

ENTREPRENEURIAL AMBITION OF TEENAGE STUDENTS IN WESTERN PROVINCE, SRI LANKA

T. Jayath¹ & D.M. Mudalige²

Correspondence: darshanadm@uom.lk

ABSTRACT

Business entrepreneurship is an essential ingredient of economic prosperity and the need to understand the antecedents contributing to entrepreneurial ambition in Sri Lankan teenagers are of paramount importance for successful policy planning in future. The attitudes and the behaviours of youth will be conditioned during the developmental years and as a consequence, perception towards entrepreneurship will be conditioned heavily during this phase of development. Despite the continued interest in promoting entrepreneurship among the young generation, researchers have paid little attention to primary and secondary educational stages. The main objective of this research is to analyse the factors affecting entrepreneurial ambition of teenage students as a career choice. The research is formulated as quantitative research adhering to the deductive approach. Research finds the existence of two factors; Perception of benefits of entrepreneurship and family and friends encouragement contribute to the entrepreneurial ambition of Sri Lankan teenage students. Further it reveals the moderation effect caused by prior entrepreneurial education on the interaction between the perception of the benefits of entrepreneurship and entrepreneurial ambition. The study reveals the existence of differences concerning entrepreneurial ambition and antecedents in different communities. The study recommends introducing entrepreneurial education with more emphasis on teenage students. The understanding of the preferences of the young generation will support policy efforts in order to create useful avenues for entrepreneurial success of the future.

Keywords: entrepreneurial ambition, entrepreneurship education, teenage students

1. INTRODUCTION

The role of entrepreneurship in economic development is undisputed. According to the 2017 Global Entrepreneurship Index, Sri Lanka is ranked 94th among 137 countries and 18th among 24 countries in the Asia Pacific region. The lack of entrepreneurship can be attributable to so many socio economic factors having effect on rational economic behavior including risk taking orientation, innovation and sensitivity to market dynamics, weakened insights of perception of benefits of entrepreneurship etc.

¹ Faculty of Business, University of Moratuwa, Sri Lanka.

² Faculty of Business, University of Moratuwa, Sri Lanka.

Further, The Global Entrepreneurship Monitor 2017 report indicates that the total early stage entrepreneurship activity is 15.4 % contributed by the individuals in the age group between nineteen years and twenty four years while another 21.1 % is contributed by the individuals in the age band twenty five to thirty four years in factor driven economies like Sri Lanka. This sets out a platform for the important discussion whether the future entrepreneurial activity will further concentrate with in the younger generation as a result of rapid technological changes, opportunities for novel business models at lower capital cost and rapid pace of economic activity. Thus, it can be reasonably argued that the future entrepreneurs are more likely to emerge from youth and adolescence. Furthermore, the fact remains that the attitudes and the behaviors of these youth will necessarily be conditioned during the developmental years and as a consequence it can be assumed that the shaping up of the attitudes and the behavioral notions and perceptions towards entrepreneurship will be conditioned heavily during this phase of development. Henderson and Robertson (2000) stated “. . . the future working environment will depend on the creativity and individuality of the young”.

Thompson (2004) emphasizes the importance of entrepreneurs in the modern context when he states that “today’s world of change and uncertainty we need the talents of entrepreneurs more than ever. We need them to start new businesses; we need them to champion the change agenda in established corporations and the public sector.”

Dinis et. al (2013) mentioned that “It is generally held that the ideal stage to acquire basic knowledge about entrepreneurship and to foster a positive attitude towards entrepreneurship is during childhood and years of adolescence”. Rosique-Blasco et al (2016) stated that despite the continued interest in entrepreneurship education, researchers have paid little attention to primary and secondary educational stages, and focused mainly upon university students.

Based on the findings of Dinis et al. (2013) and Frank et al. (2005) on the importance of teenage phase of laying foundations to instill entrepreneurial ambitions and orientations, it is postulated that a more concerted effort on developing the entrepreneurial ambitions of the teenage would have a positive outcome on developing an entrepreneurial culture in Sri Lanka. Further it is believed that such an effort would not become a reality unless entrepreneurial ambitions of the teenage would be understood through a focused research. The research expected to identify the factors that influence the ambition to pursue entrepreneurship as a future career choice among the Sri Lankan teenage population in the Western Province.

Very little work has been done on the study of the entrepreneurial ambition of the teenage population compared to that of the adults and university students in general. In the Sri Lankan context, hardly any literature on inclinations or ambition on entrepreneurship in teenage could be found. It needs to be understood that most of the parents of this part of the world still consider entrepreneurship as something very distinctly distanced from their imagination of what they want their teenage children to pursue.

Further, the identification of the factors that influence entrepreneurial ambition could be effectively used to design the education programs in future for the secondary school curriculum. The theoretical value addition to the body of the universal knowledge entails from the fact that the research will reframe the study of teenage student entrepreneurial ambition based on the contemporary behavioral models by emphasizing on the motivational elements. The objective of the research is to provide evidence that the entrepreneurial education acts as a moderator for the interaction between perception of entrepreneurial benefits and entrepreneurial ambition and inspiration of role models and entrepreneurial ambition in students to highlight the concrete role of entrepreneurship education at early stages.

2. LITERATURE REVIEW

Entrepreneurial intent refers to the intention of an individual to start a new business. Entrepreneurial intentions culminate at the point or just before the startup of a business. In other words they are very specific and focused towards a definite action. Ajzen (1991) provides a generic definition of intention as “a person’s readiness to perform a given behavior”. An entrepreneurial intention is concerned with the inclination of a person to start an entrepreneurial activity in the future (Davidson, 1995). Bird (1992) further suggests that entrepreneurial intention directs critical strategic thinking and decisions and operates as a perceptual screen for viewing relationships, resources, and exchanges.

Attitudes and the behaviors of the youth will be conditioned during their teenage years and as a consequence the attitudes and perceptions towards entrepreneurship will be conditioned heavily during this phase of development. Taylor, (2008) disclosed some relevant findings on the entrepreneurial ambitions of the school students. His findings although done in a different country context support the fact that school students still have some formed opinions and expectations of their future career. He stated that “What the study discovers is that there is an extraordinary high level of interest in entrepreneurship amongst school students, Over 65% of school students stated that they would prefer to work for themselves. The primary motive in all groups was economic autonomy through ownership”.

There is a volume of research in to identifying the traits of individuals that seemingly associate with entrepreneurs and to develop correlations of the attributes that favour the startups. For example Ferreira et. al (2012) state that the main psychological characteristics associated with entrepreneurship as: internal locus of control, propensity to take risk, self-confidence, need for achievement, tolerance of ambiguity, and innovativeness.

Nabi et.al (2013) stated that “it has generally been concurred that personality traits and demographics have not been very successful in explaining entrepreneurial intention or behavior”. It has been advocated that cognitive models, in particular, the TPB approach, provides greater predictive capacity in explaining entrepreneurial intention and behavior (Henry et al., 2003; Moriano et al., 2008).

The behavior interaction oriented theories that emerged later have been more effective in explaining the intents and behavior. Ajzen (1991) identified three independent determinants of intention, which he named as attitude toward the behavior, subjective norm, and perceived behavioral control. Ferreira et. al. (2012) cite that Ajzens model has been proposed several times as the best predictor of entrepreneurial behavior (Shapero, 1982; Honig, 2004). Nabi et.al (2013) stated that “A large body of entrepreneurship research provides empirical support for the TPB in the context of entrepreneurial intentions (Autio et al., 2001; Krueger et al., 2000). Engle et. al. (2010) point out the fact that Ajzens Model has been proven and time tested to describe the entrepreneurial intentions in general.

The Ajzens theory of planned behavior has been widely applied since then and has been understood in relation to other process models like those of Shapero (1982) who indicated that the entrepreneurial intention stems from the perception of feasibility and desirability of a person and this path is affected by the cultural and social context.

Molaei (2014) discusses the importance of recognition of entrepreneurial opportunity in leading to the motivation for entrepreneurial intentions. Although this concept is evident in the models such as the one by Shapero on entrepreneurial event the same has been dismissed in the context of formation of ambitions in teenage students.

This desirability construct has been further analyzed for motivational elements by Van Gelderen (Gelderen,2008) who has proposed a model for entrepreneurial intentions based on the Ajzens frame work. This has been illustrated below and the identification of individual elements like wealth and

autonomy the desire for which drives the individuals has been tested in the present research.

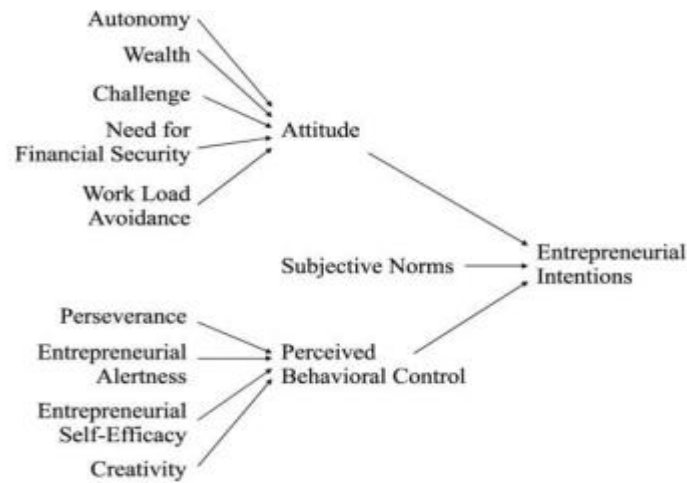


Figure 1 : Illustration of elements of Van Gelderens model for entrepreneurial intentions

For the present research this concept has been augmented Ajzen model, Shapero model and Van Gelderens model but proposing more specific variables than those proposed in models. The present work for example proposes to identify through study of literature, constituent variables such as the perceived benefits of entrepreneurship, inspiration by role models etc. instead of using the variable desirability (i.e attitude towards the behavior a in Ajzens theory). Also the friends and family influence has been proposed in lieu of the subjective norms more appropriately used as the influence from the immediate environment (of a teenage student) i.e. from friends and family, as the representation of the normative beliefs influencing the teenage students.

The present research also takes into account the “motivational forces” behind entrepreneurial ambition to be more specific. Further ambition was resorted in place of ‘intentions’ observing the fact that the Sri Lankan teens do not have economic discretion to do a business on their own and thus could not have embarked on specific course of action or formed specific intentions on a particular entrepreneurial path, but could only form ambitions on their career future on becoming entrepreneurs at most.

Sampling for the research was carried out using “Non probability Sampling (Non Random) method” in that the selection of schools was based on subjective judgment to ensure the various segments of the population like ethnicities, gender balance be captured. 326 responses could be collected. Sample was drawn from students aged between 15 years to 17 years.

3. METHODOLOGY

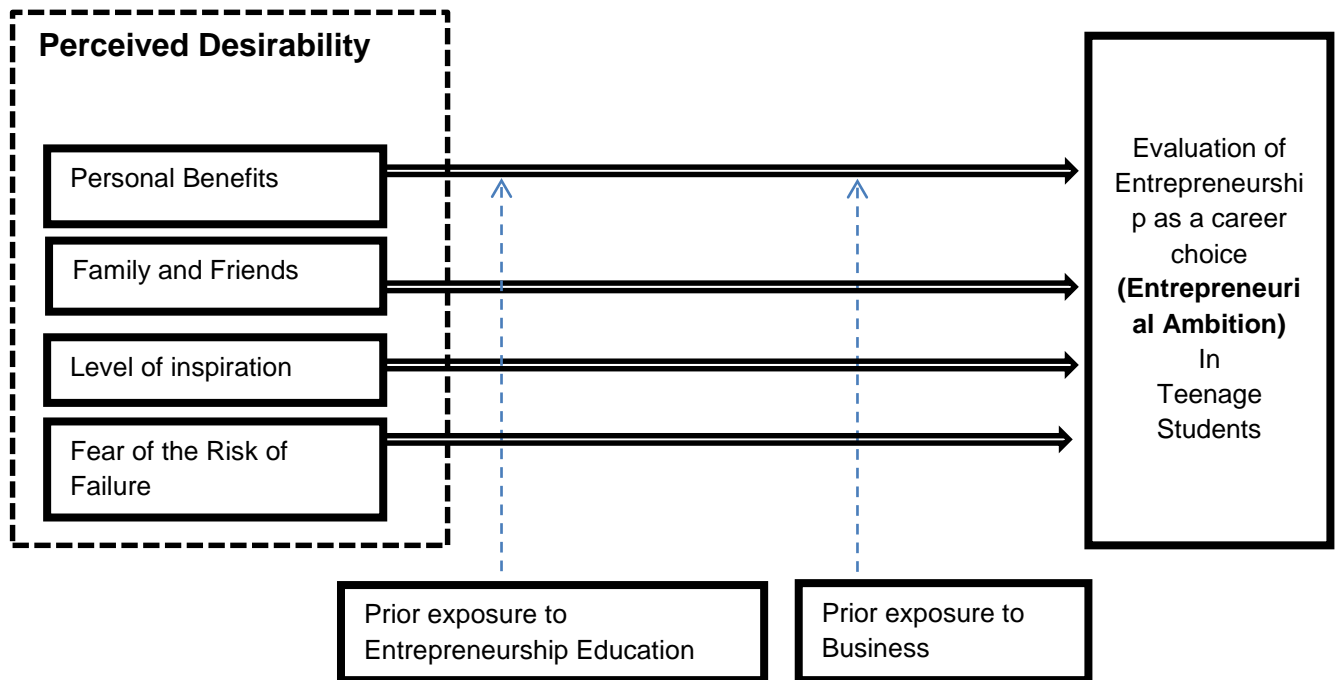


Figure 2: The Conceptual Framework

Table summarizes the constructs , the variables , the indicators which can be used to measure the construct and the measurement method.

Table 1: The Operationalization of variables

Construct	Dimensions / Variables	Indicators
Entrepreneurial Ambition	Desire to opt for a future entrepreneurial career	Desire to Start a business in Future as a career avenue
Perceived Personal Benefits leading to Desirability of Entrepreneurial Career	Autonomy of work (Van Gelderen (2006))	Desire for Autonomy of work
	Economic benefits Lingfei Wu et al (2010)	Desire for economic benefits Desire for Economic independence/discretion (Xue Fa Tong et al (2011))
	Social reputation Lingfei Wu et al (2010)	Desire for Social reputation
Inspiration by Role Models	Inspiration by Role Models Saeid Karimi et al (2014)	Inspiration to emulate role models
Fear of failure (Wang &Wong 2004)	Fear of failure (Wang &Wong 2004)	Perceived Level of Risk
Family & Friends	Family & Friends (Wang &Wong 2004)	Parental Perception on business/entrepreneurship
		Family encouragement
		Peer behavior/ encouragement
Prior exposure to Entrepreneurial Education & prior business Experience	Education (Wang &Wong 2004)	Exposure to Entrepreneurial Education
	Experience (Wang &Wong 2004)	Prior /family exposure to business

4. RESULTS AND DISCUSSION

A normality test was done for the responses received for the twenty seven questions using statistical application package SPSS. The analysis revealed that responses were distributed in a non-normal manner. However the frequency histograms showed normal like distribution for many responses. An exploratory factor analysis was done using the response to the questions. The analysis could be used to identify emerging factors forming the independent variables. Four components were extracted while eliminating contribution from variables with factor loadings less than 0.4. When four factors were extracted a reasonably acceptable factor extraction could be obtained.

The analysis showed that only the factors Perceived Benefits of Entrepreneurship and Family & Friends Encouragement having a positive influence on Entrepreneurial Ambition. A moderation effect was reported by Prior Exposure to Entrepreneurial Education on the relationship between Perceived Benefits of Entrepreneurship and the Entrepreneurial Ambition. The moderation by Prior Exposure to Business on Perceived Benefits of Entrepreneurship and Entrepreneurial Ambition was not supported. Multiple correlation coefficient (R) is 0.376 and the R square is 0.141 which explains 14.1% of the variance.

Thus it is noted that although the Fear of Risk of Failure was proposed with support from literature but was not proven. Some insights explaining this outcome emerge from the literature itself.

Ferreira et. al. (2012) in his study revealed that the “Propensity to Risk” was not a factor contributing to the entrepreneurial intentions of those students. This is supportive of the argument that the teenage are less worried about how they are going to accomplish the career goals compared to the proposition what they want their career choices to be. It is noted that Fear of Failure is the behavioral construct analogy of Propensity to Risk which is discussed in the trait based theories. Dinis et. al (2013) also projects some doubt stating that “it is still not clear in the literature whether there actually is a relationship between the propensity to risk-taking and entrepreneurial intention”.

The Inspiration by Role Models on the other hand did not emerge as a valid construct in the research model. It is observed that the volume of literature proposing a direct link between these constructs is very scarce. However the failure to emerge as a factor from the responses could be thought of as attributable to the local context and the characteristics of sample. In Sri Lankan context we had as few personalities who were celebrated for their entrepreneurial contribution and caliber and they hardly have been able to

project an image of entrepreneurial value disruption like Bill Gates or Steve Jobs. Perhaps the cultural and circumstantial distance of these entrepreneurs at global stage to be considered to have a tangible inspiration in local students may be less prominent. Alternatively students are still being influenced by the opinions of the generation which their parents belonged to when series of socialist policies were brought about discouraging private businesses and painted damaging picture of the business community and possession of personal wealth at large. It is believed that lesser prominence of the Inspiration by role models as a factor may have been a consequence of lack of an opportunity for such interaction in the present school system.

The other important finding is the fact that the moderation effect of prior exposure to entrepreneurial education was proposed in the model as a moderation variable getting support by the research results.

Non Parametric test Mann-Whitney U Test (Because data is not normal as per Shapiro-Wilk criterion) on the equality of sample medians were performed to see if there are differences in either Entrepreneurial Ambition, Perception of Benefits or the Friends and Family Encouragement depending on categorical variables Gender, Race or Religion.

It revealed that none of the variables tested have a dependence on gender. Entrepreneurial Ambition and Friends & Family Encouragement have a dependence on respondents' ethnicity. All of the Three variables Entrepreneurial Ambition, Perceived Benefits of Entrepreneurship and Friends & Family Encouragement have a dependence on Religion.

Comparison between Sinhala and Tamil groups revealed the existence of significant differences in favor of Tamil students with respect to the Entrepreneurial Ambition, Friends & Family Encouragement as well as the Prior Exposure to Entrepreneurial Education. Comparison between Sinhala and Muslim students revealed that Sinhala students showed higher level of Prior Exposure to Entrepreneurial Education. Comparison between Tamil and Muslim students revealed that Tamil students showed higher level of Prior Exposure to Entrepreneurial Education as well as Prior exposure to Business. However it has to be noted that Muslim students subjected to the survey were girls could have played a role in the outcome of the responses. Contrary to the conventional belief the Muslim students did not show higher level of parental background as entrepreneurs. However they outclassed other ethnicities with presence of entrepreneurs in close circles.

As per recommendations, it is clear that the encouragement towards entrepreneurship as well as the positive reinforcement of the perception of benefits of entrepreneurship should begin as early as 15 years if not at an earlier stage. The main recommendation emerging out of the research study

is the augmentation of entrepreneurial education in to the school curriculum of the students of the subject age group as the research support the finding of existence of a tangible proposition in Entrepreneurial Ambition among the teenaged students. This highlights the need to lay more emphasis on the benefits that entrepreneurship could bring in to the individuals as it will act as a motivator and a selling point to induce their career preferences in that direction.

This finding itself could be harnessed at educational policy making level to restructure and include entrepreneurial education in the school curriculum of the subject age group. A further development is the establishment of entrepreneurial societies and circles in school as extra-curricular activities to encourage exchange of ideas and experiences among the peer students. The same entrepreneurial societies and circles could be used to introduce interaction of students with established and reputed entrepreneurs to share their success stories while this could inspire the students more towards having entrepreneurial inclinations.

Most of the literature supports an approach of adopting non-class room type education where entrepreneurship competencies are the focus while they are seen as “behavioral and observable and are linked to the origin, growth, and survival of company” and “entrepreneurial competencies are often psychological or social skills” and the taught competencies should include important attributes like “leadership, identify opportunities, creativity, innovation, analytical skills, communication, problem solving,, flexibility and adaptability, critical thinking, networking ability, and teamwork building” (Farhangmehr et. al., 2016).

As for future research, more research could be conducted in students in their early teenage possibly 13 years to 14 years as well to see if the same findings emerge. This would enable future policy makers to judge when it is most opportune to encourage entrepreneurial inclinations. Furthermore a longitudinal analysis could be conducted to see how many of the students who show an ambition to become entrepreneurs at early age fulfill their ambition while how others who do not show such a motivation to become an entrepreneur, change their minds with age.

5. CONCLUSION

This research found the existence of two factors; Perception of benefits of entrepreneurship and family and friends encouragement contribute to the entrepreneurial ambition of Sri Lankan teenage students. It revealed the moderation effect caused by prior entrepreneurial education on the interaction between perception of benefits of entrepreneurship and entrepreneurial

ambition. The study revealed existence of differences with respect to entrepreneurial ambition and antecedents in different communities.

6. REFERENCES

Ajzen, I. (1991), "The theory of planned behaviour", *Organizational Behavior and Human Decision Processes*, Vol. 50, pp. 179-211

Autio, E., Keeley, R.H., Klofsten, M., Parker, G.G.C. and Hay, M. (2001), "Entrepreneurial intent among students in Scandinavia and in the USA", *Enterprise and Innovation Management Studies*, Vol. 2 No. 2, pp. 145-160.

Bird, B. (1988). Implementing entrepreneurial ideas: The case for intention. *Academy of Management Review*. /i(3), 442-453.

David W. Taylor, (2008) "The Entrepreneur in Youth: An Untapped Resource for Economic Growth, Social Entrepreneurship, and Education", *International Journal of Entrepreneurial Behavior & Research*, Vol. 14 Issue: 5, pp.367

Davidsson, P. (1995), "Determinants of Entrepreneurial Intentions. In Proceedings RENT XI Workshop, Piacenza, Italy.

Dinis Anabela do Paço Arminda Ferreira João Raposo Mário Gouveia Rodrigues Ricardo , (2013), "Psychological characteristics and entrepreneurial intentions among secondary students

Engle, R.L., Dimitriadi, N., Gavidia, J.V., Schlaegel C., Delonoe, S., Alvarado, I., He, X.H., Buame, S. (2010), "Entrepreneurial intent: A twelve-country evaluation of Ajzen's model of planned behaviour", *International Journal of Entrepreneurial Behaviour & Research*, Vol. 16 No. 1, pp. 35-57.

Ghulam Nabi, Francisco Liñán, (2013) "Considering business start-up in recession time: The role of risk perception and economic context in shaping the entrepreneurial intent", *International Journal of Entrepreneurial Behavior & Research*, Vol. 19 Issue: 6, pp.633-655

Henry, C., Hill, F. and Leitch, C. (2003), *Entrepreneurship Education and Training*, Ashgate, Aldershot, Hants, and Burlington, VT.

Hermann Frank, Christian Korunka, Manfred Lueger, Josef Mugler, (2005) "Entrepreneurial orientation and education in Austrian secondary schools: Status quo and recommendations", *Journal of Small Business and Enterprise Development*, Vol. 12 Issue: 2, pp.259-273

Honig, B. (2004), "Entrepreneurship education: toward a model of contingency-based business planning", *Academy of Management Learning and Education*, Vol. 3 No. 3, pp. 258-73.

John L. Thompson, (2004) "The facets of the entrepreneur: identifying entrepreneurial potential", *Management Decision*, Vol. 42 Issue: 2, pp.243-258

Krueger, N.F., Reilly, M.D. and Carsrud, A.L. (2000), "Competing models of entrepreneurial intentions", *Journal of Business Venturing*, Vol. 15 Nos 5-6, pp. 411-432.

Lingfei Wu, Jun Li, (2011) "Perceived value of entrepreneurship: A study of the cognitive process of entrepreneurial career decision", *Journal of Chinese Entrepreneurship*, Vol. 3 Issue: 2, pp.134-146

Marco van Gelderen Maryse Brand Mirjam van Praag Wynand Bodewes Erik Poutsma Anita van Gils, (2008), "Explaining entrepreneurial intentions by means of the theory of planned behaviour", *Career Development International*, Vol. 13 Iss 6 pp. 538 – 559

Mario Rosique-Blasco, Antonia Madrid-Guijarro, Domingo García-Pérez-de-Lema, (2016). "Entrepreneurial skills and socio-cultural factors: An empirical analysis in secondary education students", *Education + Training*, Vol. 58 Issue: 7/8, pp.815-831

Minoo Farhangmehr, Paulo Gonçalves, Maria Sarmento, (2016) "Predicting entrepreneurial motivation among university students: The role of entrepreneurship education", *Education + Training*, Vol. 58 Issue: 7/8, pp.861-881

Moriano, J.A., Gorgievski, M. and Lukes, M. (2008), *Teaching Psychology of Entrepreneurship. Perspectives from Six European Countries*, UNED, Madrid.

Raposo, M., Ferreira, J., Paço, A. and Rodrigues, R. (2008b), "Propensity to firm creation: empirical research using structural equations", *International Entrepreneurship Management Journal*, Vol. 4 No. 4, pp. 485-504.

Roger Henderson, Martyn Robertson, (1999) "Who wants to be an entrepreneur? Young adult attitudes to entrepreneurship as a career", *Education + Training*, Vol. 41 Issue: 5, pp.236-245

Roya Molaei Mohammad Reza Zali Mohammad Hasan Mobaraki Jahngir Yadollahi Farsi , (2014), "The impact of entrepreneurial ideas and cognitive style on students entrepreneurial intention ", *Journal of Entrepreneurship in Emerging Economies*, Vol. 6 Iss 2 pp. 140 – 162

Shapero, A. (1982), "Social dimensions of entrepreneurship", in Kent, C., Sexton, D. and Vespers, K. (Eds), *The Encyclopedia of Entrepreneurship*, Prentice Hall, Englewood Cliffs, NJ.