

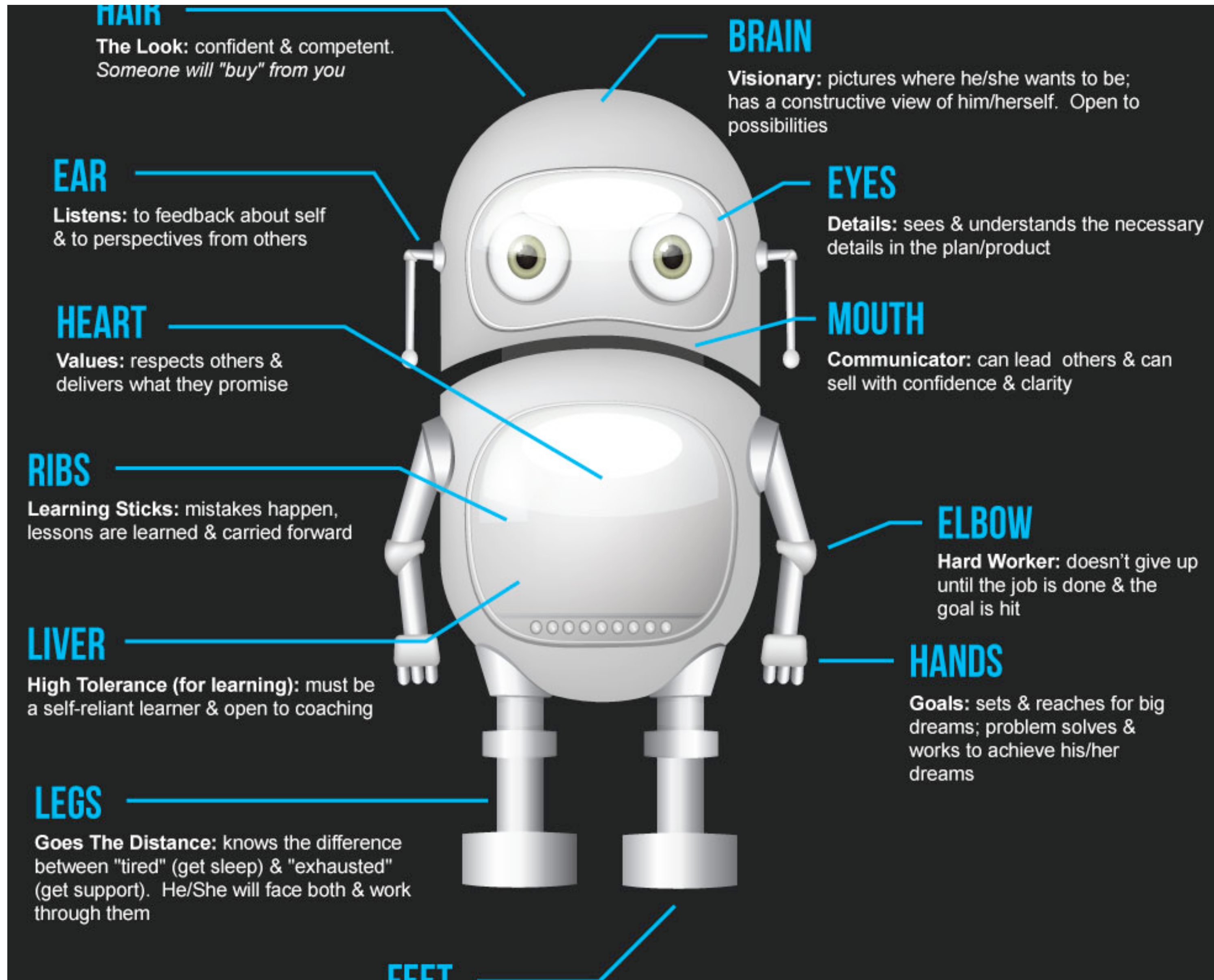
What influences students' entrepreneurial intentions?

Some evidences from the pilot study of Russian and Indian students

Outline

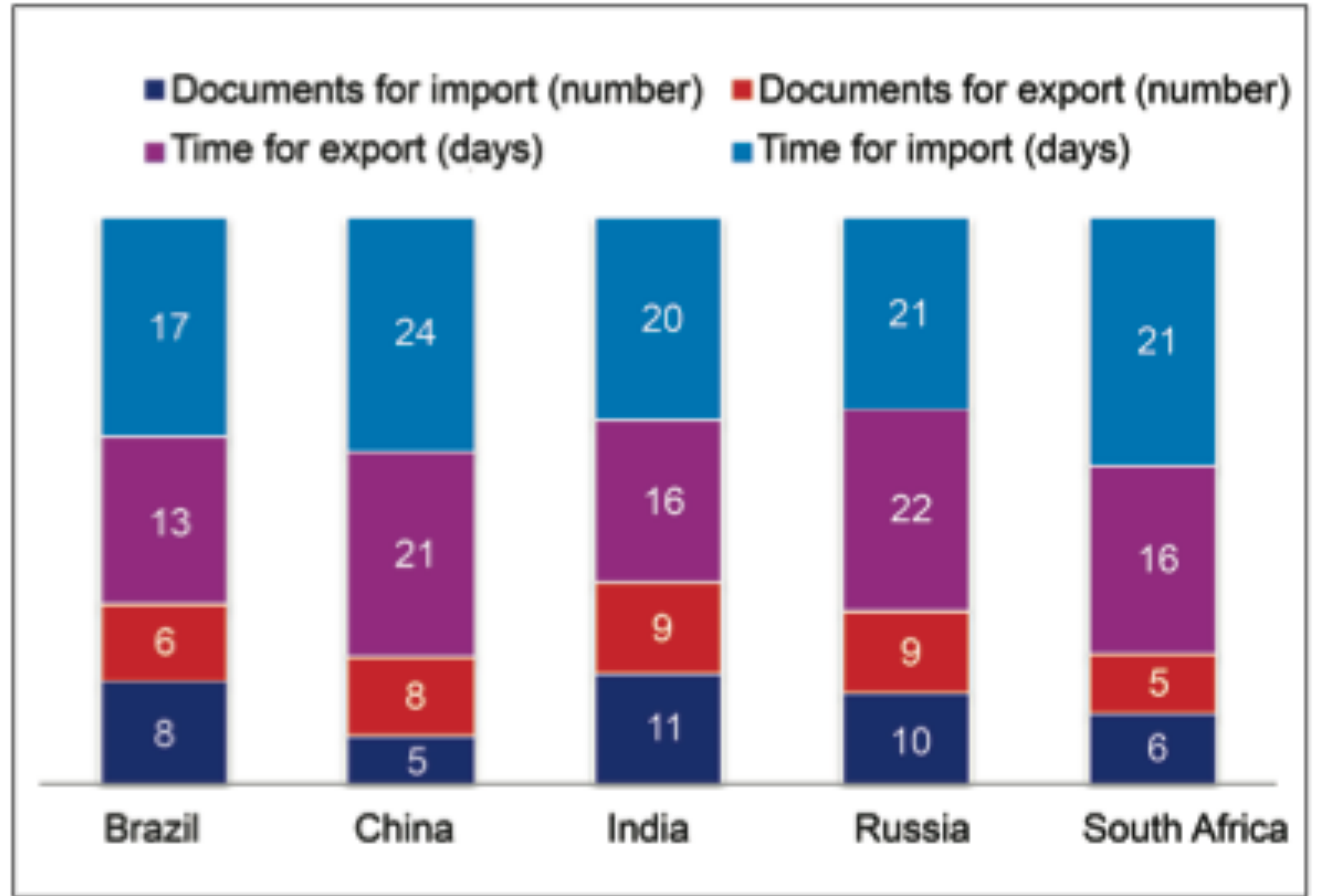
1. Research motivation
2. Literature background
3. Theoretical model
4. Research design
5. Preliminary outcomes

HERE'S TO THE
CRAZY ONES
the **MISFITS** *the* **REBELS**
THE TROUBLEMAKERS
THE ROUND SQUARE
PEGS HOLES
THE ONES WHO SEE THINGS
DIFFERENTLY



Research motivation

India is one of the few countries that enjoys an increasing rate of urbanization. Currently, it is a favorable destination for business because of a growing affluent middle class, high consumer population, and the world's largest young workforce base.



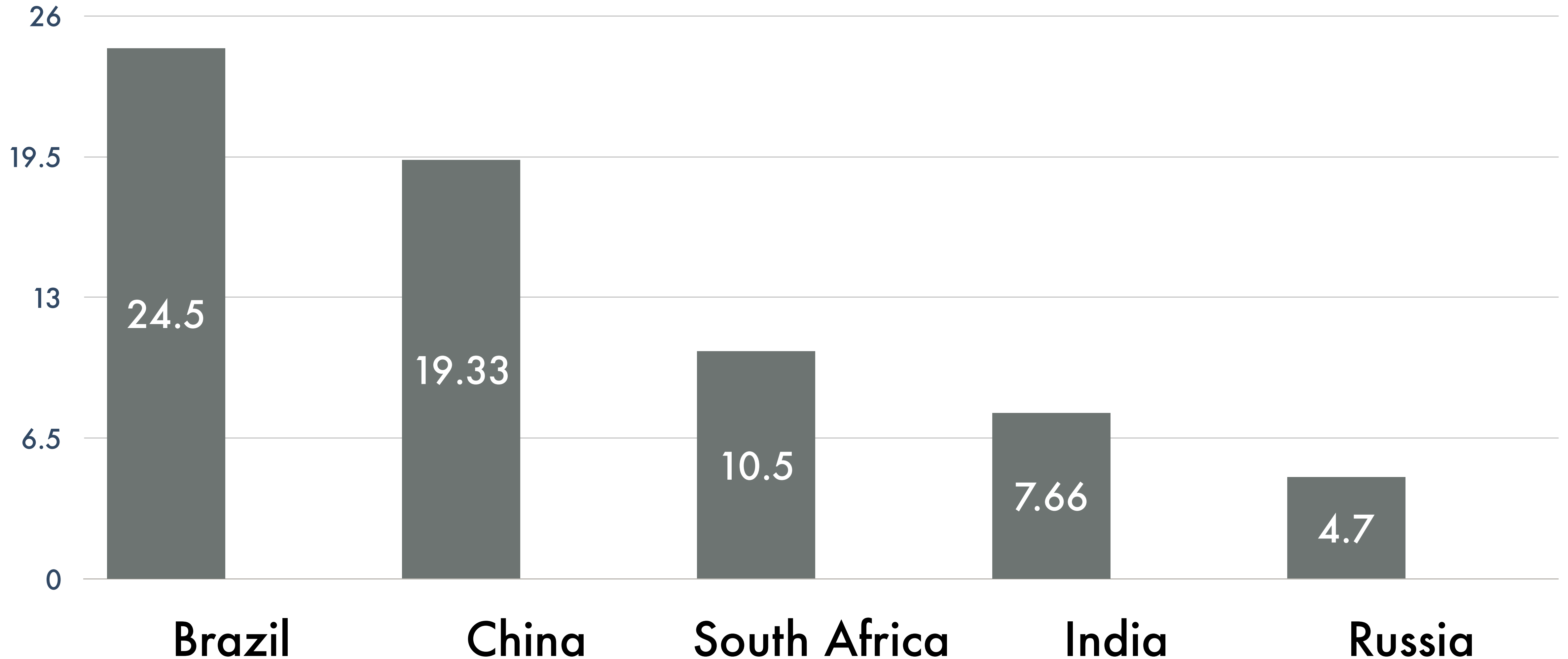
Source: Doing Business Report, 2014

GEM Report 2014:

Social Values Regarding Entrepreneurship (age 18 - 64)

Countries	Entrepreneurship as a Good Career Choice	High Status to Successful Entrepreneurs	Media Attention to Entrepreneurship
India	57.93	66.16	56.62
Russia	67.12	65.93	50.43

GEM Report 2014: Entrepreneurial Intentions among BRICs Countries



Research objective

The objective of this work is to examine the key factors influencing students' intention to start a new business in Russia and India.

- In India, 58 per cent of Indian adults consider entrepreneurship as a desirable career choice and around 66 per cent think that entrepreneurs receive a high level of status and respect . However, entrepreneurship in India is a less desirable career choice when compared to its peers in the factor-driven (least developed) economies as well as the BRICS nations .

Literature background

Determinants of entrepreneurial intention

Shapero and Sokol (1982): entrepreneurial event model

Ajzen (1991): theory of planned behavior

McClelland (1961), Hisrich et al. (2004): entrepreneurial personality

Hannan and Freeman (1989), Aldrich and Fiol (1994): social and cultural exogenous factors

Lüthje and Franke (2003): perceived entrepreneurial-related barriers and support factors

What makes an entrepreneur?

Psychological factors

McClelland (1961): autonomy, risk taking

Hisrich et al. (2004): attitude towards innovation, creativity, organizational and leadership skills, self-confidence, and self-esteem

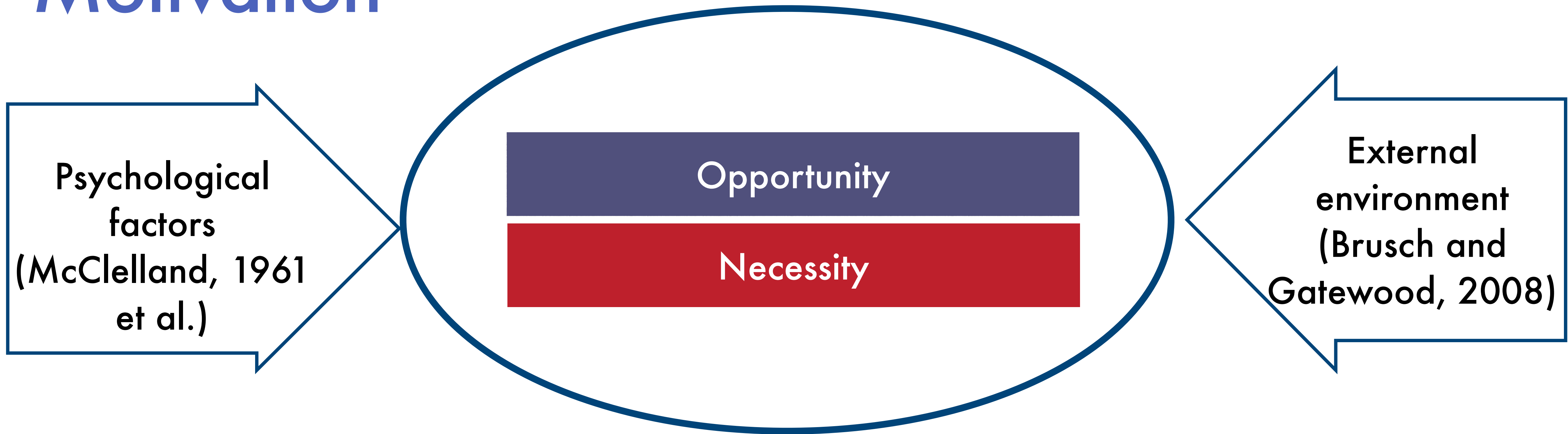
Kobia and Sikalieh (2010): locus of control, need for achievement

Tang et al. (2007): alertness to external business opportunities

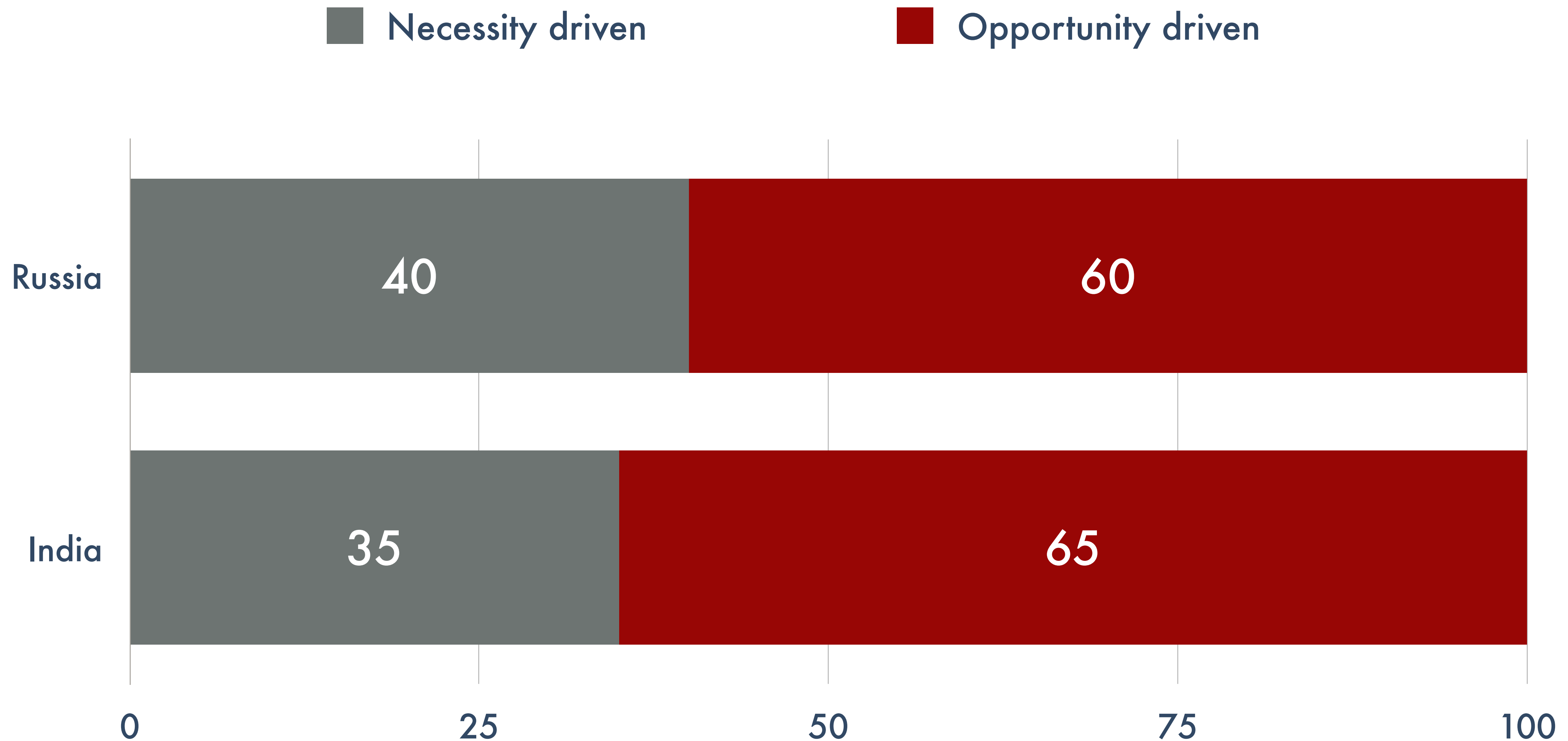
Mousa and Wales (2012): professional and personal self-realization

What makes an entrepreneur?

Motivation



Entrepreneurial Motivation in Russia and India



What makes an entrepreneur?

External environment

Kolvereid et al. (1993), Heilman and Chen (2003): lack of support

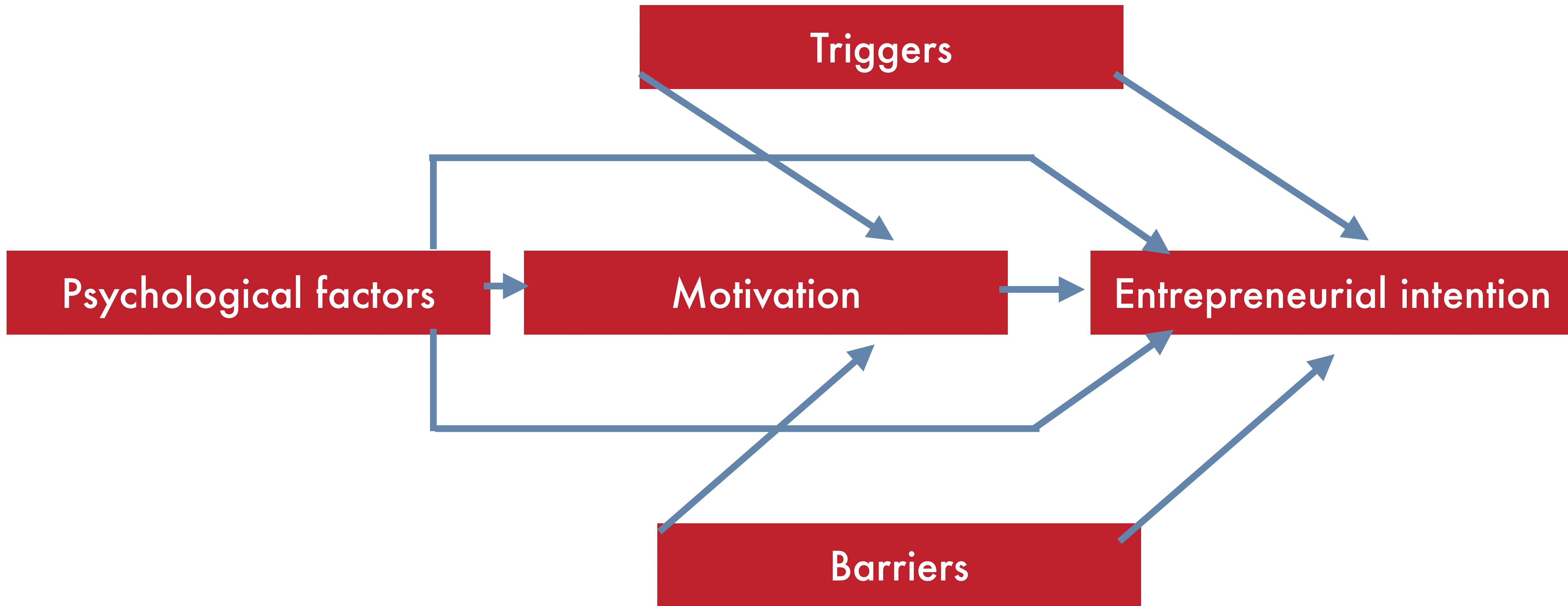
Raijman (2001): social networks

Eckel and Grossman (2003), Wagner (2007): fear of failure

Franke and Lüthje (2004): education or training

Boyle and Magor (2008): influence of media

Theoretical model



What influences entrepreneurial intention?

H1: Motivational factors are positively associated with intentions to start a new business

H2: Cognitive factors positively influence entrepreneurial intentions both directly and indirectly (via motivation)

H3: Psychological factors positively influence entrepreneurial intentions both directly and indirectly (via motivation)

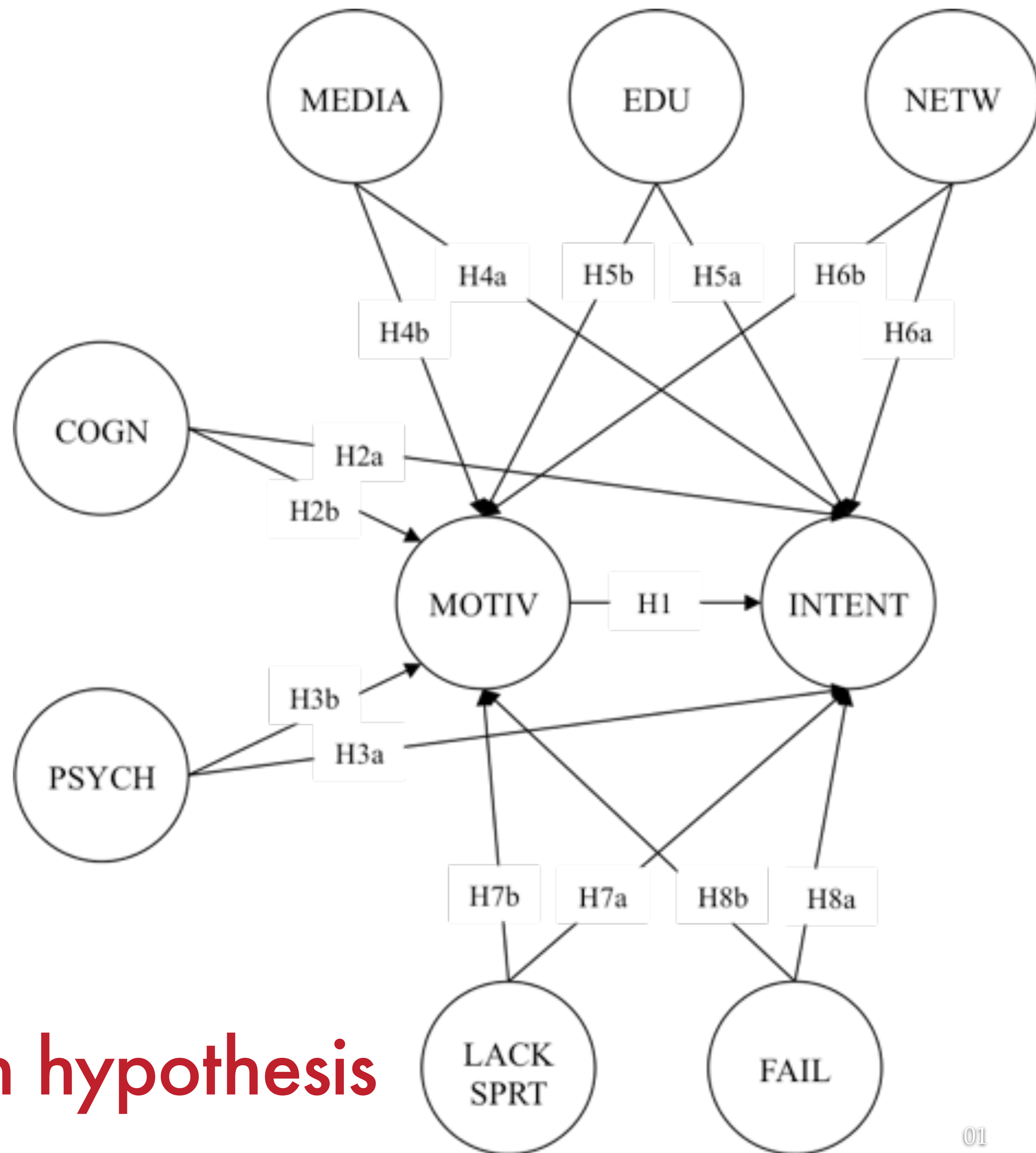
H4: Media have both direct and indirect positive impact on entrepreneurial intention

H5: Education have both direct and indirect positive impact on entrepreneurial intention

H6: Social networking have both direct and indirect positive impact on entrepreneurial intention

H7: Lack of support has both direct and indirect negative impact on entrepreneurial intention

H8: Fear of failure has both direct and indirect negative impact on entrepreneurial intention



Conceptual model and research hypothesis

Research design

Research design




Questionnaire
by Marques et
al.(2013)
added with
triggers and
barriers
constructs

Scales
validation
procedure by
the expert
panel and
questionnaire
development

Data gathering
in Russia (189
respondents)

Data gathering
in India (106
respondents)

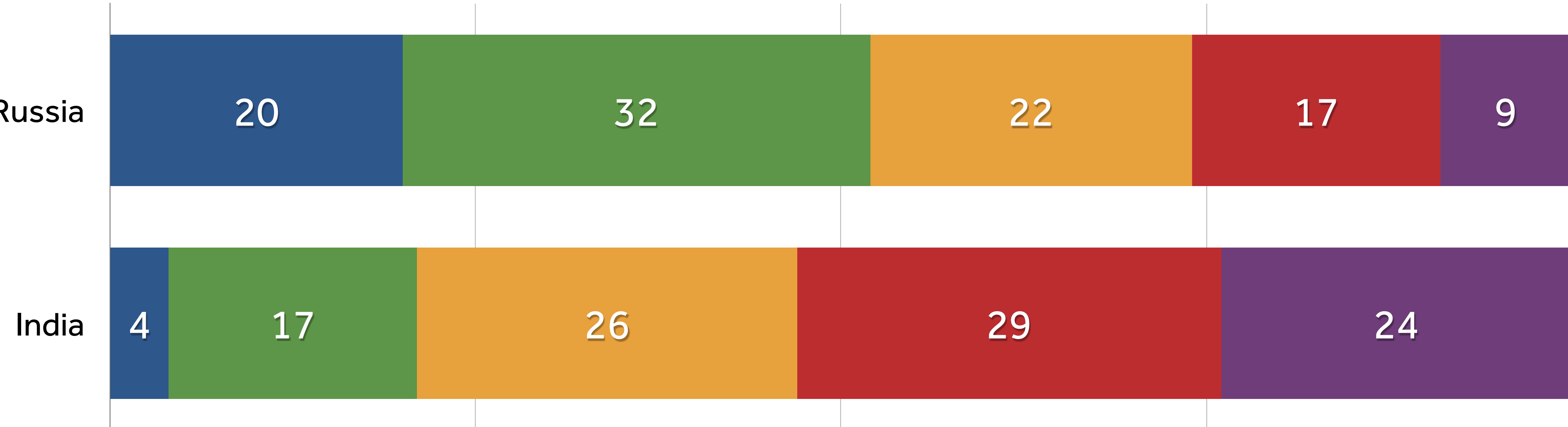
Data analysis
(factor analysis
and Smart PLS
model
estimation)



Samples

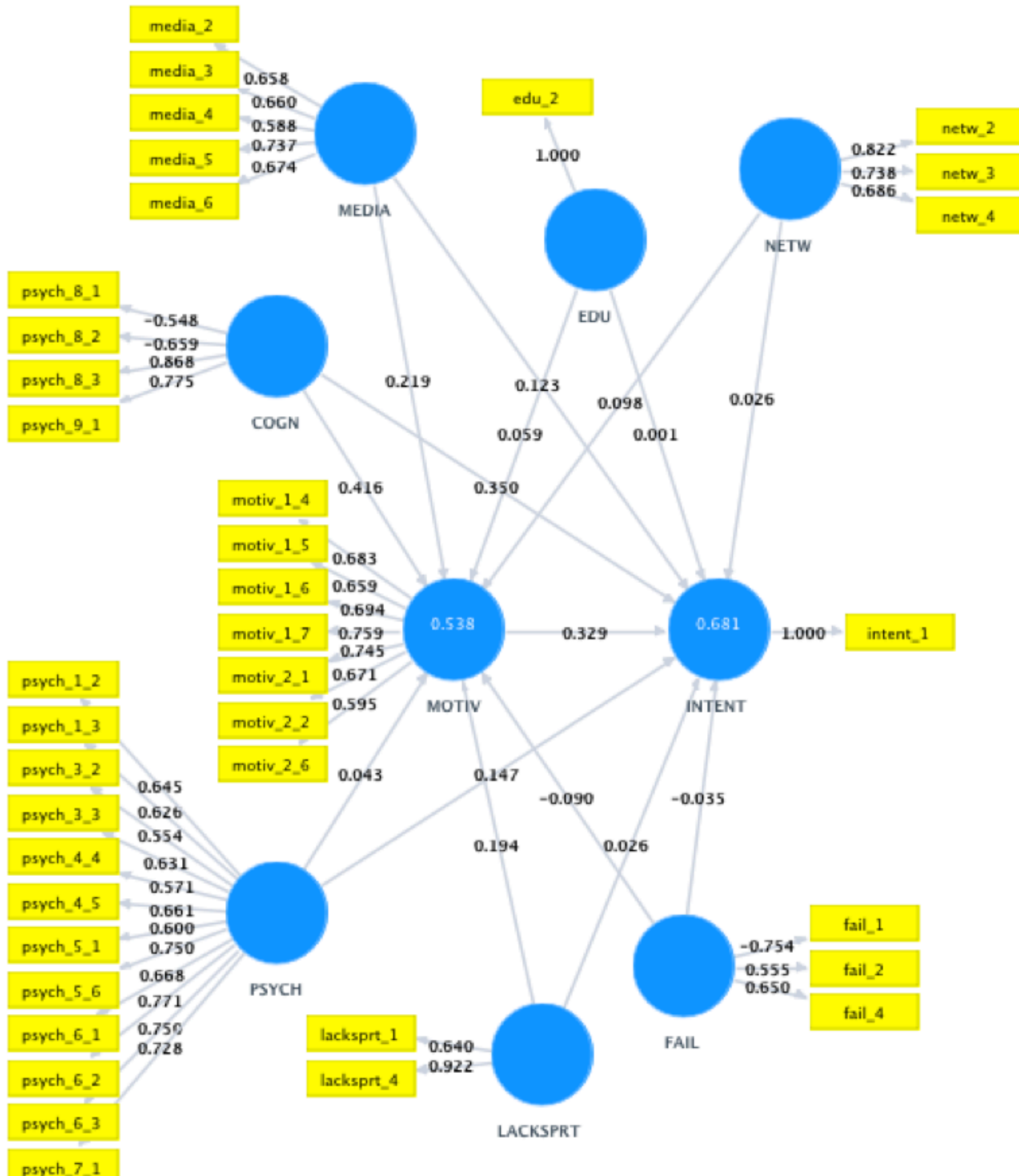
	Russia	India
Gender	56% women 44% men	35% women 65% men
Education	82% bachelor 14% masters 4% PhD	88% bachelor 11% masters 1% PhD
Age	Mean 24	Mean 21
Previous business experience	35% (17% evaluate it positively)	28% (12% evaluate it positively)

When do you intend to start your own business?



■ I've already started my own business ■ In 2 years ■ In 5 years ■ More than in 5 years
■ I do not intend

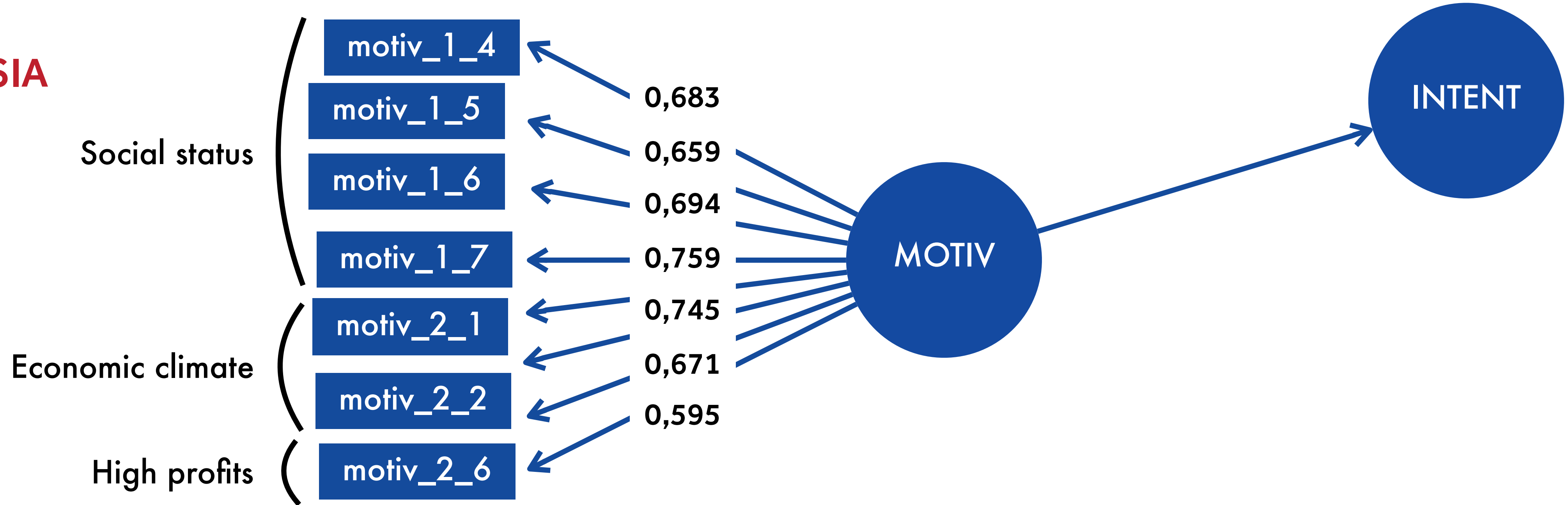
Preliminary outcomes



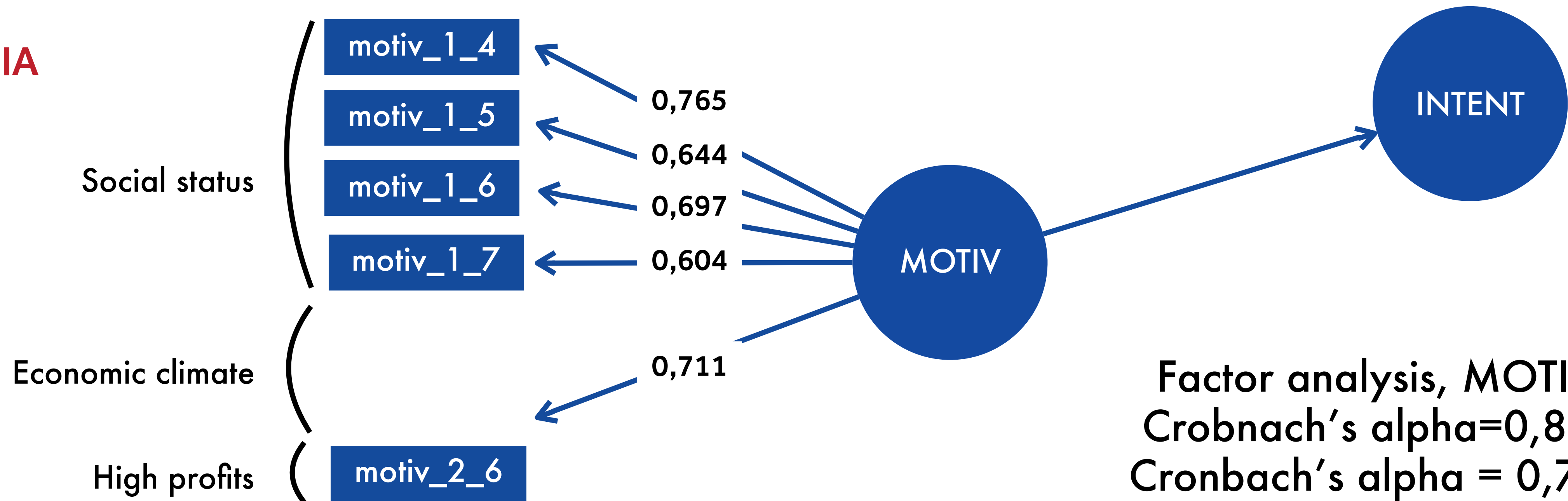
Smart - PLS modelling

The number of indicators was reduced on the basis of factor analysis, employed at the previous stage

RUSSIA



INDIA

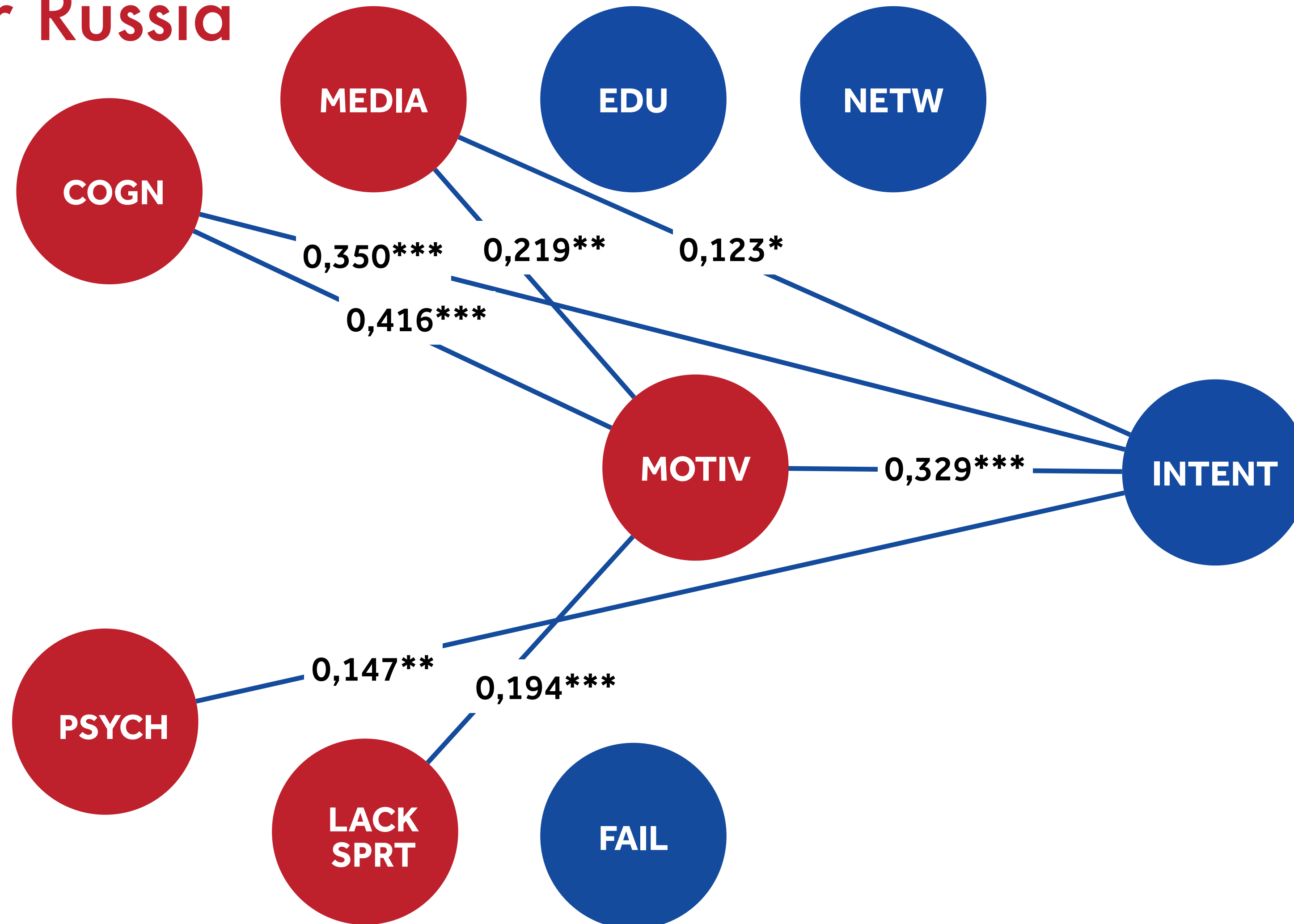


Factor analysis, MOTIV
Cronbach's alpha=0,815
Cronbach's alpha = 0,715

Indicators

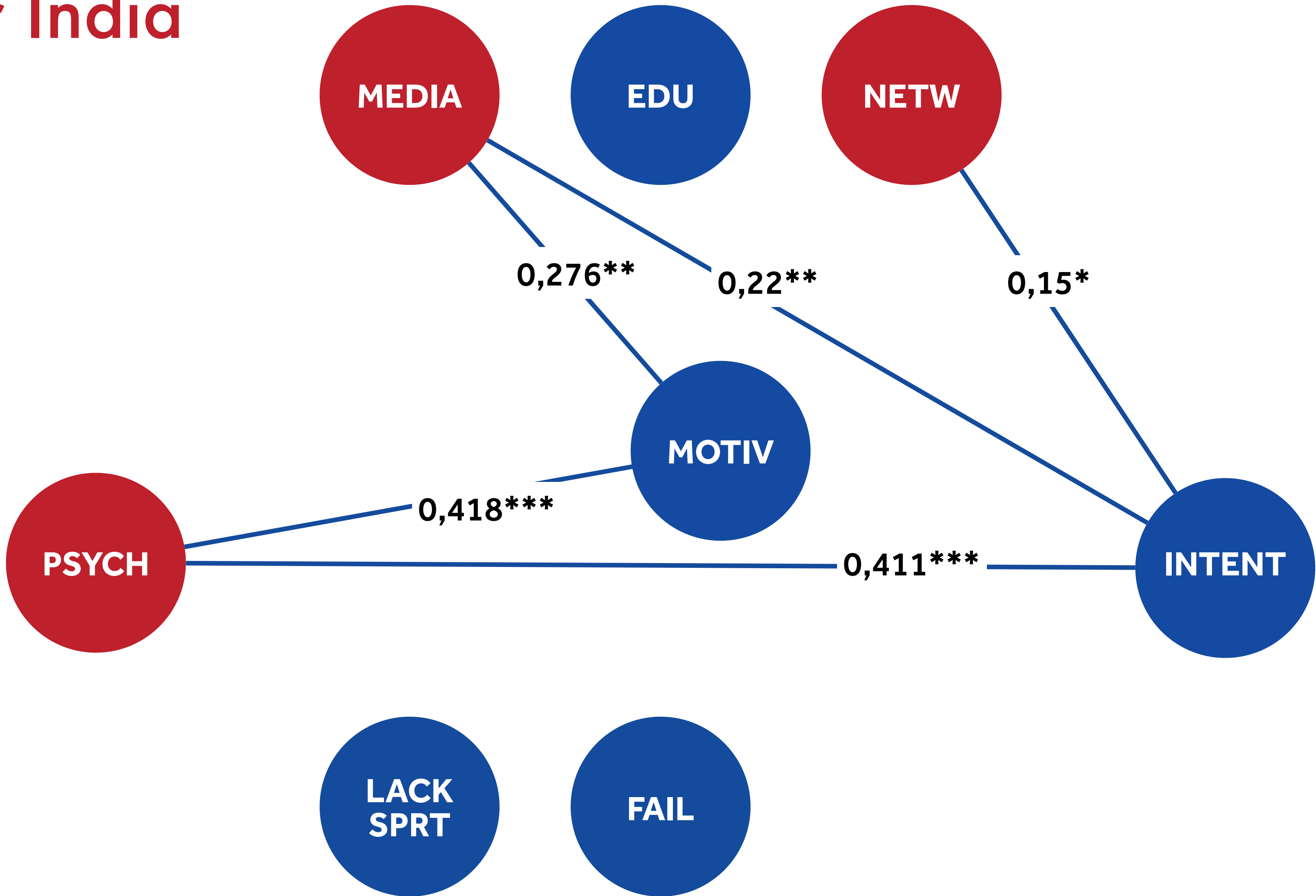
Factors	Indicators	Russia	India
Motivation: opportunity	7	4	4
Motivation: necessity	6	3	1
Psychological factors:			
- innovativeness	5	2	1
- independence	1	-	-
- self-assurance	7	2	-
- locus of control	6	2	-
- risk acceptance	6	2	-
- leadership and organizational skills	4	3	1
- need for achievement	5	1	-
- self-realization	4	3	1
- alertness	2	1	1
- perception of success	3	-	-
Media	8	5	3
Education	4	1	2
Network	5	3	3
Lack of support	5	2	1
Fear of failure	4	3	1
Intention	7	1	5

Results for Russia



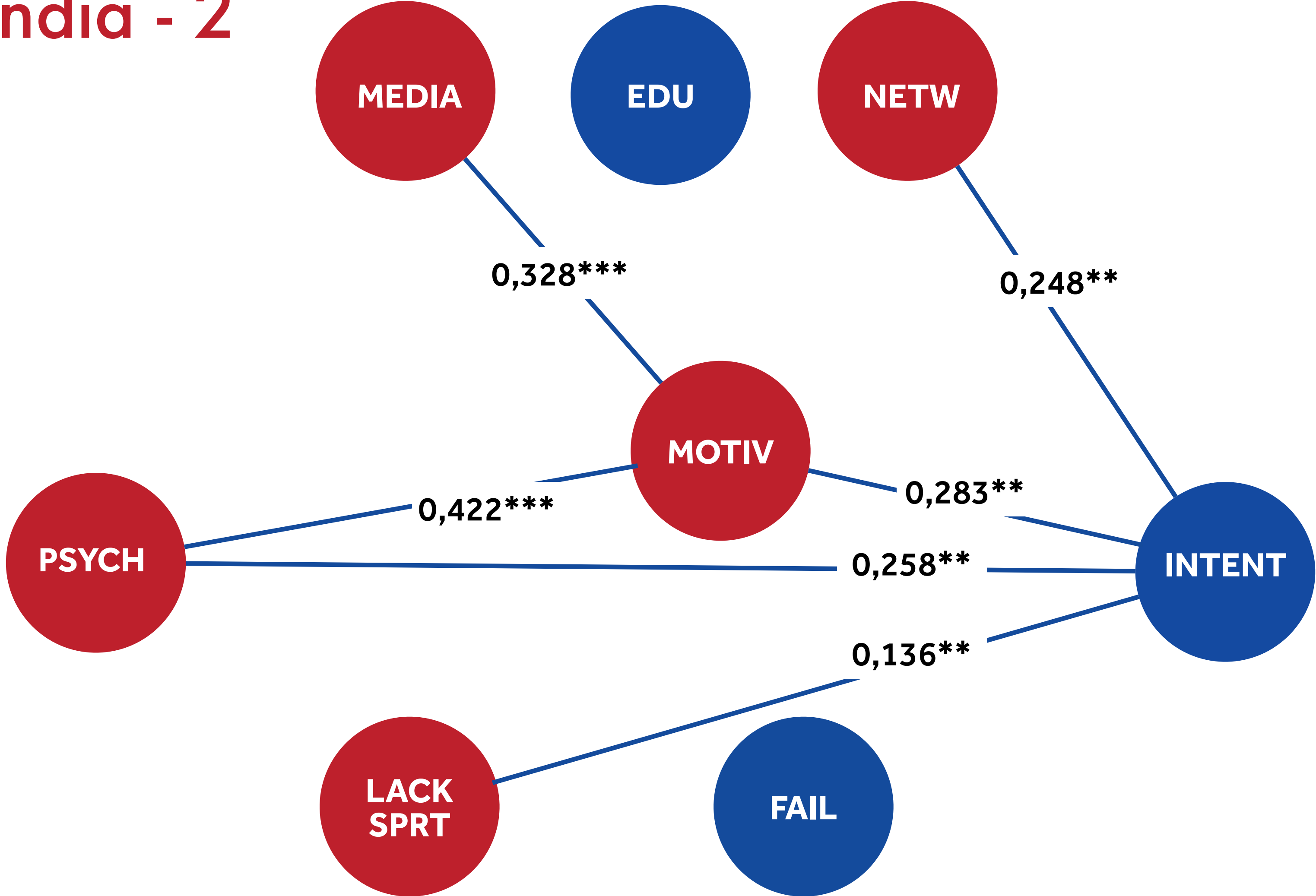
* $p < 0,05$, ** $p < 0,01$, *** $p < 0,001$ | $R^2_{\text{MOTIV}} = 0,538$, $R^2_{\text{INTENT}} = 0,681$

Results for India



*p<0,05, **p<0,01, ***p<0,001 | R²_{MOTIV} = 0,612, R²_{INTENT} = 0,617

Results for India - 2



*p<0,05, **p<0,01, ***p<0,001 | R²_{MOTIV} = 0,612, R²_{INTENT} = 0,617

Questions and comments are welcome
