

ENTREPRENEURSHIP FOR MBA STUDENTS IN THE GLOBAL ECONOMIC SCENARIO

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ABSTRACT

There is a strong need for Business Managers with MBA qualification with today's rapid growth in industries in India as well as across the globe. Therefore, in the present global scenario MBA education has become the norm. Many young students pursue a career in management and may possess entrepreneurial aptitude. The researchers in the present study explored the possibility of entrepreneurial aptitude among management graduates. The researchers believe that entrepreneurship and leadership go hand in hand. With this notion the authors have studied various dimensions of leadership. These dimensions of leadership include Concern for people, Attention, Trust, Building and leading teams, Self regard, Self actualization, Independence, Problem solving, Flexibility, Stress tolerance, Impulse control, Optimism, Intra personal EQ, Adaptability EQ, Stress mgmt EQ, Emotional stability, Locus of control, Productivity, Creativity and Openness to experience. The authors conducted an empirical study to measure above dimensions on a sample of 100 management students from B-schools in Chennai. A co relational analysis of the finding was carried out. The results indicate a significant positive correlation amongst most of the variables associated with leadership and entrepreneurship.

Keywords: MBA, Intrapreneurship, Entrepreneurship, SWOT, Human capital.

Introduction:

This study is exploratory in nature and the present findings suggest that Intrapreneurship that is practicing of entrepreneurial skills and approaches by or within an organization can be an important dimension of entrepreneurial research because these intrapreneurs after gaining some experience may take on entrepreneurial ventures in future.

In the present Globalized economic scenario, when organizations try to outperform each other the practice of entrepreneurship within an organization as well as outside the organization plays an important role. Researchers and career professionals have suggested entrepreneurial abilities can be developed through various ways. Entrepreneurs are also leaders in their own field of enterprise. They have some characteristics or traits which are similar to leaders. In this study the researchers have attempted to explore the relationship between potential entrepreneurship and some leadership traits. Therefore, leadership traits are a must for entrepreneurial success. Entrepreneurs are risk takers they recognize SWOT of a business, they are free thinkers, they are agents of change they are leaders of industry and contribute to the economy of the country. In 1961 David McClelland described an

entrepreneur as primarily motivated by an overwhelming need for achievement and strong urge to build. Collins and Moore studied 150 entrepreneurs and concluded that they are tough, pragmatic people who are driven by needs of independence and achievement. They are seldom willing to submit to authority.

The definition states that the 'Entrepreneurship' is the creation of an innovative economic organization for the purpose of gain or growth under conditions of risk and uncertainty. Charles, Kirk (August 1998) in their study say, effective communication is especially crucial for new entrepreneurs and their employees, since they'll spend a great deal of time in recruiting prospective clients, investors and suppliers to help get the business off the ground.

Review of Literature:

The Findings of the Literature of Review:

The last decade has seen a strong current of renewed interest in entrepreneurship research and practice. This entrepreneurial revolution is likely to be sustained into the next decade, helped by the opening up of China and Vietnam, the collapse of the communist bloc in Europe and

Soviet Russia, and worldwide recession and high unemployment rates in the 1990s. These events, among others, have put entrepreneurship in the limelight. In fact, the entrepreneurial energy being devoted to entrepreneurship is a phenomenon in and of itself.

Apart from the phenomenal growth in the entrepreneurial studies, the very rapid growth of both the professional and academic entrepreneurship literature and entrepreneurial ventures worldwide, perhaps the most obvious evidence of this resurgent interest is the emergence of university courses on entrepreneurship. In 1993, over 400 colleges and universities in the USA offered courses in entrepreneurship education (Hood, J.N., Young, H.E. (1993). It is also similar in India. This is a significant increase from the late 1960s when only a handful of universities made formal entrepreneurship training available (Vesper, K.H., McMullan, W.E. (1988). In addition, major international organizations, including the United Nations, are involved in entrepreneurship development and several countries have encouraged entrepreneurship among their people. For example, the Government of Singapore has identified entrepreneurship as one of the most significant factors (if not the most significant) in the process of growth and development of its national economy (Singapore Ministry of Trade, Industry (1986). Entrepreneurial efforts in South Africa, India, Europe, Russia, Ireland, Australia and other countries have been documented in the literature (see, for example, (Ronstadt, R.C., Hornaday, J.A., Peterson, R., Vesper, K.H. (1986), Berger, B. (1991), Birley, S., MacMillan, I.C., Subramony, S.)

Given the growing importance of entrepreneurship, there is practical value in being able to identify entrepreneurial characteristics. The objective of this study is to test hypotheses of entrepreneurial characteristics. In so doing, the study attempts to distinguish between those who are entrepreneurially inclined and those who are not on the basis of psychological characteristics. Knowledge of the factors associated with entrepreneurial inclination can have practical significance. For example, it can be used as a career guidance tool for students or as a device for screening entrants into an entrepreneurship programme. In addition, such knowledge can serve as inputs to entrepreneurship curriculum.

Cohen, Stephen L (August 1998) in the Case for Custom Training say "an increasing number of businesses are discovering that using customized training programs is the most effective approach in addressing workplace performance problems. A mid-sized manufacturing firm chose a custom solution to help middle managers learn business leadership and entrepreneurial skills so that they would think and act more like businesspeople, reinforcing the firm's new direction and accelerating its growth." According to (Iyigun, Murat F; Owen, Ann L (May-1998) in the article 'Risk, Entrepreneurship, and Human-Capital Accumulation' is to articulate importance of entrepreneurship and leadership. Entrepreneurs offer the economy new ideas, products, and ways of doing things, while professionals utilize their accumulated knowledge to facilitate economic transactions. While professional and entrepreneurial skills can complement each other in aggregate production, they can compete for an individual's time in their accumulation. Moreover, while both entrepreneurial and professional skills can arguably be defined as "human capital".

An anecdote often repeated and attributed to the Bata Shoe Company explains why employers are seeking employees with entrepreneurial skills. Bata shoe purportedly sent two salesmen to Africa to open new territories. The first went down the west coast and reported back to the head office that it was pointless for him to be there since no one wore shoes. The second salesman covered the east coast and made the same observation. He concluded however that this was an excellent territory for him; since no one wore shoes, everyone was a potential customer. This anecdote makes an attempt to understand leadership dimensions like creativity, reactivity of an entrepreneur. According to a survey of 75 leaders by Andersen Consulting, Chicago reveals that today's business leaders envision that the ideal leader in five to 10 years will be someone who has 14 leadership dimensions. These dimensions are Creating a shared vision, Ensuring customer satisfaction, living the values, Building teamwork and partnerships, Thinking globally, Appreciating cultural diversity, Developing and empowering people, Anticipating opportunity, Achieving competitive advantage, embracing change, Sharing leadership, Demonstrating personal mastery, showing technological savvy, encouraging constructive challenge.

Table 1. Correlation between Potential Entrepreneurship and Psychosocial Variables

	Problem Solving	Flexibility	Stress Tolerance	Impulse Control	Optimism	Intra personal EQ	Adaptability EQ
POT ENT	0.36	0.34	0.29	0.20	0.34	0.18	0.21
	Stress Mgmt EQ	Task Orientation	Attention	Meaning	Trust	Building and leading team	Emotional Stability
POT ENT	0.17	0.19	0.39	0.25	0.20	0.35	0.30
	Locus of Control	Proactivity		Creativity		Openness to experience	
POT ENT	0.42	0.76		0.49		0.30	

Table (2) T Test On Leadership Dimensions For Potential Entrepreneurs And Non Potential Entrepreneurs

Leadership Dimensions	Mean	Mean	SD	SD	t Value
	Non Potential Entrepreneur	Potential Entrepreneur	Non Potential Entrepreneur	Potential Entrepreneur	
Proactivity	86.7115	99.4719	11.61867	7.08887	8.1056
Creativity	4.9286	7.5102	2.94715	3.24671	4.9056
Openness to experience	9.2353	10.4433	2.27674	2.78002	2.6671
Locus of control	7.0400	8.2105	1.39913	1.59050	4.3856
Emotional Stability	11.2353	12.0619	2.42972	1.69444	2.4168
Flexibility	42.1200	45.8837	6.27805	7.03841	3.1259
Building and leading team	82.6071	90.5100	13.87827	12.60791	3.6212
Task Orientation	12.3929	13.7700	2.68788	2.62796	3.1142
Attention	16.4000	17.6667	1.72166	1.50036	4.1269
Meaning	15.6000	16.7564	1.90546	1.69940	3.3569
Trust	16.2000	17.1410	1.78599	1.78540	2.7099
Intrapersonal EQ	143.5818	151.6327	16.72732	15.51746	2.9939
Adaptability EQ	92.9636	99.2551	10.79946	11.43544	3.3305
Stress Management EQ	61.3455	65.6633	14.55668	8.92690	2.2744
Optimism	30.0364	32.7143	4.91017	4.07406	3.6195
Problem Solving	28.0545	31.7347	3.44490	4.28267	5.4563
Independence	23.5455	26.2959	4.58184	3.55577	4.1294
Self Actualisation	33.5455	36.4388	4.53308	4.48380	3.8150
Self Regard	34.6909	37.3265	5.28756	3.95796	3.4926
Assertiveness	21.8364	23.3776	3.91939	3.55085	2.4811

Significant at .05 levels. Df = 98

It is found that from the above studies set the researchers thinking on the dimensions of leadership which have an impact on potential entrepreneurship. The researchers identified some dimensions namely Concern for task, Attention, Trust, Building and leading teams, Self regard, Self actualization, Independence, Problem solving, Flexibility, Stress tolerance, Impulse control, Optimism, Intra personal EQ, Adaptability EQ, Stress mgmt EQ, Emotional stability, Locus of control, Pro-activity, Creativity and Openness to experience. On the basis of the above studies and the pattern of growth that the business is witnessing especially among developing countries like India entrepreneurship may be one of the most determinant characteristic in future manager. Therefore the objective of the present study is to understand (1) the relation between the dimensions of leadership and potential entrepreneurship. (2) To study the entrepreneurial ability among management students.

The Methodology:

The researchers conducted an empirical study on a sample of 100 management students from B-schools in Chennai in the age range of 22 to 28 years. The measures used in the present study are various tests from the 'Self Assessment Library' of The KSS program (Know the concept of self awareness skills applications -Stephen Robbins 2001) To find out the level of self awareness exercise of MBA, students undergo various psychometric tests. Relevant data of variables related to entrepreneurship and leadership

were taken by the researchers for the present study from the above tests. The researchers attempted to find a relationship between the variable potential entrepreneurship and some psychosocial variables associated with leadership with the help of co relational analysis. Further the researcher divided the sample in two groups of potential entrepreneurs and non potential entrepreneurs on the basis of their score on the instrument 'Am I likely to become an entrepreneur'? The score on this instrument ranges between 17 and 149. it is found that the higher the score on this instrument, the stronger the intent for potential entrepreneurship among the students. The researchers have taken the score of 90 as a differentiator between the two groups. A score 17-89 would be non potential entrepreneurs and a score 90-149 would indicate potential entrepreneurs. After dividing the sample in two groups a t-test was carried out to find if the two groups differed significantly on some of the psychosocial variables from the 'Self Assessment Library' and dimensions and subscales of EQ.

Results for Discussion:

Table (1) shows the degree of correlation between Potential Entrepreneurship and some psychosocial variables. All variables mentioned in the table show significant positive relationship with potential entrepreneurship. The present study does not include dimensions of Leadership that do not show significant positive relationship with potential entrepreneurship. Potential Entrepreneurship is significantly positively

correlated with Intra personal EQ .18, Suggests that individuals with entrepreneurial potential have ability to recognize and give expression to their feelings, they can accept their limitations and potentialities, they are able to be free from emotional dependency and have ability to realize their inherent potential. As potential Entrepreneurship is significantly positively correlated with Adaptability EQ .21, It means potential entrepreneur possess adaptability as a core competency that makes them flexible and realistic. They have ability to tune in to the immediate situation, to adjust to changing situations and to identify problems and implement effective solutions. Adaptability EQ has three dimensions as reality testing, flexibility and reality testing. Problem solving .36 it means they have a positive approach towards problems and consider problems as a challenge to be resolved and are not threatened by them which is very true of any entrepreneurial activity where problems are an integral part. Flexibility 0.34 suggests that one is able to adjust one's emotions, thoughts, and behavior to changing situations and conditions.

As is evident from the table (1) Potential Entrepreneurship is significantly positively correlated with Stress Management EQ .17 suggests that potential entrepreneurs possess Competency to handle the uncertainties of life. It talks about one's ability to withstand stress and to resist/delay temptation. Stress management EQ has two dimensions stress tolerance and impulse control. Stress tolerance .29, shows the ability of a person to withstand adverse events and stressful situations without "falling apart" by actively and positively coping with stress. Impulse control .20 means one has the ability to resist or delay an impulse, drive, or temptation to act. As is evident from the table Potential Entrepreneurship is significantly positively correlated with Optimism .34 suggests that individuals with entrepreneurial potential are optimistic in nature, they have positive outlook towards life which will help them when situations or events are tough.

The leadership style has two dimensions task orientation and people orientation. Here Entrepreneurship is positively correlated with Task Orientation .19 it measures the degree to which one is task oriented. Entrepreneurs are more concerned about getting the job done. Charismatic leaders are ones whom followers perceive as having heroic or extraordinary leadership abilities. They tend to have high self-confidence and strong convictions about their beliefs. Charismatic leadership patterns are meaning of attention, meaning of meaning, meaning of trust, meaning of self, meaning of risk, meaning of feelings. Potential Entrepreneurship is significantly correlated with Attention 0.39 Attention means how close attention do you pay to people with whom you are communicating? Do they have clear ideas about the relative importance of priorities? Entrepreneurship is significantly positive with meaning 0.25 it means how effective one is at getting one's meaning across? While working in a team entrepreneur must be able to pass right meaning to the team members. Entrepreneurship has positive correlation with trust 0.20 it

means a person is perceived as willing to follow through on promises and take clear positions on issues.

Creativity is the ability to combine ideas in a unique way or to make unusual associations between ideas. A creative persons develops novel approaches to do their work or unique solutions to problems. Potential Entrepreneurship is significantly positively correlated with creativity 0.49 that suggests creative people are likely to become an entrepreneur due to their 'out of box' thinking approach. Potential Entrepreneurship is significantly positively correlated with Proactivity 0.76 that suggests Proactivity fosters entrepreneurship. Proactivity means the degree to which you take initiative to improve your current circumstances or create new ones. Proactive people identify opportunities, show initiative, take action, and persevere until meaningful change occurs these are predominantly characteristics of entrepreneur.

The five-factor model of personality - often referred to as the Big Five - has an impressive body of research supporting that five basic personality dimensions underlie human behavior. These dimensions are extraversion, agreeableness, Conscientiousness, Emotional stability and openness to experience. Out of these five dimensions Potential Entrepreneurship is significantly positively correlated with Emotional stability 0.30 and openness to experience 0.30. One possesses emotional stability when one is calm, enthusiastic, and secure in temperament. One is open to experiences when one is imaginative, artistically sensitive, and intellectual and has a fascination for novelty and innovation. So person who is open to experiences and is emotionally stable is likely to become an entrepreneur.

Table (2) depicts the results of the t-test between the potential entrepreneurs and non potential entrepreneurs. As is evident from the table these two groups are significantly different on some psychosocial variables and they are the most defining parameters.

The variables are pro-activity (8.10) which is the backbone of entrepreneurship, an entrepreneur has to be proactive rather than reactive or he will loose opportunity, may not be able to deal with threats, problems and anticipate change. Creativity (4.90) is other defining variable potential entrepreneurs are more creative than non potential entrepreneurs. Creativity is a must have dimension for entrepreneurial activity it demands out of the box thinking, creative problem solving and having innovative ideas.

Openness to experience (2.66) potential entrepreneurs will be more willing to experiment, try different things, less biased, deal with unpredictable events & persons as non potential entrepreneurs others who may want stability and predictability in life.

On the variable of Locus of Control (4.38) potential entrepreneurs have a significantly higher mean than non potential entrepreneurs which means that potential entrepreneurs have higher internal locus of control than the non potential ones i.e. they control their own destiny and business whereas non potential group may be controlled by significant other who may influence their

decisions. Emotional stability (2.41) potential entrepreneurs have a significantly higher mean than non potential entrepreneurs which is very important because an entrepreneur interacts with all kinds of people from all walks of life and this trait will help the potential entrepreneur to remain calm, unperturbed and relaxed in the event of unfavorable situations. It is also in the interest of business to take decisions in stable conditions rather than react in an emotional manner.

Flexibility (3.12) potential entrepreneurs appear to be more agile, willing to experiment, try different things, change opinions, decisions based on dynamic nature of business, less biased, with both events & persons as compared to non potential entrepreneurs who may be a bit rigid with events, person and opinions. Building and leading team (3.62) potential entrepreneurs have a significantly higher mean than non potential entrepreneurs which is very important because an entrepreneur by very nature of work is a de facto leader of his enterprise and has to build a team who will support the entrepreneurial venture. This is very crucial to the entrepreneurial activity.

Task Orientation (3.11) potential entrepreneurs are significantly different than non potential entrepreneurs which suggests that this group is very focused on their work and the task at hand which is very crucial to entrepreneurial activity. If the entrepreneur is lax in this the business may suffer through competition and other threats. Attention (4.12) potential entrepreneurs are significantly different than non potential entrepreneurs as they are keen in paying close attention to people with whom they communicate. They have clear ideas about the relative importance of priorities. Meaning (3.35) potential entrepreneurs are significantly different than non potential entrepreneurs as they are more effective in getting meaning across. Generally in a group entrepreneurs work as a leader so they must be able to convince their team mates. Trust (2.70) potential entrepreneurs are significantly different than non potential entrepreneurs as people find them more trustworthy than non potential entrepreneurs. Intrapersonal EQ (2.99) potential entrepreneurs are significantly different than non potential entrepreneurs as they possess ability to recognize and give expression to their feelings, to accept their limitations and potentialities. They are emotionally independent and they are better at realizing their inherent potential. Potential entrepreneurs are assertive and independent than other group.

Adaptability EQ (3.33) potential entrepreneurs are significantly different than non potential entrepreneurs as they have ability to tune in to the immediate situation. They can adjust to changing situations and can identify problems and implement effective solutions. They are flexible and better at problem solving than non potential entrepreneurs. Stress Management EQ (3.36) potential entrepreneurs have a significantly higher mean than non potential entrepreneurs which is very important because entrepreneurial activity is prone to various stresses in

varying degrees and intensity at different times in the enterprise life span and its desirable that potential entrepreneurs can manage stress so that stress may be arrested in the level before it progresses to distress stage. Optimism (3.61) potential entrepreneurs are significantly different than non potential entrepreneurs, entrepreneurs are well aware that there are good days and bad days their optimistic attitude may be helping them to tide over difficult and trying times which are bound to occur in any entrepreneurial venture. Failures may be a source of learning or potential opportunity.

Problem Solving (5.45) potential entrepreneurs are significantly different than non potential entrepreneurs, this is the very nature of entrepreneurship. Entrepreneurs are always confronted by problems and it is remarkable that the potential entrepreneurs are higher than non potential entrepreneurs on this trait. Non potential entrepreneurs do not assume responsibility of problem solving or are secure in the feeling that somebody maybe peers/superiors may take care of their problems whereas for the entrepreneurs the bucks stop with them. Independence (4.12) potential entrepreneurs are significantly different than non potential entrepreneurs; this is the very essence of entrepreneurship the need to be their own boss and the unwillingness to be subordinate to anybody. Potential entrepreneurs must realize this trait among them and nurture it lest they may feel frustrated if an attempt is made to curb it. Non potential entrepreneurs are not fiercely independent and may like to take directives and prefer to be told to do their activities.

Self actualization (3.81) potential entrepreneurs are significantly different than non potential entrepreneurs this is one of the most distinguishing factors as entrepreneurial activity is one of the few things which may enable an individual to realize their full potential and thereby reach a stage of actualization. In entrepreneurial activity individuals are their own boss and therefore do not depend on others or outside factors to realize their potential. Additionally, it's in their own interest and of their venture to reach its optimum potential. Self regard (3.49) potential entrepreneurs are significantly different than non potential entrepreneurs as they have higher self regard which is an important aspect of their persona as it helps in positively impacting their self-esteem and self confidence.

Assertiveness (2.48) potential entrepreneurs are significantly different than non potential entrepreneurs which are a very important factor for entrepreneurs at times they have to dig in their heels and be assertive. Entrepreneurs cannot afford to be passive /non-aggressive or aggressive both styles may be detrimental to entrepreneurship.

As is evident from the table Entrepreneurship is significantly positively correlated with locus of control 0.42. There are two types of locus of control internal locus of control and external locus of control. People with internal locus of control believe that they control their destinies. People with external locus of control see

themselves as pawns of fate, believing that what happens to them is due to luck or chance. Locus of control can provide insights into job satisfaction, involvement in work setting.

There is significantly positive correlation between entrepreneurship and building and leading team behaviour 0.35 it assesses team development behaviors in five areas: diagnosing team development, managing the forming stage, managing the conforming stage, managing the storming stage and managing the performing stage. This is a very essential competency for an entrepreneur as the entrepreneur would require the total support of their team as the enterprise goes through various stages of growth and its is not feasible for an entrepreneur to do all the work by self.

Conclusions:

The present study is confined to management students limited to a small sample and therefore the findings are only exploratory in nature. Further in depth studies can be done on a large sample which may consist of management students, students studying entrepreneurship and entrepreneurs to identify potential entrepreneurs. The finding of the present study is that potential entrepreneurship correlates positively with some dimensions of leadership. Further the study systematically distinguishes between potential entrepreneurs and non potential entrepreneurs on dimensions of leadership. Potential entrepreneurship and dimensions of leadership appear to be crucial factor in differentiating between potential entrepreneurs and executives. In this way they can minimize the risk of failed entrepreneurial ventures by eliminating non potential entrepreneurs from their target group. This could help the employees with potential entrepreneurial traits to realize their worth in an organization and can increase their job satisfaction. By eliminating non potential entrepreneurs the organization can ease the pressure to perform on these employees who can carry out routine activities. The researchers found that insight into the psychological profile of the potential entrepreneurs. There is a strong need felt by the researchers that the academicians could design and

administer training modules based on the leadership traits for enhanced skill development of potential entrepreneurs.

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