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RESEARCH ARTICLE

AN EMPIRICAL STUDY ON YOUTH PERCEPTION TOWARDS ENTREPRENEURSHIP WITH REFERENCE TO VIJAYAWADA CITY.

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Abstract

The research was conducted to exploring the perception of youth towards entrepreneurship. It was the objective of the study on youth perception towards entrepreneurship. It was also aimed at determining the attitude level of youth towards contemporary scenario of the entrepreneurship. The data was collected from one hundred respondents who are from the different academic disciplines and various professionals. The respondents were selected using the stratified random sampling method. Data was collected through pre-tested questionnaire. Descriptive statements analysis was used to explain and highlight the variables, while statistical tools were applied in the analysis of the relationships existing between variables.

The study concluded that entrepreneurial influencing factors such as personality traits, learning, annual income, family business experiences, economic status of family, government policies, social factors and culture; and entrepreneurial development factors, such as information technology development and education system showing impact on the favourable perception of the youth towards entrepreneurship.

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Introduction:-

Entrepreneurship has become an important facet in promoting economic development and wealth. The significance of entrepreneurship has committed extremely in reducing the extent of unemployment and thereby promoting employment opportunities among the youth. The growth and economic sustainability of every nation has been shaped and carved by men and citizens of nation who have taken their destinies in their own hands by perceiving opportunities and risking their resources (money, machines, materials, men) in establishing and operating their own business. Entrepreneurship has become a fundamental facet in promoting economic success, steadiness and wealth creation.

The Government of India has undertaken several initiatives and instituted policy measures to foster a culture of innovation and entrepreneurship in the country. Job creation is a foremost challenge facing India. With a significant and unique demographic advantage, India, however, has immense potential to innovate, raise entrepreneurs and create jobs for the benefit of the nation and the world.

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In the recent years, a wide spectrum of new programmes and opportunities to nurture innovation have been created by the Government of India across a number of sectors. From engaging with academia, industry, investors, small and big entrepreneurs, non-governmental organizations to the most underserved sections of society.

Recognising the importance of women entrepreneurship and economic participation in enabling the country's growth and prosperity, Government of India has ensured that all policy initiatives are geared towards enabling equal opportunity for women. The government seeks to bring women to the forefront of India's entrepreneurial ecosystem by providing access to loans, networks, markets and trainings.

Objectives Of The Study

1. To study the perception of the youth towards entrepreneurship
2. To study the awareness of youth regarding government regulations, schemes, credit facilities related to business
3. To study the different barriers and obstacles faced by entrepreneurs

Research Methodology:-

The data was collected from primary and secondary sources by using structured questionnaire. The sample was collected by using stratified random sampling technique.

Review Literature

Entrepreneurship and business creation are a growing alternative for young people whose age group often faces a labour market with double digit unemployment rates.

Traditional career paths and opportunities are disappearing rapidly. A growing number of young people are taking up challenge of starting their own business and much is being learned about how the odds for success can be improved through various types of assistance and through the creation of a supportive environment." (Ulrich Schoof 2006, p.1)

Youth and Entrepreneurship

In order to investigate youth entrepreneurship and monitor and evaluate policies designed to promote it, a definition of youth entrepreneurship is necessary. Unfortunately there is no generally agreed upon definition of the terms "entrepreneurship", "entrepreneur" or "youth entrepreneurship" in the literature yet. For the purpose of this study, a behaviourally-based definition instead of a trait-based approach is favoured. Thus entrepreneurship is a set of behaviours and an entrepreneur is someone who undertakes these behaviours (Ulrich, 2006). Ulrich explained that using a behavioural definition facilitates the analyses of youth entrepreneurship, as it is easier to observe what young entrepreneurs do and how they do it than to identify their particular "entrepreneurial" traits and qualities – suggesting that entrepreneurship is innate, rather than something that can be learned. He further defined entrepreneurship as "the recognition of an opportunity to create value, and the process of acting on this opportunity, whether or not it involves the formation of a new entity. While concepts such as "innovation" and "risk taking" in particular are usually associated with entrepreneurship, they are not necessary to define the term.

Types of (Youth) Entrepreneurship and Young Entrepreneurs

The two approaches (behavioural based and trait based) each feature strongly in the literature. The trait-based approach is characterized by attempts to identify entrepreneurial traits and qualities and is evident, for example, in a definition of entrepreneurship proposed by Schnurr and Newing (1997, cited in Chigunta, 2002,

p.1) as the "practical application of enterprising qualities, such as innovation, creativity, and risk-taking into the work environment (either in self-employment or in small start-up firms), using the appropriate skill necessary for success in that environment and culture". Youth entrepreneurship and entrepreneurial activity can occur in different sectors, enterprise types and businesses (branches) and this engagement can have various reasons and motivations. In this section different types of youth entrepreneurship and young entrepreneurs are presented.

Economic, Social and Public Entrepreneurship

According to the definition presented in the preceding section, entrepreneurship is the recognition of an opportunity to create value, and the process of acting on this opportunity. For enterprises in the private sector (economic

entrepreneurship) the main value or outcome is wealth creation and profit generation for those who own the enterprise. As the majority of young and old entrepreneurs engage in entrepreneurship of this type, most of the research and literature focuses on this aspect. Another type of entrepreneurship, gaining popularity across the globe, is social entrepreneurship. Social entrepreneurship uses entrepreneurial activity to create social value; wealth creation is just a means to an end and a way of measuring value creation. As Dees (2001) puts it, "For social entrepreneurs, social mission-related impact becomes the central criterion, not wealth creation".

Another approach to classify different types of young entrepreneurs is a transitional categorization, based on significant structural differentiation in youth enterprise activities. Studies from different countries suggest that youth entrepreneurship varies according to age. Chigunta (2002) proposes a broad categorization into three (transitional) phases explained below:

Pre-entrepreneurs (in the age of 15-19 years):

This is the formative stage. These younger youth are often in transition from the security of the home or education to the work place. But, as Curtin (2000) observes, for many young people, the transition from education to work is not a single step of leaving the educational system and entering the world of work.

Budding entrepreneurs (in the age of 20-25 years):

This is the growth stage. These youth are likely to have gained some experience, skills and capital to enable them run their own enterprises. They often face three enterprise pathways:

1. Remaining stuck in marginal activities;
2. Going out of business; and
3. Running successful enterprises.
4. Emergent entrepreneurs (in the age of 26-29 years).

This is the prime stage. With valuable experiences in business, emergent entrepreneurs have a higher level of maturity than youth in the lower age groups. Hence they are more likely to run more viable enterprises than younger people.

However, this kind of categorization can only serve as a broad suggestion, as transitions in the process of youth enterprise development will differ from country to country and from business sector to business sector. Nonetheless, it becomes obvious that observing and recognizing the different development stages and transitions (from school to business and from work/business to business) is crucial for evaluating and designing appropriate policies and strategies to foster youth entrepreneurship

Data Analysis And Interpretation:-

Hypothesis:

H0: Different variables have no impact on youth perception towards entrepreneurship

H1: Different variables have impact on youth perception towards entrepreneurship

Table 1:- Different characteristics of the respondents.

Parameter	No. of investors	Percentage
Gender		
Male	50	50
Female	50	50
Total	100	100
Qualification		
Graduates	35	35
Post Graduates	35	35
Professional	30	30
Total	100	100
Occupation		
Students	70	70
Self employed	10	10
Employed	20	20

Total	100	100
Annual income		
0-1 Lakh	70	70
1Lakh-3Lakhs	20	20
Above 3Lakhs	10	10
Total	100	100
Economic status of family		
Poor	20	20
Middle class	70	70
Upper middle class	10	10
Total	100	100
Awareness of respondents about business		
Low	35	35
Moderate	35	35
High	30	30
Total	100	100
Awareness of respondents about credit facilities and government subsidies		
Low	35	35
Moderate	35	35
High	30	30
Total	100	100
Awareness of respondents about business law		
Low	35	35
Moderate	35	35
High	30	30
Total	100	100
Awareness of respondents about corporate law		
Low	35	35
Moderate	35	35
High	30	30
Total	100	100
Awareness of respondents about tax laws		
Low	35	35
Moderate	35	35
High	30	30
Total	100	100
barriers and difficulties faced by respondents		
Lack of capital	25	25
Government rules and regulations	45	45
High interest on bank loans	10	10
Lack of government support	20	20
total	100	100

Chi-square Test:-

Chi-square is a statistical test commonly used to compare observed data with data we would expect to obtain according to a specific hypothesis

1. H0: There is no relationship between gender and youth perception towards entrepreneurship
2. H1: There is relationship between gender and youth perception towards entrepreneurship

Table 2:-

		Gender			
			MALE	FEMALE	TOTAL
youth perception towards entrepreneurship	Low	Count	25	30	55
		Expected count	27.5	27.5	55
	Moderate	Count	20	10	30
		Expected count	15	15	30
	High	Count	5	10	15
		Expected count	7.5	7.5	15
	total		50	50	100

Table 3:- Chi-square test

	Value	Df
Pearson Chi-Square	4.2417	2
N of valid cases	100	

calculated value of Chi-Square is 4.2417. Chi-Square value at 5% significance level and 2 degrees of freedom is 5.991. As calculated value of Chi-Square is less than the critical value.

Null hypothesis is accepted and alternative hypothesis is rejected, disclosed that there is no relationship between gender and youth perception towards entrepreneurship

1. H0: There is no relationship between educational qualification of the respondent and youth perception towards entrepreneurship
2. H1: There is relationship between educational qualification of the respondent and youth perception towards entrepreneurship

Table 4:-

		Educational qualification				
		Undergraduate	graduate	Post graduate	TOTAL	
youth perception towards entrepreneurship	Low	Count	10	8	5	23
		Expected count	8.05	8.05	6.9	23
	Moderate	Count	20	22	20	62
		Expected count	21.7	21.7	18.6	62
	High	Count	5	5	5	15
		Expected count	5.25	5.25	4.5	15
	total		35	35	30	100

Table 5:- Chi-square test

	Value	Df
Pearson Chi-Square	1.317	4
N of valid cases	100	

calculated value of Chi-Square is 1.317. Chi-Square value at 5% significance level and 4 degrees of freedom is 9.488. As calculated value of Chi-Square is less than the critical value.

Null hypothesis is accepted and alternative hypothesis is rejected, disclosed that there is no relationship between educational qualification of the respondent and youth perception towards entrepreneurship

1. H₀: There is no relationship between occupation of the respondent and youth perception towards entrepreneurship
2. H₁: There is relationship between occupation of the respondent and youth perception towards entrepreneurship

Table 6:-

		occupation					
youth towards entrepreneurship	perception			student	Self employed	employed	TOTAL
		Low	Count	30	0	15	45
	Expected count		31.5	4.5	9	45	
	Moderate	Count	30	4	5	39	
		Expected count	27.3	3.9	7.8	39	
	High	Count	10	6	0	16	
		Expected count	11.2	11.6	3.2	16	
			total	70	10	20	100

Table 7:- Chi-square test

	Value	Df
Pearson Chi-Square	16.515	4
N of valid cases	100	

calculated value of Chi-Square is 16.515. Chi-Square value at 5% significance level and 4 degrees of freedom is 9.488. As calculated value of Chi-Square is greater than the critical value.

Null hypothesis is rejected and alternative hypothesis is accepted, disclosed that there is relationship between occupation of the respondent and youth perception towards entrepreneurship

1. H₀: There is no relationship between annual income of the respondent and youth perception towards entrepreneurship
2. H₁: There is relationship between annual income of the respondent and youth perception towards entrepreneurship

Table 8:-

		Annual income					
youth towards entrepreneurship	perception			0-1 lakh	1-3 lakhs	Above 3lakhs	TOTAL
		Low	Count	35	5	3	43
	Expected count		30.1	8.6	4.3	43	
	Moderate	Count	30	10	5	45	
		Expected count	31.5	4.5	9	45	
	High	Count	5	5	2	12	
		Expected count	8.4	2.4	1.2	12	
			total	70	20	10	100

Table 9:- Chi-square test

	Value	Df
Pearson Chi-Square	15.991	4
N of valid cases	100	

calculated value of Chi-Square is 15.991. Chi-Square value at 5% significance level and 4 degrees of freedom is 9.488.As calculated value of Chi-Square is greater than the critical value.

Null hypothesis is rejected and alternative hypothesis is accepted, disclosed that there is relationship between annual income of the respondent and youth perception towards entrepreneurship

1. H0: There is no relationship between economic status of family of the respondent and youth perception towards entrepreneurship
2. H1: There is relationship between economic status of family of the respondent and youth perception towards entrepreneurship

Table 10:-

		Economic status of family				
youth perception towards entrepreneurship	Low	Count	10	20	0	30
		Expected count	6	21	3	30
	Moderate	Count	10	20	5	35
		Expected count	7	24.5	2.5	35
	High	Count	0	30	5	35
		Expected count	7	24.5	3.5	35
	total		20	70	10	100

Table 11:- Chi-square test

	Value	Df
Pearson Chi-Square	18.191	4
N of valid cases	100	

calculated value of Chi-Square is 18.191. Chi-Square value at 5% significance level and 4 degrees of freedom is 9.488.As calculated value of Chi-Square is greater than the critical value.

Null hypothesis is rejected and alternative hypothesis is accepted, disclosed that there is relationship between economic status of the family of the respondent and youth perception towards entrepreneurship

1. H0: There is no relationship between awareness of respondents about business and youth perception towards entrepreneurship
2. H1: There is relationship between awareness of respondents about business and youth perception towards entrepreneurship

Table 12:-

		Awareness of respondents about business							
youth perception towards entrepreneurship	Low	graduation	20	Post graduation	5	professional	5	TOTAL	30
		Expected count	10.5	10.5	9	30			
	Moderate	Count	10	20	15	45			
		Expected count	15.75	15.75	13.5	45			
	High	Count	5	10	10	25			
		Expected count	8.75	8.75	7.5	25			
	total		35	35	30	100			

Table 13:- Chi-square test

	Value	Df
Pearson Chi-Square	19.281	4
N of valid cases	100	

Calculated value of Chi-Square is 19.281. Chi-Square value at 5% significance level and 4 degrees of freedom is 9.488. As calculated value of Chi-Square is greater than the critical value.

Null hypothesis is rejected and alternative hypothesis is accepted, disclosed that there is relationship between awareness of respondents about business and youth perception towards entrepreneurship

H0: There is no relationship between awareness of credit facilities and government subsidies from different financial institutions and youth perception towards entrepreneurship

H1: There is relationship between awareness of credit facilities and government subsidies from different financial institutions and youth perception towards entrepreneurship

Table 14:-

		Awareness of respondents about credit facilities and government subsidies				
youth perception towards entrepreneurship	Low	Count	30	5	5	40
		Expected count	14	14	12	40
	Moderate	Count	5	25	20	50
		Expected count	17.5	17.5	15	50
	High	Count	0	5	5	10
		Expected count	3.5	3.5	3	10
	total		35	35	30	100

Table 15:- Chi-square test

	Value	Df
Pearson Chi-Square	47.18	4
N of valid cases	100	

calculated value of Chi-Square is 47.18. Chi-Square value at 5% significance level and 4 degrees of freedom is 9.488. As calculated value of Chi-Square is greater than the critical value.

Null hypothesis is rejected and alternative hypothesis is accepted, disclosed that there is relationship between awareness of respondents about credit facilities and government subsidies and youth perception towards entrepreneurship

1. H0: There is no relationship between awareness of business law and youth perception towards entrepreneurship
2. H1: There is relationship between business law and youth perception towards entrepreneurship

Table 16:-

		Awareness of respondents about business law				
youth perception towards entrepreneurship	Low	Count	30	5	5	40
		Expected count	14	14	12	40

	Moderate	Count	5	25	20	50
		Expected count	17.5	17.5	15	50
	High	Count	0	5	5	10
		Expected count	3.5	3.5	3	10
total		35	35	30	100	

Table 17:- Chi-square test

	Value	Df
Pearson Chi-Square	47.18	4
N of valid cases	100	

calculated value of Chi-Square is 47.18. Chi-Square value at 5% significance level and 4 degrees of freedom is 9.488. As calculated value of Chi-Square is greater than the critical value.

Null hypothesis is rejected and alternative hypothesis is accepted, disclosed that there is relationship between awareness of respondents about business law and youth perception towards entrepreneurship

1. H₀: There is no relationship between awareness corporate law and youth perception towards entrepreneurship
2. H₁: There is relationship between awareness of corporate law and youth perception towards entrepreneurship

Table 18:-

		Awareness of respondents about corporate law				
youth perception towards entrepreneurship	Low	Count	20	26		46
		Expected count	21.16	24.84		46
	Moderate	Count	10	16		26
		Expected count	11.96	14.04		26
	High	Count	16	12		28
		Expected count	12.88	15.12		28
	total		46	54		100

Table 19:- Chi-square test

	Value	Df
Pearson Chi-Square	47.18	4
N of valid cases	100	

calculated value of Chi-Square is 47.18. Chi-Square value at 5% significance level and 4 degrees of freedom is 9.488. As calculated value of Chi-Square is greater than the critical value.

Null hypothesis is rejected and alternative hypothesis is accepted, disclosed that there is relationship between awareness of respondents about corporate law and youth perception towards entrepreneurship

1. H₀: There is no relationship between awareness of tax laws and youth perception towards entrepreneurship
2. H₁: There is relationship between awareness tax laws and youth perception towards entrepreneurship

Table 20:-

		Awareness of respondents about tax laws				
youth perception towards entrepreneurship	Low	graduate	Post graduate	professional	TOTAL	
		Count	30	5	5	40
	Expected count	14	14	12	40	
	Moderate	Count	5	25	20	50
		Expected count	17.5	17.5	15	50

	High	Count	0	5	5	10
		Expected count	3.5	3.5	3	10
		total	35	35	30	100

Table 21:- Chi-square test

	Value	Df
Pearson Chi-Square	47.18	4
N of valid cases	100	

calculated value of Chi-Square is 47.18. Chi-Square value at 5% significance level and 4 degrees of freedom is 9.488. As calculated value of Chi-Square is greater than the critical value.

Null hypothesis is rejected and alternative hypothesis is accepted, disclosed that there is relationship between awareness of respondents about tax law and youth perception towards entrepreneurship

1. H0: There is no relationship between awareness of corporate law and youth perception towards entrepreneurship
2. H1: There is relationship between awareness corporate law and youth perception towards entrepreneurship

Table 22:-

		Awareness of respondents about corporate law					
youth towards entrepreneurship	Low	Count	30	5	5	40	
		Expected count	14	14	12	40	
	Moderate	Count	5	25	20	50	
		Expected count	17.5	17.5	15	50	
	High	Count	0	5	5	10	
		Expected count	3.5	3.5	3	10	
			total	35	35	30	100

1. H0: There is no relationship between barriers and difficulties faced by respondents to commence new business and youth perception towards entrepreneurship
2. H1: There is relationship between barriers and difficulties faced by respondents to commence new business and youth perception towards entrepreneurship

Table 23:-

		barriers and difficulties faced by respondents						
youth perception towards entrepreneurship	Low	Lack of capital	8	15	2	0	25	
		Government rules and regulations	6.25	11.25	2.5	5	25	
	Moderate	High interest on bank loans	9	20	5	15	49	
		Lack of government support	12.25	22.05	4.9	9.8	49	
	High	Count	8	10	3	5	26	
		Expected count	6.5	11.7	2.6	5.2	26	
			total	25	45	10	20	100

Table 24:- Chi-square test

	Value	Df
Pearson Chi-Square	11.336	6
N of valid cases	100	

calculated value of Chi-Square is 11.336. Chi-Square value at 5% significance level and 6 degrees of freedom is 12.592. As calculated value of Chi-Square is greater than the critical value.

Null hypothesis is accepted and alternative hypothesis is rejected, disclosed that there is no relationship between barriers and difficulties faced by respondents to commence new business and youth perception towards entrepreneurship

Findings

1. In this study different demographical factors had taken. The following results were found that both men and women are perceiving the entrepreneurial opportunities in similar manner, irrespective of the educational qualification of the respondent they want prefer entrepreneurship as their career. Other factors such as economic status, occupational status, annual income influencing the perceived opinion of the youth towards entrepreneurship.
2. The literacy of the respondents about different issues such as business opportunities, credit facilities and government subsidies, corporate law, business law, securities laws, taxation laws, barriers to opt entrepreneurship are influencing the perceived opinion of the youth towards entrepreneurship.

Conclusion:-

In India job seekers are more compared to job creators, so the country need entrepreneurs, even the government is encouraging youth, women by offering different types of credit facilities, subsidies, so India need good entrepreneurs from the youth.