
The Relationship between Higher Education Graduates' Attitudes towards Entrepreneurship

Seyed Ali Vaziri¹, Seyyed Ebrahim Hosseini², Narjes Safari³, Nazanin Nikanloo⁴

Department of Business Management, Neyshabur Branch, Islamic Azad University, Neyshabur, Iran.

Received: June 10 2013

Accepted: July 2 2013

ABSTRACT

This study investigated attitudes of graduates of higher education institutions towards entrepreneurship. Population of this study included 200 students of 7 higher graduations of Torbat – Heydarieh in 2012. The research instrument was a questionnaire and validity and its reliability was tested by using Cronbach's alpha. The result indicates that significant and positive relationship exists between entrepreneurial skills, intrinsic motivation of the students, and concept of attractive entrepreneurship, efficacy, expectations, creativity, social norms approach and attitudes of the student toward entrepreneurship, whereas there was not a significant relation between fear as external variable attitudes of the student toward entrepreneurship. Main recommendations of this study include culture of entrepreneurship, support of entrepreneurs, and both internal and external motivation of the students and provide appropriate incentives and support their visions about the benefits of entrepreneurship.

KEYWORDS: Entrepreneurship, internal and external motivation, self-efficacy, creativity

INTRODUCTION

In this era as result of increasing populations, communities and organizations are rapidly expanding and developing, therefore, its complexity has increased indeed. Entrepreneurship by creating a multi-way interaction is necessary for changing throughout innovations and improvements of processes as well as it are a key factor in economics' growth and (Nahid, 2009). Entrepreneurship is a symbol of success in business. Entrepreneurs in terms of leadership, management, innovation, efficiency, job creation, competitiveness, productivity and the formation of new companies can be an important contribution to economic growth (Kuratko, 2004). Countries which have economic problems such as lack of stable and productive employment, high inflation rates, low phase graduated management small, medium and large private firms, low personal income can training entrepreneurs in order to they can use scientific knowledge and their skills in innovative and high value-added activities. Young workforce and graduated jobseekers in countries can be considered as a great potential for economic and cultural development, community development, entrepreneurship. Therefore, this study considers the attitudes of higher education graduates' attitudes towards entrepreneurship consideration.

Changes in social and economic have a root in contemporary developments in science and technology which in turn has led to changes in the interests. Therefore, countries need to ensure the viability and survival of innovation and creating new products and services. All of these events are not possible, except by people who could change organizations or by establishing new companies (Zarini, 1388).

Due to the growing complexity and competition in today's world of rapid changes in the international environment and the transition from industrial society to information society and changes of national economies in the global economy, Entrepreneurship can be driving force of economic development. Because, they can cause economic growth and development, increase productivity, create employment and social welfare (Ahmadpur Dariani, 2004). Thus, phenomenon of entrepreneurship as a new source of economic has importance role in the economic development of countries (Zaribaff, 2010).

One of the most important components in the development of a country is educated entrepreneurs. Unemployment rising particularly among educated people will ring alarm for governments. Hence, it is essential careful, comprehensive and long term planning. Today's students are graduating from higher education and the environment that may be changing rapidly. Thanks to technology and related factors job opportunities always are changing globe and creating new jobs in our globe (Collins, 2004). Base on all of that has been said, it is necessary before any action, we evaluate attitude towards entrepreneurship particularly from educated people for offering strategies to enhance entrepreneurship. Following, it will be helpful for economic development, job creation, prosperity and.... Consequently, it is necessary for encouraging university graduates to become entrepreneurs, ready for making decision processes and factors that led to the entrepreneurship. Willingness of individuals to start a

*Corresponding Author: Seyed Ali Vaziri, Department of Business Management, Neyshabur Branch, Islamic Azad University, Neyshabur, Iran.

business or want to start a business can show level of entrepreneurship (Engle, 2010). The fundamental problem in this study is that both variables are related to the attitudes of graduates' higher education for entrepreneurs?

Concept of entrepreneurship and entrepreneur:

Economists were first people described entrepreneurship by their economic theories. Term of entrepreneurship was translated into English by John Stuart Mill and entrepreneurial action included leading, supervise, control and risk management. In addition, he believed precipitating factor of entrepreneur and manager is taking risk (Larijani, 2010).

In the following we refer to definitions of entrepreneurship:

- Kanytton introduced entrepreneur as somebody who enter in and unfamiliar situations (foss, 2006).
- Entrepreneur is somebody who by using production factors of him/herself and others and also by her/his management economically productive activities (Miller, 1993).
- Entrepreneurship is beyond a profession. It is a lifestyle. According to (Mc Maryland) if we separate role and positions and only role be considered, then entrepreneurship will become much broader and include all of human activities. Thus, all of the activities Humans can be implemented in an entrepreneurial manner (Smad aqhaei, 2003).

LITERATURE REVIEW

Despite, entrepreneurial field commenced at 1876 AD (Horwitz, 1986), But beginning of a new field of research related to entrepreneurship has started since 1980 (Casson, 1982). Thus, we do not have a lot of research in the field. Entrepreneurship has two main components: 1) "event" is defined as execute an idea a new product or service 2) "agent or broker" refers to a person or group of people responsible for the event (Morris, 1999). Entrepreneurial research, vendor or potential entrepreneurs have been studied from three aspects: 1) it can be distinguished personality or characteristics of entrepreneurs and non-entrepreneurs 2) demographic characteristics such as gender, age, education, and background 3) environmental factors (particularly personal factors such as attitudes to entrepreneurship) that impact on making decision of people for starting an entrepreneurial career (Guerrero, 2008). These studies have shown that decision or desire to start a business is a prerequisite for entrepreneurial behavior (Fayolle, 2006). Because, entrepreneurial behavior is included of following steps: 1 - The intention to start a business or entrepreneurial behavior. 2 - Gain knowledge in the field of entrepreneurship and business. 3 - Seeking for business and entrepreneurial process and 4 - Search for the identification and exploitation of opportunities. Therefore, understanding the formation of entrepreneurial intentions is very important for understanding entrepreneurial behavior, especially when it is a rare treat it can be barely visible or time delay is unpredictable. Thus, entrepreneurship is a clear example voluntary and planned behavior (Souitaris, 2007). Researchers in order to increase their understanding and ability to predict entrepreneurship various models have been proposed which are described below (Krueger, 2000):

1) Entrepreneurial Event Model: Based on this model, starting a business is an event which will be explained by means of interaction between innovation activity, power management, independence and risk taking. According to this model, individuals choose to start a new economic activity depends on three elements: 1) mental perception of interest (perception of a person from attraction of starting a business). 2) Tendency to do action (tend or intent a person to launch a new economic activities) and 3) mental perceptions of feasibility (degree of individual sense from ability to perform a particular behavior) (Zampetakis, 2008).

2) Theory of planned behavior: The theory was provided by Jzn and motivational factors used to predict the performance of a particular behavior and assume that intention is reflect of motivation to perform a specific behavior (Nigg, 2009). In other words, the plan needs to behave to an extent that it can be predicted by willingness to accept treatment. These theories tend to behave according to the three factors include: attitude, mental norms and mental perceptions (Chen, 2007). Attitude to launch a business refers to positive or negative value a person of being an entrepreneur (Autio, 2001). Mental norm, mental perception of social pressure is performing or not performing of entrepreneurial behavior and mental perceptions is behavioral control and perception of a person from difficulty or non-difficulty of being entrepreneur (Annual, 2001).

3) Entrepreneurial Attitude Orientation: This theory was proposed by Robinson and *et al* and they showed characteristics of entrepreneurial attitudes and personality characteristics. According to this theory, the prediction approach is described through four different sub-scales (achievement, self-esteem, self-control and innovation) and three responses (emotional, cognitive and behavioral) (Guerrero, 2008).

4) Fundamental Determination Model: Based on this model, launch of a new business is a voluntary process that can be affected by the attitudes and behavior (Guerrero, 2008).

5) Davidson Models: the model test psychological and economic factors which have impact on individuals tendency to participate in a business. According to this model, the tendency is influenced by two factors: 1) public

attitudes (willingness to change, competitiveness, interest on money, achievement, and autonomy) and attitudes of the state (performance, social participation, and skills) is defined and 2) current position (Guerrero, 2008).

6) Log and Frank Model: ROM Christine Log and Nicholas Frank proposed a model for fostering entrepreneurial intention and the study was tested among 512 students from the University of Engineering MIT. According to this model, individual characteristics (risk and internal center of control) indirectly have a positive effect on the attitude towards entrepreneurship and positive attitude has a direct effect on entrepreneurial intentions of individuals. The underlying intention is influenced by creating perceived barriers and restrictions (negative or inhibitory effect on entrepreneurial intentions) and encourages and supports them (which are enhancing entrepreneurial intentions) (Amiri, 2008).

7) Entrepreneurial Potential Model: This model is formed base on the planned theory entrepreneurial event theory (Amiri, 2008).

In the present study for investigating attitudes towards entrepreneurship based on the intention of combining the three models (model of entrepreneurial event, theory of planned behavior, expectancy theory) as a convenient tool for describing and interpreting the of entrepreneurial intentions and entrepreneurial behavior of the higher education graduates.

METHODOLOGY

This study investigated attitudes of graduates of higher education institutions towards entrepreneurship. Population of this study included 200 students of 7 higher graduations of Torbat – Heydarieh in 2012. The research instrument was a questionnaire and validity and its reliability was tested by using Cronbach's alpha. The dependent variable consisted attitudes to entrepreneurship (entrepreneurial intention) and the independent variables included demographic, psychological variables related to entrepreneurship is included entrepreneurial skills of internal and external motivation, creativity, attractive, efficacy and other....

H₁: Significant relationship exists between social norms and attitudes of graduates of higher education institutions tend to entrepreneurship

H₂: Significant relationship exists entrepreneurial skills and attitudes ‘students of higher education institutions tend to entrepreneurship

H₃: Significant relationship exists between intrinsic motivation of graduates and their willingness to entrepreneurship.

H₄: Significant relationship exists between external motivation and their willingness of graduates to entrepreneurship.

H₅: Significant relationship exists between graduates perception of entrepreneurship interesting and their willingness to be entrepreneurship

H₆: Significant relationship exists between efficacy and willingness of higher education graduates to be entrepreneurship.

H₇: Significant relationship exists between expected attitude of higher education graduates institutions and their willingness to be entrepreneurship.

H₈: Significant relationship exists between creativity of higher education graduates and their willingness to be entrepreneurship.

Findings:

This section presents the data analysis and hypothesis testing of attitudes of collect the questionnaires which is analyzed by SPSS software.

Table 1: Chi-Square test (Pearson)

Dimensions	Chi-square	Df	Sig
The social norms and entrepreneurial intentions	84.059a	6	.000
	67.399	6	.000
The skills and entrepreneurial intentions.	73.973a	6	.000
	71.170	6	.000
Internal motivation and entrepreneurial intentions.	84.629a	6	.000
	73.913	6	.000
External motivation and entrepreneurial intentions.	10.550a	6	.103
	11.710	6	.069
Mental impression of being attractive and entrepreneurial intentions.	28.753a	6	.000

	34.556	6	.000
Efficacy and entrepreneurial intentions	95.905a	6	.000
	94.113	6	.000
Expectancy dimension and entrepreneurial intentions	63.864a	6	.000
	59.453	6	.000
Creativity dimension and entrepreneurial intentions	78.585a	6	.000
	66.133	6	.000

According to the table except of external variable and entrepreneurial intention, as result of $\text{sig} \leq 0/01$ it can be concluded that significant relationship exists between variables and entrepreneurial intention. While, there is not significant relationship between external motivation and entrepreneurial intention.

Table 2: Spearman

Dimensions	Coefficient of determination	Coefficient	Sig
Spearman coefficient of the social norm	0.16	0.404	0.000
Spearman coefficient of skills	0.28	0.533	0.000
Spearman coefficient of the intrinsic motivation	0.29	0.540	0.000
Spearman coefficient of external motivation	0.00	0.064	0.371
Spearman coefficient of the mental impressions	(11)	0.337	0.000
Spearman coefficient of the efficacy	.34	.585	0.000
Spearman coefficient of the expected	.22	.475	0.000
Spearman coefficient of creativity	.24	.497	0.000

Table 3: variables influencing entrepreneurial intentions

Dimension	Standard error of estimate	The correlation coefficient	Coefficient of determination	Adjusted coefficient of determination
Efficacy	395.	584.	341.	.338
Intrinsic motivation	355.	687.	472.	.466
Mental norm	327.	744.	554.	.547
Creativity	311.	774.	598.	.590
Expectation	300.	793.	628.	.619
Extrinsic motivation	290.	810.	656.	.645
Skill	285.	818.	669.	.656
Mental impressions	280.	826.	682.	.669

Conclusion

Developing is a serious and inevitable factor in countries and. It is necessary in the current difficult conditions in our community which must be paid attention more and more is entrepreneurship. Because, entrepreneurs certainly thanks to their outstanding characteristics can be capable for developing and providing resources like production and human resources.

Today, entrepreneurship by having benefit like, job creation, improving quality of life, proper distribution of income, social issues support the creation welfare are important factors in the development and wellbeing of nations. Increasing unemployment particularly among the educated will ring alarm of danger for governors of countries and therefore it is necessary to solve this problem, careful comprehensive and long term planning.

Entrepreneurship is one ways that deserve a permanent move for employment should be prioritized. Hence, people especially young people must be trained in order to have ability for creating job opportunities and self-acceptance with the flexibility of complex unsecure new jobs in the labor market and be able to make good with innovation and risk.

One area that was highly regarded in this field is studying factors which affect on the formation and entrepreneurial behavior in various people. This study also investigated the correlation between higher education graduates and their willingness to entrepreneurship. Due to entrepreneurial intention or desire can be reliable predictor of entrepreneurial behavior (Krueger, 2000). The results indicated that significant and positive relationship exists between entrepreneurial skills, motivation of higher graduates, and perception of entrepreneurship interesting, efficacy, expectancy and creativity. Consequently, out hypotheses are approved, while there is not significant relationship between external motivation entrepreneurial attitudes of the students.

Suggestions:

Based on the results of the study, following suggestions will enhance motivation of the students for entrepreneurial activities:

- 1 - Legal system entrepreneurial guidance: Discriminates and rents are the most important obstacles of entrepreneurial development.
- 2 - Fundamental investment for training of young entrepreneurs to enter the world of work and production
- 3 – Pay attention to entrepreneurs in order to realize their ideas;
- 4 - Encourage students and graduates of higher education to entrepreneurship by important people for them such as friends, parents, and teachers and other entrepreneurs
- 5 - Internal and external motivation of the students and providing appropriate incentives to encourage them and their views about the benefits of being an entrepreneur
- 6 - Create a positive perception about the attraction of entrepreneurial students and graduates of higher education institutions and strengthen their minds in the field of entrepreneurship education
- 7 - Nurture the entrepreneurial spirit of the people and their wealth of creative techniques and creative thinking into their teaching.
- 8 - Culture of Entrepreneurship;
- 9 - Support entrepreneurs;
- 10 - Giving loan people who have potential for creating job

REFERENCES

- (1) N., Mojtaba (2009), "a look at what and why corporate entrepreneurship", *Journal of Commerce Study*, number thirty-four, page 39.
- (2) Akbari, Keramat Allah, (2006), *entrepreneurship development training approach*, Tehran: Jihad publications.
- (3) Kuratko, Hajts, (1383), *Entrepreneurship*, translators: Amel Mahraei and et al, Mashhad University of Mashhad.
- (4) Zarini, E (2009), *Hamedan Publication of light*.
- (5) Poor Dariani, M (2004), *entrepreneurship definitions, theories, models*, Tehran: College Press.
- (6) Zarif Baff, M., Shafiea Khanie, M (2006), "Human resource training and development of small and medium entrepreneurs (SMEs) ", *Journal of Management*, No(7):72.
- (7) Cheraghi, Y (2010), "The relationship between globalization and entrepreneurship", the first regional conference on entrepreneurship and development, Payam Noor University of Lorestan.
- (8) Collins, L., Hannon, PD & Smith, A. (2004), *Enacting entrepreneurial intent: the gaps between student needs and higher education capability*. *Education + training*, vol.46 (8/9), PP. 454 to 463.

- (9) Engle, RL, Dimitriadi, N., Gavidia, J.V., Schlaegel, C., Delanoe, S., Alvarado, I., He, X., Buame, S., & Wolf, B.⁽²⁰¹⁰⁾. Entrepreneurial intent: A twelve-country evaluation of Ajzen, model of planned behavior, international journal of entrepreneurial behavior and research, vol. 16 (1), pp.35 to 57.
- (10) Larijani, N and *et al* (1389), "Assessment and Evaluation of entrepreneurship education in universities", the first regional conference on entrepreneurship and development, Payam Noor University of Lorestan, Delfan unit.
- (11) Foss Kirsten, j.Vicolai Foss, Gperter.K, (2006), original and Derived Journal of Enterprising Culture, vol. 8, No.2, Jane, PP. 169 to 184.
- (12) Miller, D,(1993) "the correlate of Entrepreneurship in three types of firms", Management science. Vol(29):77 to 91.
- (13) Smdad aghayi, J. (2003), Entrepreneurs Organization, Tehran: Center for Public Management.
- (14) Thampson, john & Geoff ALVY, (2000), the worlds of the entrepreneur, Vol. 38, No.5.