

ENTREPRENEURIAL PROPENSITY OF SENIOR STUDENTS OF COLLEGE OF ECONOMICS AND BUSINESS ADMINISTRATION - TNU

Phạm Thủy Dương*

College of Economics and Business Administration - TNU

SUMMARY

This paper examines the determinants of entrepreneurial interest among senior students at Thai Nguyen University of Economics and Business Administration in Vietnam based on sample survey conducted in 2012. Although there have been past studies related to entrepreneurial interest of students, this study is one of the first comprehensive studies of the attitudes of undergraduates toward entrepreneurship in Vietnam. Four background factors (gender, major, average grade and family experience with business) and four attitude determinants (interests, confidence, willingness and economic aspirations) were found to affect TUEBA senior students' entrepreneurial propensity. Among the significant factors identified, that pertaining to inadequate business knowledge had direct policy implications for university administrators, as it strongly suggests the need to provide students with comprehensive and intensive programs that impart business knowledge. Furthermore, the government can also contribute by promoting more awareness of successful entrepreneurial role models, removing bureaucratic impediments to start-up, and avoiding the social stigma of failure

Key words: *entrepreneurial propensity, senior students, Thai Nguyen*

BACKGROUND AND RATIONALE OF THE STUDY

During the last three years, unemployment rate has been increasing due to the negative effects of the world's economic crisis. After graduating from a university, it is difficult for students to find a job immediately. Record shows that more than 50% of graduates in Vietnam and 60% of graduates in Thai Nguyen cannot find any jobs three months after graduation. If graduates can engage in business, they can meet their social and economic needs. However, only a few of them are involved in entrepreneurial activities. Since the number of unemployed graduates is increasing, the possible reasons or factors that can encourage or prevent graduates to engage in entrepreneurial propensity are possibly related to beliefs, attitudes and perceived behavioral control [1], [2]. In addition, researches are few and all are done abroad or maybe concerning other groups. There has been no research conducted in Thai Nguyen, which is considered as the third biggest educational center of Vietnam

with over twenty thousand graduates each year. Therefore, there is a need to conduct this research to understand how to develop and nurture potential entrepreneurs even while they are still students in school.

OBJECTIVES, CONTENTS AND METHODS OF THE STUDY

This study was conducted to find out the determinants of entrepreneurial propensity of Thai Nguyen senior students.

This study shows the relationships between students' family business background (independent variables), students' attitudes towards business (independent variables) and their entrepreneurial propensity (dependent variable), which is defined as the intention to engage in entrepreneurial activities. However, the students' entrepreneurial propensity may depend on their sex, major in business and average grades in business courses (antecedent variables). This intention to start business after graduation is determined by the students' attitude toward the willingness, interests, confidence and economic aspiration. The students' characteristics including sex, major, grade in business and family business background can be expected to predict the

* Tel: 0988 748557, Email: anduong.lapham@gmail.com

attitudes of students who may have intention to get involved in entrepreneurship. This is shown by the following research framework:

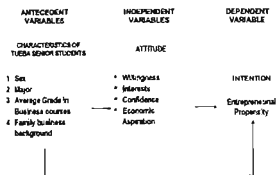


Figure 1. Research Framework

Source: Ajzen, I. (1991)

The study used descriptive research design with survey questionnaires as the method for collecting data at TUEBA in order to realize the research objectives. The 278 senior students at TUEBA were invited to fill out the questionnaire by using simple random sampling. Data analysis model: the regression model was used to test the proposed hypotheses. The statistical methods utilized in this study for analyzing the collected data which were reliability analysis, descriptive statistics, and standard multiple regression analysis. Descriptive analysis was used to analyze mean, frequency, maximum point, minimum point, range (max-min)... of variables. Factor analysis was used to reduce and combine data. Regression is used to define effect of each independent variable with dependent variable.

Findings and Discussions

1. Of the total respondents at TUEBA, the vast majority of them are female. Most of them are taking up accounting. Most of them

are good at business courses and a few of them are weak or excellent at their major courses as indicated by their average grade. Moreover, three-fourths of these senior students do not have a business family background.

2. In terms of senior students' willingness towards business, every indicator has mean higher than 2.5, which indicates that all senior students have willingness to engage in doing business after their graduation.

3. In terms of senior students' interest towards business, every indicator has mean of lower than 2.5 which indicates that the senior students at TUEBA are not really interested in engaging into business after graduation although they desire for leading an enterprise. Therefore, there is a certain gap between the interest toward business and the intention of doing business.

4. In terms of senior students' confidence towards business, they are fairly confident at their entrepreneurial skills and abilities. However, they do not think that formal entrepreneurship course at TUEBA can help them much to run their business after graduation. They are not confident enough about their capability acquired from their professional courses offered by TUEBA for their business activities in the future. This finding also supports the previous studies [2].

5. In terms of senior students' economic aspiration towards business, the demand for earning a lot of money is the major factor of economic aspiration toward their entrepreneurial propensity.

The findings 2, 3, 4, 5 are shown in

Table 1: Attitudes of Senior Students in term of their Willingness, Interest, Confidence and Economic Aspiration

Indicators	Mean	Valid
Interests	2.5459	278
Willingness	3.5674	278
Confidence	2.9487	278
Economic aspirations	2.8417	278

Source: results from data analysis

6. Most of senior students have intention to engage in their own business right after graduation. This finding was so surprising because most of them had expected to be employed by a big enterprise when they were freshman students; however, after 4 years of being trained and educated by TUEBA and having to cope with high unemployment rate currently, they were likely to get involved in running business by themselves more.

7. There is a significant relationship between the senior students' family background and their willingness towards business. i.e. the senior students who has a member in their family with business running experience will have willingness toward business. This findings also share the similarities with the previous research discussion[3].

8. There is a significant relationship between the senior students' major and their economic aspiration towards business at TUEBA i.e. accounting student are likely to get more engaged in starting business after graduation than students majoring in business and economics. This is a new finding from this research.

9. There is a significant relationship between the senior students' business average grade and their confidence towards business i.e. the students with average grade have weaker interest in engaging in their own business after graduation than those with other average grades. The findings 7,8,9 are illustrated by the following table.

Table 2: Relationship between Senior Students' Characteristics and their Attitudes Towards Business

Attitude of respondents toward business	Gender		Family background		Major study		Average Grade	
	Sig.	Ho	Sig.	Ho	Sig.	Ho	Sig.	Ho
Interest	.759	Accept	.167	Accept	.476	Accept	.299	Accept
		Null		Null		Null		Null
Willingness	.001	Accept	.009	Reject	.069	Reject	.674	Accept
		Null		Null		Null		Null
Economic aspirations	.962	Accept	.305	Accept	.136	Accept	.926	Accept
		Null		Null		Null		Null
Confidence	.535	Accept	.180	Accept	.156	Accept	.020	Reject
		Null		Null		Null		Null
Entrepreneurial Propensity	.001	Reject	.003	Reject	.000	Reject	.001	Reject
		Null		Null		Null		Null

10. As it can be seen from Table 3, all four factors of the senior students' attitude towards business including interests, willingness, confidence and economic aspirations have influence on their entrepreneurial propensity, of which willingness toward business is the most influential factor on their engagement of doing business after graduation and interest toward business has the weakest impact on their entrepreneurial propensity

Table 3: The influence of the respondents' attitudes towards business and intention to engage in business or entrepreneurial propensity

Variables	Coefficients'	t	Sig.
(Constant)	-.017	-1.119	.905
Dependent Variable: Entrepreneurial Propensity	Interest	197	2.510
	Willingness	359	4.845
	Economic aspirations	205	2.631
	Confidence	236	2.990
R square	.156		
F	1.626		.009

Source: results from data analysis

11. The results of the multiple regression analysis illustrated in Table 4 that there was an extreme significance between gender, major and family background variables and entrepreneurial propensity variable (due to $F = 29.963$ and $Sig(F) = .000^*$) while 24,7% of the total entrepreneurial propensity change was explained by three variables which include gender, major and family background. In addition, the results also indicated that more male students intended to engage in their own business after graduation than women ($\beta = .250$; $Sig = .026$). The students with average grade were weaker engaging in their own business after graduation than the other average grades ($\beta = -.665$; $Sig = .000$). Students who had a member in their family doing business had more intentions to engage in own business after graduation than the others.

Table 4: The relationship between senior students' characteristics and their entrepreneurial propensity

Variables	Coefficients ^a	t	Sig.
(Constant)	3.064	38.065	.000
D Gender	.250	2.232	.026
Dependent Variable: Entrepreneurial Propensity			
(1= male 0 = female)			
D major2 (1= average, 0=the others)	-.665	-6.392	.000
D family background (1=engage in business, 0 = no)	.651	5.411	.000
R square	.247		
F	29.963		.000 ^a

Source: results from data analysis

12. Table 5 gives information about the influence of attitudes toward entrepreneurial propensity and profile of respondents in terms of gender, major and family background and entrepreneurial propensity. The results of a multiple regression analysis indicated that the effect of these factors on the entrepreneurial was statistically significant owing to F represented at 22.185 with Sig at .000a, while the attitudes toward entrepreneurial propensity and respondents' profile explained almost 37% change of the total entrepreneurial propensity variable. Additionally, among these factors, the factors of Willingness and Confidence were the biggest influence on the entrepreneurial propensity variable with ($\beta = .264$; and $.231$ respectively) whereas the factor of Interests being the lowest influence ($\beta = .191$ and sig = .007). On the other hand, there was a significant difference between gender of respondents affected on the entrepreneurial propensity with male students being more intentions to engage in your own business after graduation than female ($\beta = .267 > 0$). Similarly, the students living in the family with a member participating in business had more intention to engage in their own business than the others ($\beta = 0.532 > 0$). Furthermore, the students with their average grade being average had less intention to participate in their own business than the others ($\beta = -.574 < 0$)

Table 5: The interrelationship between the characteristics of the respondents, their attitudes toward business and their entrepreneurial

Variables	Coefficients ^a	t	Sig.
(Constant)	.532	1.451	.148
D Gender	.267	2.554	.011
Dependent Variable: Entrepreneurial Propensity			
D major2	-.574	-5.889	.000
D family bac	.532	4.693	.000
Interests	.191	2.740	.007
Willingness	.264	3.958	.000
Economic aspirations	.139	1.976	.049
Confidence	.231	3.159	.002
R square	.365		
F	22.185		.000 ^a

Source: results from data analysis

CONCLUSIONS AND RECOMMENDATIONS

In the light of the findings of this study, the following conclusions and recommendations are presented.

1. Firstly, it is recommended that the government of Vietnam and provincial government of Thai Nguyen should make reasonable policies to encourage senior students' in their intention to do business after their graduation. More companies should be encouraged to be set up. By this way, the unemployment rate will accordingly decrease. For policy makers who want to promote entrepreneurship, the policy should focus on raising interest in entrepreneurship among the university students and graduates. The policy implication here is that the government needs to counter-balance these factors by promoting more awareness of successful entrepreneurial role models, removing bureaucratic impediments to start-ups, and attenuating the social stigma of failure. More such incentives for young start-ups may reduce the opportunity cost of entrepreneurs and attract more talents to leave stable government or private sector jobs for risky but potentially high-reward opportunities
2. Secondly, entrepreneurship educational programs can also play a role in attenuating the risk-averse attitude of students, by

providing them with training to take calculated business risks, and by emphasizing the use of local role models (e.g. successful entrepreneurs) and local case studies to raise the students' awareness of the upside opportunities of starting their own businesses. TUEBA's management board should provide the necessary support for increase students' interest and willingness in entrepreneurial activities. The Rector Board of TUEBA can create a model business environment for students to try on and get experienced from, for example, entrepreneurship clubs, entrepreneurship forum or 'who will be billionaire in the 21st century?' contests, or optical practical training (OPT) annual programs. Especially, the students at different average grades should be equal to be encouraged to take part in these activities. These supports from TUEBA's management board will in turn help make TUEBA reputation stronger in education-in-service market in the future.

3. Thirdly, students who have family background with entrepreneurship and appropriate attitude are encouraged to engage in business people after graduation. If they know they have the intention towards opening up a business, they will focus on developing and enhancing their entrepreneurship skills for them to be prepared when they establish their own business. Accordingly, their average business grade should be improved and their graduation dissertations will be also conducted in the relationship with their business intention.

4. In addition, the findings provide several implications for university educators and administrators. The female students at TUEBA, in particular, should be encouraged more to be entrepreneurs in the future. In the other words, encouraging more women as entrepreneurs is an important task for policy

makers, and the policy success largely relies on a good understanding of their characteristics and attitudes towards business after being well-trained and graduated. Entrepreneurship courses should be particularly encouraged for female students. Educators should also try to change the traditional mindset of the social role of females.

6. Moreover, the Faculties at TUEBA should make their lessons practical to stimulate students' interest and willingness to engage in business.

7. Finally, being a faculty of English department, it is recommended that the researcher conduct future studies related to this topic. For example, another avenue of research could examine how students in other tertiary institutions would compare with university students with respect to entrepreneurial interest. As students in these institutions tend to be more practical (i.e. 'hands-on' type of education), they could be more prepared to start their own businesses. Additionally, further investigation into the linkage of entrepreneurial knowledge and interest in actually starting a business is much to be desired.

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TÓM TẮT
XU HƯỚNG KHỞI SỰ DOANH NGHIỆP CỦA SINH VIÊN NĂM CUỐI
TRƯỜNG ĐẠI HỌC KINH TẾ VÀ QUẢN TRỊ KINH DOANH
- ĐẠI HỌC THÁI NGUYÊN

Phạm Thùy Dương*

Trường Đại học Kinh tế và Quản trị kinh doanh – ĐH Thái Nguyên

Bài viết xác định các yếu tố tác động đến xu hướng khởi sự doanh nghiệp của sinh viên năm cuối trường Đại học Kinh tế và Quản trị kinh doanh - Đại học Thái Nguyên trên cơ sở điều tra mẫu được tiến hành vào năm 2012. Mặc dù đã có những nghiên cứu liên quan đến sở thích khởi sự doanh nghiệp của sinh viên nhưng đây là nghiên cứu đầu tiên tại Việt Nam một cách toàn diện về thái độ của sinh viên đối với xu hướng khởi sự doanh nghiệp. Nghiên cứu đã tìm ra bốn yếu tố nền tảng (gồm giới tính, chuyên ngành, điểm trung bình và kinh nghiệm kinh doanh của gia đình) và bốn yếu tố thái độ (gồm sự yêu thích, sự tự tin, sự sẵn sàng và khát vọng kinh tế) tác động đến xu hướng khởi sự doanh nghiệp của sinh viên năm cuối tại trường Đại học Kinh tế và QTKD - Đại học Thái Nguyên (TUEBA). Kết quả nghiên cứu mang hàm ý đề xuất với các nhà quản lý giáo dục đại học trong việc cung cấp các chương trình đào tạo quản trị kinh doanh sâu và rộng phù hợp cho sinh viên để tăng xu hướng khởi sự doanh nghiệp cho sinh viên năm cuối. Đồng thời, chính phủ cũng có thể góp phần làm tăng xu hướng khởi nghiệp bằng cách nâng cao nhận thức về vai trò của các mô hình kinh doanh thành công, loại bỏ những trở ngại quan liêu trong khởi sự doanh nghiệp, và tránh sự kỳ thị xã hội nếu khởi sự doanh nghiệp thất bại.

Từ khóa: *xu hướng khởi sự doanh nghiệp, sinh viên năm cuối, Thái Nguyên*

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Phản biên khoa học: *TS. Đỗ Đình Long – Trường ĐH Kinh tế & Quản trị kinh doanh - DHTN*

* Tel 0988 748557. Email anduong.lapham@gmail.com