

INFLUENCING FACTORS ON THE ENTREPRENEURIAL INTENTION WITH REFERENCE TO WOMEN IN CHENNAI CITY

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Abstract

Keywords:

Entrepreneurship;

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Multiple regression.

Entrepreneurial intention has become a strategy against unemployment, and a significant tool towards development. Understanding the factors that influence entrepreneurial intention among women is the primary and critical step towards predicting and developing entrepreneurial activities. The purpose of this research was to explore the factors that influence entrepreneurial intension among women in Chennai city. Survey method was used to collect data from the respondents through structured questionnaire. Data were analysed using Multiple Regression Analysis through the SPSS. Result of Multiple Regression Analysis showed that social and psychological factors have direct influence on entrepreneurial intension among women in Chennai city. The research findings deepen our understanding of women's' intentions to become entrepreneurs.

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1. Introduction

Entrepreneurship has become an essential ingredient of employment for women across the developing nations. The level of involvement of women in the entrepreneurial activity is still insignificant when compared to men population. Series of studies is being conducted over the years to highlight the governmental initiatives, programs available and attitudinal change towards the women entrepreneurship and empowering them. [Langowitz, N., & Minniti, M. (2007)]. The intention towards entrepreneurship is one's desire, wish and hope of becoming entrepreneur with the given availability and opportunity in the society. Their involvement in the skill development process is a new catalyst for the growth and development of the nations which aspires of tapping their women potential. Their engagement in the entrepreneurial activities has positive impacts on families in specific and national in general which would reflect in the macro level growth in global economy. There are evidences in the literatures that shows that women contribute to the national development which need to be supported by factors like self-efficacy, skill building and training in the right perspective by the governmental and non-governmental agencies. [Isiwu, P. I., & Onwuka, I., 2017]

India as a fast-growing nation with huge human resources, entrepreneurship can be a solution of many economies-related problems. In order to achieve this, high level of entrepreneurial intention is to be ensured. Entrepreneurial intension measures the focus and commitment of an entrepreneur towards his/her venture. It can influence the performance of firms, provide sustainable advantage to individuals, societies, etc. Also, Entrepreneurial Intention can be accelerated through entrepreneurial training programs and education for the women to achieve the growth of entrepreneurship in the State. This will in turn enhance the overall economic growth of the State. (Siddiqui, S., & Jan, S., 2017). However, this article seeks to perform a detailed analysis to find the factors that drive the Entrepreneurial Intension among women in the Chennai city.

Research Objectives

- To study the Entrepreneurial Intension among women in Chennai city.
- To identify the factors that influences Entrepreneurial Intension among women.

2. Research methodology

The study is designed as descriptive and analytical in nature. For the study, Convenience Sampling Technique was applied to collect primary data from a sample of 100 women respondents in Chennai city from the State of Tamil Nadu. The data analysis included Simple Descriptive Statistics and Linear Regression Analysis. Multiple Regression Analysis was also used to determine the predictors of Entrepreneurial Intension among women in Chennai city.

DETERMINATION OF ENTREPRENURIAL INTENTION FACTORS

The factors which influence the Entrepreneurial Intention were classified between dependent variables and independent variables in order to design the study model of this study. Five independent variables ($X_1 \sim X_5$) and one dependent variable were applied. In the study model of this paper, it was formed between 5 independent variables which simply accommodate the input value and 1 dependent variable which is relevant to the last output layer. The basic research framework of the sample design of the study model is the same as that of figure-1.

RESEARCH FRAMEWORK

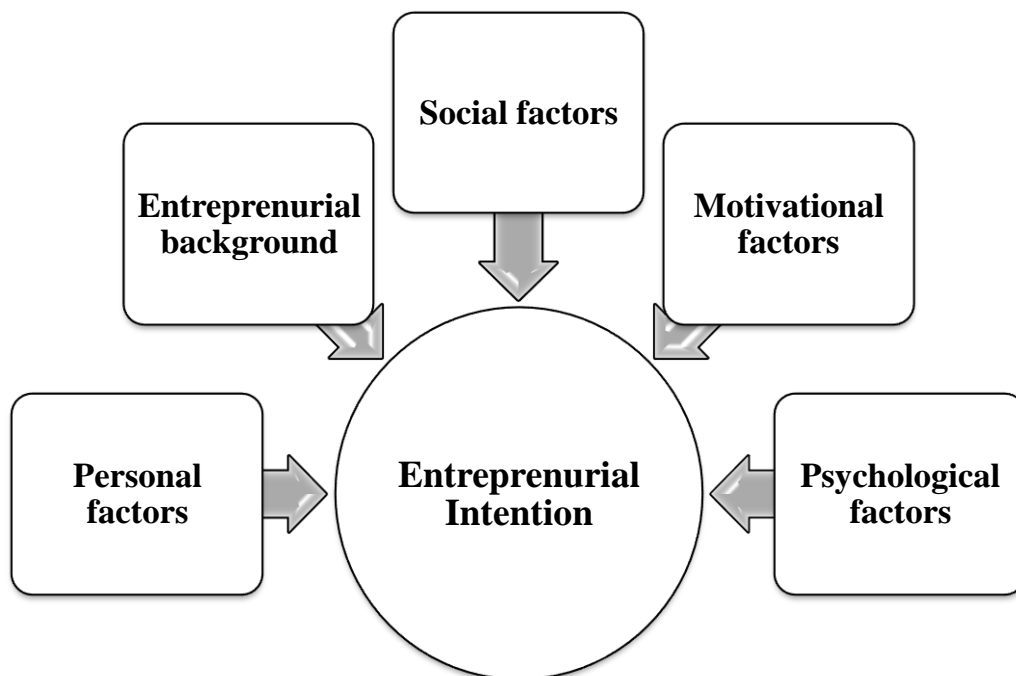


Figure 1: Research framework for factors that influence entrepreneurial intension.

Source: Authors' own

The study examined the relationship among entrepreneurial background, personal factors, psychological factors, social factors and motivational factors with entrepreneurial intention among women in Chennai city. Figure 1 shows the research framework for this study.

The regression model formula based on the design structure of the model is as follows figure 1

$$y_k = f \left(\sum_{i=1}^5 a_i x_i + b_k \right)$$

Definition of Study Variables

Independent input variables as factors that influence Entrepreneurial Intention include entrepreneurial background, personal factors, psychological factors, social factors and motivational factors with entrepreneurial intention among women.

As an output variable, entrepreneurial intention among women was selected. Input variables and output variables used to study the factor influencing entrepreneurial intention among women in Table 1.

3. Results and Analysis

1. Descriptive Statistics

Table 1. Variables, Items, and Values

Types of variables	Input variables	Variables	Mean	Standard Deviation
Input variables	X_1	Entrepreneurial background		
		I know the details necessary for starting a business	3.95	.729
		Entrepreneurial experience	3.76	1.14
		Entrepreneurial parents	3.62	.663
		Motivated by Entrepreneurial curriculum and content	3.62	.599
		Motivated by Entrepreneurial course	3.76	1.14

Output	X₂	Social factors		
		Openness to experience	3.62	.663
		Competitive environment	3.84	.813
		Educational support	3.90	.989
		Access to finance	3.76	1.13
		Government support	3.62	.663
	X₃	Psychological factors		
		Personality traits	3.49	1.04
		Self-discovery and job satisfaction	3.76	1.14
		Creativity	3.62	.663
		Self-efficacy	3.77	1.00
		Ambiguity	3.66	.867
	X₄	Motivational factors		
		Desire for achievement	4.04	.695
		Influence and encouragement by family	3.59	.853
		More career advancement	3.76	1.14
		Provide security	3.62	.663
		Gain social prestige	3.77	1.00
	X₅	Personal factors		
		Use technical and professional knowledge and skill	3.72	.996
	Implement own business idea	3.75	.821	
	Flexibility of time for self and family	3.81	1.09	
	Secure self-employment	4.17	.829	
	Work life balance	3.66	.867	
Y	Entrepreneurial Intension			

	I would choose a career as an entrepreneur	3.75	1.17
	My career goal is to become an entrepreneur	3.63	.676
	I want to create jobs for others	3.78	.732
	Desire for independence	3.76	1.14
	Desire to earn more money	3.62	.663

Source: Primary Data

Table 1 presents all attitudinal variables and the values of each item under each variable (Independent and Dependent) used in the study.

2. Multiple Regression Analysis

A multiple regression analysis was used to study the relationship between entrepreneurial background, personal factors, psychological factors, social factors and motivational factors as independent variables and entrepreneurial intention as dependent variable. In this linear regression analysis, the independent variables were entered simultaneously in to the regression analysis. The regression model formula of the factors influencing entrepreneurial intention among women as follows.

$$Y = a_1X_1 + a_2X_2 + a_3X_3 + a_4X_4 + a_5X_5 + b$$

A summary of the research model as a result of multiple regression analysis is as follows. When five independent variables were inputted, the coefficient of determination was 0.664, thus explaining the dependent variable (entrepreneurial intention) by 66.4 percentage. In addition, the modified coefficient of determination, reflecting the degree of freedom (DF), was 0.647. The coefficient of determination in multiple regression analysis, R², represents the ratio at which the dependent variable is explained by the independent variables (or the regression equation) during variance and has a value between 0 and 1. The correlation between the independent variables and the dependent variable amounted to 0.815, which is somewhat high. In addition, R² = .664(66.4%), which represents the overall explanatory power of the independent variables (entrepreneurial background, personal factors, psychological factors, social factors and motivational factors) regarding the dependent variable, or entrepreneurial intention among women. The summary of entrepreneurial intention model is the same as Table 2.

Table 2. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.815 ^a	.664	.647	1.33721

b. Predictors: (Constant), Personal factors, Entrepreneurial background, Social factors, Motivational factors and Psychological factors.

Table 3: Summarized Information of ANOVA for Regression of Entrepreneurial Intention on Personal factors, Entrepreneurial background, Social factors, Motivational factors and Psychological factors.

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	332.757	5	66.551	37.219	.000 ^b
1 Residual	168.083	94	1.788		
Total	500.840	99			

a. Dependent Variable: Entrepreneurial intension

b. Predictors: (Constant), Personal factors, Entrepreneurial background, Social factors, Motivational factors and Psychological factors.

Table 4: Regression co-efficient of entrepreneurial background, personal factors, psychological factors, social factors and motivational factors with entrepreneurial intension.

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
(Constant)	5.142	1.236		4.162	.000
Entrepreneurial Background	-.172	.156	-.184	-1.102	.273

Social factors	.585	.128	.569	4.563	.000
Psychological factors	.511	.130	.670	3.933	.000
Motivational factors	-.221	.122	-.257	-1.805	.074
Personal factors	.024	.072	.033	.325	.746

a. Dependent Variable: Entrepreneurial Intention

According to the analysis result, the multiple regression formula is expressed as followed due to the non-standardized coefficient(B).

$$Y = -.172X_1 + .585X_2 + .511X_3 - .221X_4 + .024X_5 + 5.142$$

Because the residuals were not large and the coefficient of determination amounted to approximately 66% based on the results of multiple regression analysis, the model seems to explain the phenomenon comparatively well. Table 4 presents more details about this model. As Table 4 demonstrates, among all five independent variables, two variables namely social, psychological and personal factors have significant effect on the entrepreneurial intention (B = .585, Beta = .569, t =4.563, p<0.01 & B = .511, Beta = .130, t =3.933, p<0.01 and (B = .024, Beta = .033, t =.325, p<0.05), respectively.

4. Conclusion

The objective of this research was to find out which factors are significant and influential on entrepreneurial intention. According to the result, it can be concluded that, firstly, social factors and psychological factors has direct influence on entrepreneurial intention but personal factors has inverse effect. Secondly, the findings showed that these three variables were more important than others in modeling and predicting entrepreneurial intention among women. This study has shown the most important factors which influence entrepreneurial intention among women. The result can be helpful for government and policy makers who try to motivate women to become entrepreneurs.

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