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Understanding the students’ perspectives towards entrepreneurship

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Abstract

This empirical research aims to understand the students’ perspectives towards the concept of entrepreneurship, the various factors that form the students’ perspectives and the role of the university institution in cultivating an entrepreneurial spirit of students. Findings have revealed that these factors constitute a major determinant of the students’ entrepreneurial perspectives, which this study therefore base on hypothesis. Methodologically, this research draws an extensive fieldwork with 280 sampling of both final year undergraduate and postgraduate students of the 3 major universities in Turkish Republic of North Cyprus (TRNC).

Keywords: Entrepreneurship; student’s perspectives; gender; Turkish Republic of North Cyprus

1. Introduction

The constant increases of uncertainties in the world economy, organizations and government reduction in staff strength, and a declining number of corporate recruitment specialists on the budgetary framework have encouraged the appeal for entrepreneurship and new venture creation. In addition, the increased dissatisfaction and disappointment in the corporate employment inspired the allure for self-employment especially among the youths. Entrepreneurship and new venture creation has been alighted as an innovative instrument in an economy, thereby generating a productive development and advancement in an economy, likewise being distinguished as the rescue for the general unemployment in the economy of any nation (Teixeira and Davey, 2008).

In recent years, researchers and policy makers have concentrated more on entrepreneurship as a scientific field and its direct relationship with economic growth and development. The overwhelming impact of entrepreneurship in

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any economy cannot be over emphasized (Glinskiene and Petuskiene, 2011). It is said to be a vital instrument for economic transformation and the stimulation of the global development and also a wealth generator for both individual and the economy at large.

The relevance of the students and young people in any economy cannot be underestimated since they are said to be the future and the determinant of economic viability of a nation. Once the young people understand the importance of entrepreneurship and ready to venture into business, the unemployment rate can be reduced and the economy will experience an increase in growth. It is therefore evident that young individuals (students and graduates) who are entrepreneurs or starting a new venture for the first time after graduation constitute an exceptionally vital class for the development of entrepreneurial activities on the national economy level. Thus a positive students’ penchant towards entrepreneurial activities is therefore paramount in anticipating the entrepreneurship feasibility of a country and an interest push for colleges and universities in building a self-employed mentality of the students (Glinskiene and Petuskiene, 2011; Đorđević and Bogetić, 2010).

This empirical study seeks to identify and understand the perspective of students in the Turkish Republic of North Cyprus (TRNC) universities about the concept of entrepreneurship, the factors that influence their career choice and how the university education system can revive the entrepreneurship mindset of the students in order to get the world economic train on the move and also downsizing the rate of global unemployment especially among graduates. This study investigated the impact of gender and entrepreneurial factors such as; survivability/ risk tolerance, capital, university education and entrepreneurship familiarity on the student’s perspectives, and the role of the university institutions in cultivating an entrepreneurship spirit in the students. This type of study will help universities and other higher education institutions to develop suitable educational programs to promote entrepreneurship and thereby producing a healthy economy and independent individuals.

2. Literature Review

The deficiency in terms of a commonly recognized and accepted definition of entrepreneurship is a major deterrent for researchers in comprehending and contributing to the understanding of the term, in spite of the fact that there is no generally acknowledged and accepted definition. Most definitions have focused on the wealth creation and economic development aspect of entrepreneurship (Tilley and Young 2009). Entrepreneurship as a matter of fact is a state of mind which could be referred to the ability and the effectiveness of an individual in recognizing an opportunity, and taking an advantage of it with the purpose of economic transformation and wealth creation and also characterized as an academic field which seek to understand how opportunities transforms in to reality and potential goods and services are created. Entrepreneurs have been described as ambitious and innovators, considering the process in which entrepreneurs discovers opportunities and facilitate economic development. Recent studies have portrayed entrepreneur as an individual with great vision, imaginations innovativeness, creativeness and adaptability; someone who is active and prime for conceptual thinking and someone who sees a change as a potential opportunity for business [see Richards (1999); Kao, Kao and Kao, (2002); Timmons and Bygrave (1997); Venesaar, Kolbre and Piliste, (2007)].

The importance of entrepreneurship which is the fundamental developmental instrument is emphasized in nations striving for advancement in their economies, especially the developing nations. It has been identified as an instrument for economic growth and development, most importantly a rich source of job creation in any economy. It is a potential impetus and incubator for technological advancement, enhancing products, services and financial market at large (Teixeira and Davey, 2008), the development and expansion of an economic are dependent on the stream of entrepreneurship and innovation. New venture creation and entrepreneurial activities are usually the strategies that are being employed in developed nations in order to quicken a stagnated economy and also dealing with unemployment issues by creating job opportunities thereby means of boosting the economy and encouraging growth (Teixeira and Forte, 2007).

The perspectives and believes of students toward entrepreneurship are the results of their immediate social and cultural environment. Consequently, the orientation and conducts of youth and young graduates are affected by various individual and ecological variables, which imply that the decision and desirability of becoming an entrepreneur or employee is a reflection of environmental and economic forces (Alain, Benoit and ClercNarjissee 2006). Many studies have revealed that entrepreneurs are not naturally conceived but made through their
environment and experiences as they develop and learn, being impacted by guardian, mentors, tutors, instructors and role model during their development process (Teixeira and Davey, 2008). Huge number of exploration studies have examined and acknowledge the impact of entrepreneurship education, gender, family background, capital availability and risk tolerance on the notion of entrepreneurship, see [Venesaar et al., (2007); Veciana and Urbano, (2005); Ramayah and Harun, (2005); Robertson & Wilkinson, (2005); Wang & Wong, (2004).

3. Research Methodology

This study investigates the role of four highlighted factors that influence student’s perceptions and intentions towards entrepreneurship, and also the relevance of the university institutions in stimulation and reviving the entrepreneurship mindset of students. Here, student’s entrepreneurship perception and intention (i.e. the dependent variable) is fully dependent on the influence of the other variables (independent) as shown in figure below:

Various studies have revealed that the contextual factors (Capital, University, Familiarity and Risk Tolerance) have a major impact on the student’s perspectives towards new venture creation, see [Leffel and Darling (2009); Leung, (2012); Fayolle et al., (2006); Paivikarhunen and Ledyaev, (2010); Connolly, Gorman and Bogue (2006)]. Based on these contextual factors, the first hypothesis is proposed:

H1: There is a significant impact of entrepreneurship factors (University Education, Familiarity, Survival and Capital) on the perception of entrepreneurship among students.

Likewise, various findings have indicated that demographic variable (gender) is an important factor towards entrepreneurship intention. Wagner (2007) found that female seem to have a greater fear of risk and failure as compared to male. See [Roudaki (2009), Narayanasamy and Rasiah, (2011), Yordanova (2011), Ramayah and Harun(2005), Staniec & Ordovensky, (2004)]. Thus it is important to test gender difference and entrepreneurship perception which is based on the hypothesis.

H2: There is a significant difference between gender and perception towards entrepreneurship
4. Results

The table below shows the demographic variables of the respondents sampled during the research. Out of 280 respondents’ samples, 180 were males, which accounted for 64.3% of the total samples while 100 female respondents accounted for 35.7%.

| Gender | Frequency | Percent | Valid Percent | Cumulative Percent |
|--------|-----------|---------|---------------|--------------------|
| Male   | 180       | 64.3    | 64.3          | 64.3               |
| Valid  | 100       | 35.7    | 35.7          | 100                |
| Total  | 280       | 100     | 100           |                    |

4.1 Testing hypothesis

H1: There is a significant impact of entrepreneurship factors (University Education, Familiarity, Survival and Capital) on the perception of entrepreneurship among students.

To test for the hypothesis 1, this study used logistical hierarchical regression to determine the predictors that influence student’s perception towards entrepreneurship.

| Model | R   | R Square | Adjusted R Square | Std. Error of the Estimate | Change Statistics | R Square Change | F Change | df1 | df2 | Sig. F Change |
|-------|-----|----------|-------------------|----------------------------|-------------------|----------------|----------|-----|-----|--------------|
| 1     | .217a | 0.047    | 0.064             | 1.145                      | 0.047             | 13.738         | 1        | 278 |    | 0.000        |
| dimension0 | .221b | 0.049    | 0.142             | 1.146                      | 0.002             | 0.475          | 1        | 277 |    | 0.491        |
| 3     | .279c | 0.078    | 0.238             | 1.130                      | 0.029             | 8.770          | 1        | 276 |    | 0.003        |
| 4     | .279d | 0.078    | 0.315             | 1.132                      | 0.000             | 0.006          | 1        | 275 |    | 0.936        |

a. Predictors: (Constant), Familiarity
b. Predictors: (Constant), Familiarity, University
c. Predictors: (Constant), Familiarity, University, Survival
d. Predictors: (Constant), Familiarity, University, Survival, Capital
Table 3. Coefficients and collinearity statistics for the model

| Model | Unstandardized Coefficients | Standardized Coefficients | T | Sig | Collinearity Statistics |
|-------|-----------------------------|---------------------------|---|-----|-------------------------|
|       | B  | Std. Error | Beta |       | Tolerance | VIF |
| 1     | (Constant) | 2.368 | 0.170 |         | 13.909 | 0.000 | 1.000 | 1.000 |
|       | Familiarity | 0.217 | 0.059 | 0.217 | 3.706 | 0.000 | 1.000 | 1.000 | 1.042 |
|       | (Constant) | 2.278 | 0.215 |         | 10.580 | 0.000 | 1.000 | 1.000 | 1.042 |
| 2     | Familiarity | 0.209 | 0.060 | 0.209 | 3.491 | 0.001 | 0.960 | 1.042 | 1.042 |
|       | University | 0.042 | 0.062 | 0.041 | 0.689 | 0.491 | 0.960 | 1.042 | 1.042 |
|       | (Constant) | 1.970 | 0.236 |         | 8.337 | 0.000 | 1.000 | 1.000 |
| 3     | Familiarity | 0.205 | 0.059 | 0.205 | 3.469 | 0.001 | 0.960 | 1.042 | 1.042 |
|       | University | -0.038 | 0.067 | -0.037 | -0.571 | 0.568 | 0.800 | 1.250 | 1.213 |
|       | Survival | 0.189 | 0.064 | 0.189 | 2.961 | 0.003 | 0.824 | 1.250 | 1.213 |
|       | (Constant) | 1.979 | 0.259 |         | 7.651 | 0.000 | 1.000 | 1.000 |
| 4     | Familiarity | 0.205 | 0.059 | 0.205 | 3.458 | 0.001 | 0.953 | 1.049 | 1.049 |
|       | University | -0.038 | 0.067 | -0.037 | -0.571 | 0.569 | 0.800 | 1.250 | 1.250 |
|       | Survival | 0.190 | 0.066 | 0.190 | 2.870 | 0.004 | 0.765 | 1.307 | 1.307 |
|       | Capital | -0.005 | 0.059 | -0.005 | -0.081 | 0.936 | 0.907 | 1.103 | 1.103 |

a. Dependent Variable: Entrepreneurship

The above table indicates that familiarity, role of university, survival of business and capital all played a crucial role in student’s perception of entrepreneur. Familiarity indicated a low contribution of 6.4% to the overall model. When the role of University was added to the model there is a change towards 0.142 (14.2%). This significant jump from 6.4% showed that the university community plays an important role in developing a strong perception towards entrepreneurship. A further addition to the entrepreneurship model which is survival, described as the percentage of chance that of an entrepreneurship venture should survive for more than 5 years during start up. The model revealed 0.238 which means an increase to 23.8%. It also indicates a significant contribution towards the model. When capital was added to the model summary, a sharp increase adjusted R revealing 0.315 (31.5%). It can be deduced that capital is a major factor that respondents see impacting why they would consider entrepreneurship or not. Overall summary showed a total of 75.9% adjusted R and this figure is a significant impact which further agrees with hypothesis 1 that these factors significantly affect perceptions of entrepreneurship among students covering more than 75% of the entire model summary.

Hypothesis 2: There is a significant relationship between gender and entrepreneurship

This section examines the relationship between gender and the student perception of entrepreneurship. In order to determine if gender (male or female) affects the perception of entrepreneurship among students, an independent t-test was conducted to determine if there is any existence of statistical significance. Based on the respondent, the results from table below show that there is no statistical significance between gender and perceptions to entrepreneurship with p value (sig 2 tailed) of 0.126 which is above p<0.05 significance mark. This means that respondents did not differ in perception based on gender as on entrepreneurship. Thus, in the analysis, hypothesis 2 is rejected.
Table 4. T-Test Statistics between gender and entrepreneurship

| Gender                | Levene's Test for Equality of Variances | t-test for Equality of Means |
|-----------------------|----------------------------------------|-----------------------------|
|                       | F   | Sig. | t  | Df | Sig. (2-tailed) | Mean Diff | Std. Error Diff | 95% Confidence Interval of the Difference |
| Equal variances assumed | 0.003 | 0.960 | -1.536 | 278 | 0.126 | -0.223 | 0.145 | -0.509 | 0.063 |
| Equal variances not assumed | -1.541 |

5. Conclusion

The central aim of this study is to understand the perceptions of students in the Turkish Republic of Northern Cyprus (TRNC) universities towards entrepreneurship and new venture creation. Secondly, it attempts to identify the factors that affect students’ perceptions to overall concept of entrepreneurship. Using logistical hierarchical regression, the influence of four factors that could affect students’ entrepreneurship perception such as: Capital, University Education, Survival and Familiarity are determined. The overall summary showed a total of 75.9% adjusted R and this figure is a significant impact which further agrees with our hypothesis as proposed that these factors significantly affect perceptions of entrepreneurship among students covering more than 75% of the entire model summary, among which capital played a very significant role as a major factor that respondents see as the determinant why they would consider entrepreneurship or not.

Besides, in order to determine if gender (male or female) affects the perception of entrepreneurship among students, based on the respondent, an independent t-test revealed that there is no statistical significance between gender and perceptions to entrepreneurship. Therefore this study agree to the notion that gender differences is not a determinant of the student’s perceived image of entrepreneurship and there is no significant relationship between the gender (male or female) and entrepreneurship perception. This study therefore concludes that the entrepreneurial students’ perception is gender free.

6. Limitation

The sample size for this study is based on the availability of respondents in the target group, which could be a limitation in generalizing the result of our findings. Therefore, a similar empirical finding with a wider sample size will be necessary in order to determine the generalized student’s entrepreneurial perspectives

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