How would you rate the following motivators?

	Very unimportant	Somewhat unimportant	Neutral	Somewhat important	Very important
Personal independence	1	2	3	4	5
Wanting to make more money than by working for wages	1	2	3	4	5
The difficulty of finding the right job	1	2	3	4	5
Dissatisfaction in a professional occupation	1	2	3	4	5
Receiving fair compensation	1	2	3	4	5
The chance to implement my own ideas	1	2	3	4	5
The opportunity to be financially independent	1	2	3	4	5
Being at the head of an organization	1	2	3	4	5
Managing people	1	2	3	4	5
Building personal wealth	1	2	3	4	5
Following a family tradition	1	2	3	4	5
Gaining high social status	1	2	3	4	5
Creating jobs	1	2	3	4	5
Having more free time	1	2	3	4	5
Improving my quality of life	1	2	3	4	5

Findings

The main findings are as follows:

- ▶ (Q1) The vast majority of university students who pursue entrepreneurship courses (84%) are entrepreneurially oriented as measured by the Carland's Entrepreneurship Index. Of the entrepreneurially oriented, 30% displayed high levels, 50% medium and the 20% low.
- ▶ (Q2a) Leadership and family traditions ($\beta = 0.600$; $p = .060$) were the most predominant factors that influenced students to choose entrepreneurship as a major in a programme of study.
- ▶ (Q2b) The most important factors in the plan to start a new business were independence and wealth ($\beta = 0.612$; $p < .05$) and leadership and family tradition ($\beta = 0.149$; $p < .05$).
- ▶ (Q3) Finance and bureaucracy were the most significant barriers to starting a business (mean = 23.1254; s.d. = 6.2285).
 - ▶ Despite the barriers, most students intend to start a new business within 5 years after graduation (84%).

Discussion and Inference

- ▶ Entrepreneurship is considered critical to the development and sustainability of the modern economy
- ▶ Entrepreneurship education very important in the drive to economic recovery and success, It is shown (CEI) that students who pursue entrepreneurship education are entrepreneurially oriented.
- ▶ Role of universities in moulding and shaping students for economic and social development of economies
- ▶ The importance of the factors that motivate students to choose entrepreneurship as major for a course of study is highlighted and provides insights for educators, academicians and administrators.
- ▶ Considerations need to be given to the barriers that students perceive in starting a new business.



Recommendation

- Universities now required to change current ways of management, financing, internal structure and external relations (Ginkel, 2002)
 - Special focus need to be given to the development and delivery of entrepreneurial education programmes geared towards economic development
 - Considerations to be given to assisting students/entrepreneurs in overcoming the barriers to business start-ups
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Conclusion

Policy makers and educators should, apart from offering entrepreneurship programs, consider the factors that motivates students to become entrepreneurs.

Strategies should be found to convince students **who do not do entrepreneurship courses** on the advantages of entrepreneurship in the modern economy.

Programmes to be developed to address the barriers to new business creation.

THANK YOU!

