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Affective Factors Contributing to Entrepreneurial Attitudes of University Students in Iran

¹Seyed Jamal F Hosseini* and ²Heidar Ahmadi

¹*Department of Agricultural Extension and Education, Science and Research Branch, Islamic Azad University, Tehran, Iran*

²*Islamic Azad University, Shahr Ray Branch, Shahr Ray, Iran*

ABSTRACT

University students were surveyed in order to explore their perception about the factors that contribute their attitudes about entrepreneurship activities. The methodology used in this study involved a combination of descriptive and quantitative research. The total population was 377 students at Islamic Azad University in Shah Ray Branch. Based on the results of the study 83% of the variance in the perception of respondents could be explained by psychological, policymaking, educational, economic, social, cultural factors and personal characteristics of students.

Keywords: Students; entrepreneurship; attitudes; Iran.

INTRODUCTION

One strategy that has helped many developed and developing countries to overcome the problem of unemployment, has been the development of entrepreneurship. Oversupply of graduate manpower, unemployment growth in their community, lack of response or positive feedbacks to the efforts made in recent decade to find a solution for unemployment problem of graduates on one side and on the other hand the necessity to move to competitive market based economy created an important ground for paying more attention to entrepreneurship.

Proposing new ideas based on the role of entrepreneurship in increasing job opportunities, competitiveness, improvement in manpower productivity, technology development, wealth generating and social welfare level and also existence of strong relation between entrepreneurial development and economic growth of the countries have all resulted in a serious consideration of entrepreneurship in new economic theories and have been regarded as a provocative engine in economical social growth and development of countries [1, 2].

The central research question then is very simple. What are the affective factors contributing to entrepreneurial attitudes among students in the Islamic Azad University in Shahr Ray, Iran?

The purpose of this study is twofold. First, it determines the key factors that influence entrepreneurial attitudes among students in Islamic Azad University in Shahr Ray, Iran. Secondly, it provides suggestions for policy recommendations. The paper is structured as follows. Following this introduction we provide a background to the Republic of Iran. The paper then introduces a context to entrepreneurship education in universities, before discussing the methodological approach taken. Results are provided and then some policy recommendations are offered.

With regard to population growth during 1979-1989 and that wave reaching to the first decade of 21st century, lack of progress in economy, immethodical expansion of agricultural higher education, excessive number of agricultural graduates, government policies to downsize its structure, inability of agricultural private sector to employ the graduates due to traditional structure of production and livelihood exploiting system, Iran has faced an intensive crisis of unemployment for graduates in 2000s.

With a look at the background of higher education in Iran, it can be observed that the amount of investment and attention to this issue from different dimensions has never been at a level proportionate to employment criteria. Furthermore, considering available resources, the expansion of this sector in term of frequency, employees and beneficiaries of this sector were not enough to fulfill country's demands.

Wenneker and Thurik identify three dimension of entrepreneurship – the condition which leads to entrepreneurship, the attributes and the impacts of entrepreneurship. In regard to individual, the conditions for entrepreneurship are culture and incentives, elements are attitudes, skills and creativity and the impacts are self-realisation and income [3].

This role of entrepreneurship in development of agricultural economy is regarded as one of the major requirement for agricultural development. Such situation has brought about an increasing demand in agricultural entrepreneurship education in recent years and has resulted in more emphasize by researchers and government authorities in different countries [4].

As a result, entrepreneurial education has become a serious necessity for the governments, in order to upgrade the capacities and abilities of young graduates to enter in a competitive job market in agricultural sector [5].

Indeed, the entrepreneurship is a key element in creating employment, a solution to combat the unemployment crisis and a response to community diverse demands. Therefore, it is considered as one of the important fundamental aspects in agricultural development plans [5, 6].

Entrepreneurship education in universities could enhance the skills of students in areas related to starting a new business. Entrepreneurial skills refer to those activities, or practical know-how, that are needed to establish and successfully run a business enterprise. These may comprise such areas as finance, accounting, marketing or production. Others want to make a distinction between managerial and entrepreneurial skills [7, 8].

In a research, has emphasized on unemployment of most of agricultural graduates, thus recommending what follows, as the results of his study, to improve the educational system of this sector by expanding the practical courses, having close cooperation and relation between universities with executive departments and the farmers, establishing self-employment and entrepreneurship mentality in students and emphasizing on short training courses during the academic year.

The findings of study by Streeter et al show that trend toward entrepreneurial education at Cornell University is strong; the conceptual framework clarifies the different pathways for creating a university wide approach toward entrepreneurship; the radiant model (entrepreneurship out of university) is extremely appealing to students, parents and alumni; the magnet model (entrepreneurship inside university) is easier to administer and present in various methods; the magnet model is simpler to implement, it may lead to conflicts in a long run because the benefits and facilities may not be distributed equally among the university students [9].

Kuratko in a study entitled emergence of entrepreneurial education: development, trends and challenges, pointed out the entrepreneurship has emerged and developed over the recent two decades and its recent growth in curricula and programs dedicated to entrepreneurship has been very considerable. The number of faculties and universities which deliver curricula in connection to entrepreneurship has surged to over 1600 in 2005 in comparison to few programs in 1970's. This huge development has resulted in some academic legislative challenges for entrepreneurship that this article has focused on these trends and challenges of entrepreneurial education in the universities in the 21st century [10].

UNESCO in its global prospect of higher education for 21st Century, has described the new universities as a place in which the entrepreneurial skills in order to facilitate the graduates' capabilities and promoting them to job producers are developed [11].

In another research entitled conceptual framework for the assessment of the efficiency of entrepreneurial education of programs aimed at entrepreneurship, there is a meaningful relationship between entrepreneurial education and the tendency to entrepreneurship. Knowing the fact that entrepreneurial education of programs can change the entrepreneurship purpose, which is to examine the economic relation of entrepreneurship activity, is fascinating. In this research, the first stage goal is framework development that enables us to explain the programs of entrepreneurial education alongside with the changes in visions and participants' beliefs in the program and then presents the assessment of the impact of entrepreneurial education of programs on participants' goal [12].

MATERIALS AND METHODS

The methodology used in this study involved a three stage combination of descriptive and quantitative research. Stage one involved a series of in-depth interviews were conducted with senior experts in the Ministry of Higher Education and Islamic Azad University to provide a context. A questionnaire was developed based on these interviews and relevant literature. The questionnaire included both open-ended and fixed-choice questions. The open-ended questions were used to gather information not covered by the fixed-choice questions and to encourage participants to provide feedback. A five-point Likert scale ranging from 1 (strongly disagree) to 5 (strongly agree) was used as a quantitative measure.

Stage two involved a pilot study with 30 students who had not been interviewed before the earlier exercise of determining the reliability of the questionnaire for the study. Computed Cronbach's alpha score was 90.0%, which indicated that the questionnaire was highly reliable.

Independent variables in the study included factors affecting the entrepreneurial attitudes among students in the Islamic Azad University, Shahr Ray Branch. The dependent variable in this research study was the entrepreneurial attitudes of students.

Stage three involved a survey held in the fall 2010. The research population included all students, i.e., those who were registered as the full time students, in the Islamic Azad University, Shahr Ray Branch in Iran (N = 21500). Using stratified sampling and the results of the pilot test, a sample of 377 students was constituted.

For measurement of correlation between the independent variables and the dependent variable, correlation coefficients have been utilized and included a Pearson test of independence

RESULTS AND DISCUSSION

In order to finding the perception of students about their psychological characteristics which would affect the entrepreneurial attitudes, respondents were asked to express their views. As can be seen in the table 1, the most important psychological characteristics based on the freedman test was being sincere (n=8.16) and the least important was accepting risk (n=3.87).

Table 1: Perception of respondents about the importance of psychological characteristics on entrepreneurial attitudes

Statement	Freedman Test	
	Number	Priority
Being Sincere	8.16	1
Trustable	7.33	2
Being responsible	6.97	3
Self reliance	5.44	4
Being independent	5.29	5
Hard worker	4.97	6
Having will to overcome the defeat	4.01	7
Accepting Risk	3.87	8

Table 2: Correlation measures between independent and dependent variable

Independent variable	Dependent variable		
		r	Sig.
Psychological Factors	Entrepreneurial Attitude	0.815	0.000**
Personal Characteristics	Entrepreneurial Attitude	0.628	0.000**
Economic Factors	Entrepreneurial Attitude	0.119	0.033*
Policy Making Factors	Entrepreneurial Attitude	0.121	0.014*
Social Factors	Entrepreneurial Attitude	0.122	0.018*
Educational Factors	Entrepreneurial Attitude	0.125	0.015*
Cultural Factors	Entrepreneurial Attitude	0.262	0.000**

** $p < 0.01$ * $p < 0.05$

Pearson coefficient was employed for measurement of relationships between the entrepreneurial attitudes of students and factors influencing their attitudes about

entrepreneurship. Table 2 displays the results which show that there was relationship between perception of respondents about their entrepreneurial attitudes and psychological, policymaking, educational, economic, social, cultural factors and personal characteristics of students.

Table 3 shows the result for regression analysis by stepwise method. Independent variables that were significantly related to perception of students about factors that influence their attitudes about entrepreneurship were subjected to regression analysis. The result indicates that 83% of the variance in the perception of respondents could be explained by psychological, policymaking, educational, economic, social, cultural factors and personal characteristics of students. Among all variables, "psychological factors" (Beta coefficient: 0.805, sig.: 0.000), "economic factors" (Beta coefficient: -0.295, sig.: 0.000), "cultural factors" (Beta coefficient: 0.272, sig.: 0.000), "personal characteristics" (Beta coefficient: 0.257, sig.: 0.000), "policy making factors" (Beta coefficient: -0.159, sig.: 0.002), and "educational factors" (Beta coefficient: 0.053, sig.: 0.001) affect the entrepreneurial attitudes of students.

Table 3: Multivariate Regression Analysis.

Variable	B	Beta	T	Sig.
Psychological Factors (X1)	0.893	0.805	4.448	0.000
Economic Factors(X2)	0.217	-0.295	-8.565	0.000
Personal Characteristics (X3)	0.193	0.257	7.648	0.000
Policy making Factors (X4)	0.099	-0.159	-3.195	0.002
Educational Factors (X5)	0.031	0.053	1.020	0.001
Cultural Factors (X6)	0.154	0.272	7.196	0.000

$$R^2=0.83$$

$$Y=0/662 +0/893 (X1) +0/217(X2) +0/193(X3) +0/099 (X4) +0/031(X5) +0/154 (X6)$$

As the results of the study showed, psychological, policymaking, educational, economic, social, cultural factors and personal characteristics of students caused 83% of variance on the entrepreneurial attitudes of students.

The findings reflect an important fact, namely that psychological factors would have the most impact on students attitudes about entrepreneurship. The results of study by Nelson show that entrepreneurial education can play a significant role in changing attitudes of students towards self employment and through education on necessary skills to manage a business has prepared them for self employment labor market [13].

Based on the findings, students indicated that policy making issue has an important role in changing their attitudes about entrepreneurship. In this regard, a sound regulatory and policy environment is a necessary prerequisite for enhancing the capacity of students to start entrepreneurship activity [5,14].

The results of the study also point to the relationship between social factors and development of entrepreneurial education, a finding in accordance with the findings of the studies by Dodd and Gotsis and Pages and Markley [14, 15].

The findings about economical factors are in accordance with those of Volery and Muller which shows that allocating the necessary budgets and securing the cost of practical training would have affect on the entrepreneurial education [12]

CONCLUSION

Entrepreneurial education has a tremendous potential to help in the employment status of students in Iran. The development of entrepreneurial education results in creating more jobs and employment sustainability could be achieved over time. Therefore, certain special factors in developing entrepreneurial education among students in the universities should be identified and need to be carefully examined.

Innovative strategies need to be developed that cater specifically the entrepreneurship educational needs of students. Universities in Iran need to provide practical training in entrepreneurship to their students, to make them more aware of the benefits of entrepreneurship and to address the factors that impact on developing entrepreneurial education.

The issue is not only the training students about entrepreneurship, but it is equally critical to provide training, tools and guidance to make students aware of what entrepreneurship can do for them, and what they can do with being entrepreneurs.

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