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"Make in India and young brain: A study of emerging Entrepreneurs"

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Abstract

While the world is raising voice for and against the global debate on artificial intelligence, witnessing financial crisis in major economies of the world and political cards playing dull, the discussion about start-ups as the boon and bane have grown stronger for Indian economy.

Start ups which surged pre-covid19 have come a long way since 2020. Should they be boon or bane for India correlates Indian statistics with the times when economies are struggling to get the vital scores on growth rate and inflation. The success of start-ups and the stories behind them has flooded the social media and paved the way for researchers to identify the factors which can contribute to producing the entrepreneurs who in turn can scale their business later. With the intent of new education policy on experiential and discovery driven teaching learning pedagogy, start up has become the buzz word. The present study has tried to address identification and contribution of factors which leads to entrepreneurship motivation.

Keywords – entrepreneurial motivation, start-ups, learning pedagogy, factors, and statistics.

Introduction

The first quarter of 2023 appears promising for Indian economy. Indian stock market indices reflects the growth and prospects for economy, RBI announcements projecting a growth rate of 7.2% for 2024, no changes in Repo rate and inflationary pressures under control remain on one side of the talk while the changes taking place in China and United States of America has lead to the forum for comparison between India, US bank crisis and Chinas saga post 1967.

China has its own struggles with GDP, however US economy is approximately worth 20 trillion $, Chinese economy is at approx. 18.5 trillion$ and Indian economy is at approx. 3.1 trillion $. Exploiting huge work force in 1990, allowing private farming, subsequent growth of textile industry, toys, furniture, farm tools to opening up for manufacturing and IT industry has been the successful part of reforms in China. India on its way to parallel the exploitation

of workforce and production capacity has tried to bring noticeable reforms as well. The Indian foreign trade policy announced in April 2023 concentrates on export advancement and promotes Make in India. In India, 23 start ups were declared unicorns and were valued at $ 1 million and more and towards the darker side approx. 2000 start ups shut down in 2022.

The struggles of US economy have also become evident. Silicon Valley Bank of US faced liquidity issues in the first quarter of 2023 due to enormous withdrawal by startup firms and SMEs facing funding problems. Nonetheless, the start ups in each nation has its struggles related to lack of funds, inflated assessment of markets and broken revenue models, the contribution of startups for the economies to prosper cannot be ignored.

With the success stories building in India related to entrepreneurship and start-ups, the world is considering India as the hub for innovation. The recent trends reflect how these can lower the unemployment rate and improve standard of living in near future. The data on unemployment released in June 2021 by CMIE shows the job loss approximating to 22.7 million in April May 21 due to second Covid-19 wave taking the unemployment rate to a high of 14.73%. However with the return of normal conditions and star- ups peaking, the rate has fell to 10.07% in June 21 and 8.11 percent in April 2023.

There are multiple attempts done to research the entrepreneurship from different perspectives since the noticeable performance of ZILINGO, rebel foods, mobile premiere league and many more start-ups in India. The education policy also has made its intention clear to take it to next level. The various efforts are taken in this direction to enhance entrepreneurial skill. The graduating strata is taught entrepreneurial skill development in order to fulfill certain objectives like their ability to sell themselves and their ideas,develop confidence in the skills necessary to cause others to act, identify problems worth solving, use design thinking, learn to mobilize people and resources, advance their skills related to intellectual property rights, financing and other requisites. The present study aims to identify traits required to motivate entrepreneurialskill among students. The study has identified certain factors on the basis of extensive literature survey which can have a bearing on entrepreneurial motivation.

Literature

Barba – Shanchez suggest that personal, subjective and environmental factors together contribute towards the creation of business. They analyzed these factors using life experience, demographics, attitude values and need of respondents.

Benzing, C., Chu, H. M., & Kara, O. (2009), surveyedone hundred and thirty-nine entrepreneurs inTurkey to define the factors that contribute to business ownership, income, job security and self-independence. The study also revealed that the major complexity is posed by the tax structure in Turkey.

Edelman, L. F., Brush, C. G., Manolova, T. S., & Greene, P. G. (2010) propose that growth of firm is broadly considered to be the extent of success for entrepreneurial businesses. Results indicate that there are logical differences among the minority and nonminority-owned firms with respect to growth parameters.

Giacomin, O., Janssen, F., Pruett, M., Shinnar, R. S., Llopis, F., & Toney, B. (2011) have identified the issues students have regarding their entrepreneurship awareness programs. In this article they have observed whether variances exist among American, Asian and European students in terms of entrepreneurial intentions and temperaments, as well as stimuli and perceived hurdles for business startup.

(Kamraj and Muralidaran 2005, Manimala and Pearson 1998, Maslow 1954, Mitchell 2004, Saxena 2005, Khanka 2009) conducted research to identify the parameters that motivated the entrepreneurs in the state Assam. The results were significant for autonomy, personal growth, recognition and economic development. However the results were insignificant for contribution towards society.

Kaushal Mukherjee 2016 has argued that the entrepreneurship development is highly dependent on entrepreneurial motivation. The motivation of entrepreneurs in turn is dependent on the external as well as internal environmental factors.

Objectives of the Study

1. To identify motivational factors of budding entrepreneurs in BIT Durg (Engineering and Management Institute in Chhattisgarh, India)
2. To determine the factors that are most important for entrepreneurial motivation

Methodology

Research Design:

The study is exploratory as well as descriptive in nature which has attempted to determine the entrepreneurial motivation factors by surveying 120 management students of Bhilai Institute of Technology Durg through questionnaire. However 20 responses were discarded as they were inappropriate. The respondents were a blend of male and female students. The

questionnaire was pre tested and further modified.The degree of response on the 10 statements collected on the Likert Scale where 1= Not at all and 5 = To full extent. The data collected is analysed using factor analysis. Both exploratory and confirmatory technique is resorted as the factors are regressed too.

Analysis

The entrepreneurial motivation is used as dependent variable and is regressed on the ten independent variables identified for this work. The variables taken for analysis are government schemes, bossism, and environmentanalysis, creative, persistent, success, confidence, work life balance, recognition, andrisk calculated.

The regression results reveal that these 10 variables predict entrepreneurial motivation by 71%approximately as seen in Table 1. The regression analysis is followed by confirmatory factor analysis as seen in the following tables –

Table 1 – Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.845[a]	.714	.681	.704

a. Predictors: (Constant), government schemes, bossism, environment analysis, creative, persistent, success, confidence, work life balance, recognition, risk calculated

b. Dependent variable – Entrepreneurinal motivation

Table 2 - ANOVA

ANOVA[a]

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	109.902	10	10.990	22.181	<.001[b]
	Residual	44.098	89	.495		
	Total	154.000	99			

a. Dependent Variable: entrepreneurial motivation

b. Predictors: (Constant), government schemes, bossism, environment analysis, creative, persistent, sucess, confidence, work life balance, recognition, risk calculated

Factor Analysis

Table 3- Factor Analysis

KMO and Bartlett's Test

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Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.725
Bartlett's Test of Sphericity	Approx. Chi-Square	224.663
	Df	45
	Sig.	.001

Table 4– Communalities

Communalities		
	Initial	Extraction
Creative	1.000	.593
Success	1.000	.585
Bossism	1.000	.523
Recognition	1.000	.627
Work Life Balance	1.000	.686
Risk Calculated	1.000	.775
Confidence	1.000	.571
Persistent	1.000	.353
Environment Analysis	1.000	.545
Government Schemes	1.000	.549
Extraction Method: Principal Component Analysis.		

Table 5– Total Variance

Total Variance Explained									
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
Component	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %	Total	% of Variance	Cumulative %
1	2.943	29.426	29.426	2.943	29.426	29.426	2.875	28.755	28.755
2	1.836	18.357	47.783	1.836	18.357	47.783	1.621	16.206	44.961
3	1.029	10.291	58.074	1.029	10.291	58.074	1.311	13.113	58.074
4	.920	9.197	67.271						
5	.829	8.285	75.556						
6	.698	6.981	82.537						
7	.547	5.466	88.003						
8	.489	4.889	92.892						
9	.444	4.442	97.334						
10	.267	2.666	100.000						
Extraction Method: Principal Component Analysis.									

ISSN PRINT 2319 1775 Online 2320 7876
 UGC CARE Listed (Group -I) Journal Volume 11, Spl Iss 4 Dec, 2022

Table 6 – Scree Plot

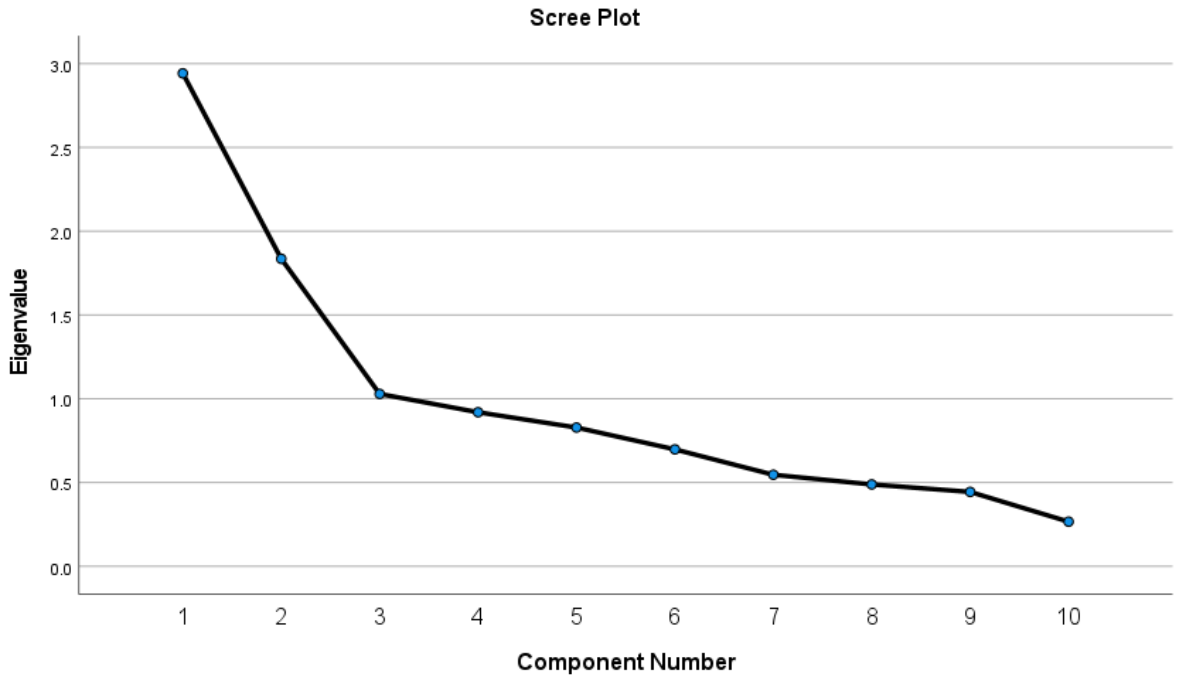

Table 7 – Component Matrix

Component Matrix[a]			
	Component		
	1	2	3
risk calculated	.858		
Recognition	.766		
Success	.748		
Confidence	.732		
Persistent	.493		
work life balance		.825	
Bossism		.638	
Creative		.532	.494
government schemes	-.406	.503	
environment analysis		-.427	.600
Extraction Method: Principal Component Analysis.			
a. 3 components extracted.			

Table 8 – Rotated Component Matrix

ISSN PRINT 2319 1775 Online 2320 7876
 UGC CARE Listed (Group -I) Journal Volume 11, Spl Iss 4 Dec, 2022

Rotated Component Matrix[a]			
	Component		
	1	2	3
risk calculated	.817		
Recognition	.790		
Success	.765		
Confidence	.755		
Persistent	.419		.412
work life balance		.745	
Creative		.713	
Bossism		.680	
environment analysis			.710
government schemes			-.639
Extraction Method: Principal Component Analysis. Rotation Method: Varimax with Kaiser Normalization.			
a. Rotation converged in 5 iterations.			

Table 9 - Regression

Variables Entered/Removed[a]			
Model	Variables Entered	Variables Removed	Method
1	REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1[b]	.	Enter
a. Dependent Variable: entrepreneurial motivation			
b. All requested variables entered.			

Table 10 – Model Summary

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.578[a]	.334	.314	1.033
a. Predictors: (Constant), REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1				

ISSN PRINT 2319 1775 Online 2320 7876
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Table 11 - ANOVA

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	51.485	3	17.162	16.071	<.001[b]
	Residual	102.515	96	1.068		
	Total	154.000	99			
a. Dependent Variable: entrepreneurial motivation						
b. Predictors: (Constant), REGR factor score 3 for analysis 1, REGR factor score 2 for analysis 1, REGR factor score 1 for analysis 1						

Table 12 - Coefficients

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.600	.103		34.837	.001
	REGR factor score 1 for analysis 1	.261	.104	.209	2.509	.014
	REGR factor score 2 for analysis 1	-.276	.104	-.221	-2.659	.009
	REGR factor score 3 for analysis 1	.613	.104	.492	5.903	.001
a. Dependent Variable: entrepreneurial motivation						

Result and Discussion –

Further to overcome the issue related to multicollinearity it was worth to run the factor analysis on the ten independent variables taken for the study. The above result, reveals the result where KMO statistic 0.725 show sampling adequacy. The Bartlett's value below .05 also suggests that the data is substantially correlated (Table-4).

The communality values are closer to 1 except persistence. However no factor is added or removed during the analysis (Table -4)

The following scree plot shows the corresponding eigenvalues of the variables. The ideal pattern is depicted with the steep curve, bend and then the straight line (Table - 6)

The above results reveal that 3 factors were extracted from the 10 variables. These three factors show most of the variability in the data which together amounts to 58%. Individually

they show a variance of 28%, 16% and 13%. The rotated component matrix using varimax rotation with a cut off of 0.40 was performed for factor loading. (Table 5and 8)

Factor-1 comprises risk calculation, success, recognition and confidence. As they address issues which are unique to an individual and so can be named as Personal Factors.

Factor -2 comprises of work life balance, creativity and bossism. These are the drivers which can lead to entrepreneurial motives and hence can be named Fascinating factors.

Factor-3 comprises of environmental analysis and awareness towards government schemes. They can be named as facilitating factors.

The factor scores are recorded and then they are regressed by taking them as independent variables and Entrepreneurial Motivation as dependent variable. The results reveal that they explain entrepreneurial motivation by 33% (Table 11 and 12). The coefficients are also significant where absolute co-efficient score is in reverse order and so their importance is from third to first.

While pursuing the research, the researchers wanted to know not only where to club the individual variables as the extensive literature has already identified certain factors. With the setting up of the innovation and incubation cell in an institute and creating awareness, the research like this, further argues that the information related to finances and government schemes should be advocated the most as it can act as booster to the personal traits and fascination that students have to become entrepreneur.

Scope for future work –

The study is performed in only one institute and the driving force behind the selection of topic was to find out the factors leading to Entrepreneurial motivation. The problem could have been analyzed from various perspectives, but the researchers were interested in extracting the factors form the randomly selected driving force. The literature is taken as basis to propose questions. There is no distinct contribution proposed for students on the basis of gender and graduation stream of students which can be taken up by researchers in future. The results approve the personal, fascinating and facilitating factors do contribute towards entrepreneurial motivation. The identification of driving factors can help the institutes in India to further sharpen the skill and make students build unicorn success stories in times to come.

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