

**A Study of Entrepreneurial Skills among Youth of Punjab****Abstract**

The present study was designed to assess the level of entrepreneurial qualities in the youth of Punjab. For the purpose a sample of 100 youngsters in the age range of 20-22 years was drawn randomly from three different colleges of Patiala. There were equal number of males and Females. Researches (Rauch and Frese, 2000) have found a clear relationship between need for achievement, locus of control and the emergence of entrepreneurship (start-up). The ever growing field of industrial and organizational Psychology makes it apparent that it is important to analyze the psychological aspect of entrepreneurship. This is because the entrepreneur is at the boundary line of these branches of Psychology. The findings have significant implications for enhancing entrepreneurial skills in the youth of Punjab. This is further thought to be important not only for economic growth of Punjabi society but for the overall psychological and social growth too.

**Keywords:** Entrepreneurial Skills, Need for Achievement, Risk-Taking Locus of Control.

**Introduction**

The word 'entrepreneur' is derived from the French word "Entreprendre" (to undertake). It was during the 18<sup>th</sup> century that the word 'entrepreneur' was used to refer to economic activities. Richard Cantillon (1697-1734) appears to have introduced the term as meaning someone who specializes in organizing business activities and assuming the risks of business in return for profits. The credit for studying entrepreneurship from a psychological point of view can be given to Bygrave (1989) who advocated the view that entrepreneurship is a "process of becoming rather than a state of being". He identified that there are some unique characteristics of the entrepreneur that can be separated and identified in order to build a personality profile of the typical entrepreneur. Bygrave (1997) provides a simple but profound definition of an entrepreneur as someone who perceives an opportunity and creates an organization to pursue it. Stevenson and Gumpert (1985) believe that the entrepreneur may occupy one extreme end of a continuum of managerial behavior - at one end is the entrepreneur and the other end is the administrator. Entrepreneurs are the king pin of any developing economy. They play a vital role in socioeconomic improvements which in turn, play a crucial role in fostering the development of the developing countries.

Thus, Entrepreneurship is the process of trying out new ideas, creating product or new services and assuming the role in organizing, managing, and absorbing the risks, not afraid of failure and enjoying the rewards of a business. Most people see entrepreneurship as the opportunity to pursue the dream of working for themselves. For many, it's not always about the money, but rather, about the passion.

Psychological approaches to entrepreneurship are fascinating both for entrepreneurship as well as for work and organizational psychology. Entrepreneurship can profit from this interface between business and psychology because psychological variables are clearly and often surprisingly consistently related to entrepreneurial entry and success. Moreover, psychological variables (most notably action related concepts) function as necessary mediators in the process that leads to success (e.g. strategies).

Considerable effort has gone into understanding the psychological wellsprings of entrepreneurship. Some common characteristics suggested are as follows:

**High Need for Achievement**

In McClelland (1961), The Achieving Society, the need for achievement trait has been empirically linked to entrepreneurial behavior.

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The need for achievement is defined as a tendency to choose and persist at activities that hold a moderate chance of success or a maximum opportunity of personal achievement satisfaction without the undue risk of failure. He posited that needs are learned and therefore culturally, not biologically determined; and some cultures produced more entrepreneurs because of the socialization process that creates a high need for achievement.

### **Risk taking**

Risk taking, whether financial, social or psychic, is a distinguishing characteristic of entrepreneurship. Early writers such as McClelland posited that entrepreneurs are high in the need for achievement and therefore prefer moderate levels of risks. The usual interpretation of a risk taker is someone who in the context of a business venture pursues a business idea when the probability of succeeding is low. Risk can also be understood as a strategy variable (Ray, 1993). According to Ray (1993), risk is related to strategy and context and is not just a function of personality.

### **Internal-External Locus of Control**

According to the proponent of this theory J. D. Rotter an individual may have an external or an internal locus of control. Internal locus of control refers to a belief in one's own capabilities. On the other hand external locus of control refers to a tendency to think that things are controlled by external factors. Internal locus of control i.e. self confidence, extreme belief over one's ability and power motivates individual of a society to take initiatives for innovation which is very much helpful for individual side by side for society too (Islam and Mamun, 2000).

### **Fear of Failure**

Since an entrepreneur is high on risk taking, he is low on fear of failure. Optimistic attitude and future orientation reinforces his belief in his abilities and he believes himself to be prepared to face all sorts of eventualities.

### **Personal Effectiveness**

One condition for personal effectiveness is better self-awareness. But only understanding one's self does not make a person effective. It is very important for an entrepreneur to know himself as well others. This may include self-disclosure, openness to feedback and perceptiveness.

### **Need for Power**

High need for achievement leads one into launching an enterprise but may not be adequate to contribute to its success. Once an entrepreneur starts his enterprise and wants to manage it successfully, he also needs to influence and lead others. This drive to influence and lead people to implement his ideas is called need for power.

### **Need for Independence**

It's the need for independence that drives an individual to start his enterprise. Such individuals do not like to be controlled by others. They have original thoughts and ideas and they take full responsibility of their actions.

### **Sense of Efficacy**

It refers to a Person's belief in his or her capability to perform a task (Gist, 1987), influences the complex process of new venture creation. It is suggested that the concept of self-efficacy, derived from social learning theory (Bandura, 1977a, 1977b, 1986), plays an important role in the development of entrepreneurial intentions and actions.

### **Review of Literature**

Researchers have shown that an entrepreneur should have important qualities of leadership, team building, initiative and innovation. Entrepreneurial attitude orientation have been found to consist of four broad dimensions, namely, achievement, self esteem, personal control and innovation (Stimpson et al., 1991). Some researchers have reported that three internally driven motives, or needs crucial for starting a business are: a need for Autonomy, a need for Achievement and a need for Power (Brockhaus, 1982; Begley and Boyd, 1987; Nandram and Samson, 2000). Student with training in entrepreneurship have greater overall entrepreneurial characteristics, higher achievement motivation, more personal control, and greater self-esteem than a comparable cohort. According to Robinson, Stimpson, Huefner, and Hunt's (1991) self-esteem and innovation are more prominent in entrepreneurs than the need for achievement. Another important factor found (Brockhaus, 1982 and Gasse, 1985) to be associated with entrepreneurship is internal locus of control. Durand and Shea (1974) conducted a study on 22 male and 7 female black adults engaged in operating small businesses. Entrepreneurial activity of the participants was investigated over a period of 18 months. The findings showed that Entrepreneurs with high n-ach and internal locus of control were significantly more active.

Chell (2013) has focused on the dominant 'opportunity recognition' theory which defines the role of the entrepreneur as being the person that discovers new opportunities that already exist and subsequently develops (or exploits) these opportunities. In the same way, it has also been found that identifying customer needs, technical opportunities and market opportunities, as summarised by Hayton (2015), creation of new opportunities (Alvarez & Barney, 2007) recognising social/market needs (Hunter, 2012) are the basic qualities of entrepreneurial skills. Exposure to new ideas and approaches is one of the factors associated with developing entrepreneurship skills, both at a local and international level (Rodriguez-Pose & Hardy, 2015). Cognitive skills including counterfactual thinking and analytical thinking have been identified as crucial for entrepreneurial growth especially in translating opportunity recognition into information processing ultimately leading to transforming a market opportunity into a business (Chell, 2013). Stella & Mike (2013) explains entrepreneurial skill as skill or competencies that are critical for any entrepreneur for success in his or her business venture. A recent study (Chhatterjee & Dass, 2016) shows the relationship and the effect of the skills on the success of micro-

entrepreneurs. On the basis of previous researches, the study analyzed five dimensions of skills, namely, leadership skills, communication skills, human relation skills, technical skills and inborn aptitude. Success was measured as a perceived chance of business success. The study primarily analyzed the strength of the relationship of the skills with success. The review of literature, thus, show that a certain set of factors like need for achievement, internal locus of control, creativity and innovation, self esteem, cognitive skills predict greater success in entrepreneurship.

### Need of The Study

The purpose of the present research work was to explore the level of entrepreneurial skills possessed by youngsters of Punjab. Entrepreneurial growth is imperative not only for the economic but also for the psychological growth and development of a nation. The social problems like drug-abuse, alcoholism, unemployment, female feticide, etc. are taking the society of Punjab at the path of deterioration. It is not to say that growth of entrepreneurship is a panacea to all social problems. The point worth mentioning is that the youth is full of energy and enthusiasm. The energy however should be channelized in productive ways. Thus it is essential that in order to generate a critical mass of entrepreneurs oriented to high levels of growth there should be a better quality of education and the presence of an environment that encourages innovation.

### Objective of The Study

To assess the level of entrepreneurial qualities in the youth of Punjab

### Hypothesis

The study was exploratory in nature.

### Methodology

#### Sample

The study comprised of a total sample of 100 subjects (males) in the age-range of 20-22 years. For the purpose of data collection, the researcher visited different colleges of Patiala (Punjab). Prior consent of the participants and respective college principals was taken in advance.

#### Design

To assess the level of entrepreneurial qualities in the youth of Punjab, all questionnaires- Motivational Behavior (Pareek, 2002), Fear of failure (Pareek, 2002), Personal effectiveness (Pareek, 2002), Risk-taking (Sinha & Arora, 2000) and Transactional interactions (Pareek, 2002) was administered to all the participants. Significant difference between two percentages was used to analyze the data.

#### Questionnaires Used

##### Motivational Behavior (Pareek, 2002)

It consists of 60 items. It assesses six motives, viz., Achievement, affiliation, influence, control, extension, dependence. The split half reliability is .60.

##### Fear of failure (Pareek, 2002)

It consists of 15 statements with two alternatives each. The subject has to select one option.

##### Personal effectiveness (Self-disclosure, openness to feedback, Perceptiveness), (Pareek, 2002)

It is 15 items questionnaire. Each item has to be answered in 'most characteristic of me' to 'not at all characteristic of me'. The reliability of the questionnaire is .90.

##### Risk-taking (Sinha & Arora, 2000)

It is a five point scale consisting of 40 items. The test-retest reliability is .83.

##### Transactional interactions (nurturing, regulating, task, confronting, adaptive & creative) (Pareek, 2002)

It is meant to assess the students' style of interacting with others; It consists of 48 statements assessing six sub-dimensions. The reliability is .67.

#### Procedure

All the questionnaires were administered to the participants in one sitting. Rapport was built and the participants were instructed to read each statement carefully and respond as quickly as possible to all the statements. The participants were assured of the confidentiality of their responses.

#### Results and Discussion

The features of entrepreneurs taken up in the present study were Need for achievement motivation, need for power (influence & control), Fear of failure, Personal effectiveness (Self-disclosure, openness to feedback, Perceptiveness), risk-taking, transactional interactions (nurturing, regulating, task, confronting, adaptive & creative). Table 1 shows the percentage of responses and critical ratios for various characteristics assessed in the present study. The findings are not very encouraging. It is in fact indicated that a lot needs to be done for giving a boost to entrepreneurship in Punjabi youth. Risk taking motivational behavior was found high in 20% of total subjects. A moderate level of risk taking motivational behavior was reported by 80% of subjects. The difference between two percentages was found to be significant (CR= 8.4,  $p < 0.01$ ). It has been found that only 11.1 % of boys showed high need for achievement, whereas, low need for achievement was shown by 88.9% of the individuals. The difference between two percentages was found to be significant (CR= 11,  $p < 0.01$ ). High need for influence was shown by 8.8%, whereas, low need for influence was shown by 91.2% of the subjects. The difference between two percentages was found to be significant (CR= 11.65,  $p < 0.01$ ). Similarly, it has also been found that only 4.4% of boys showed high need for control, whereas, low need for control was shown by 95.6% of the individuals. The difference between two percentages was found to be significant (CR= 12.89,  $p < 0.01$ ). High need for dependence was shown by only 2%, whereas, low need for dependence was shown by 98% of the subjects. The difference between two percentages was found to be significant (CR= 13.57,  $p < 0.01$ ). It has also found that only 8.8% of boys showed high need for extension, whereas, low need for extension was shown by 91.2% of the individuals. The difference between two percentages was found to be significant (CR= 11.65,  $p < 0.01$ ). None of the subjects showed high need for affiliation, i.e., low

# Asian Resonance

need for affiliation was shown by 100% of the individuals. The difference between two percentages was found to be significant (CR= 8.4, p<0.01).

The next variable taken up was fear of failure. Only 20% of the subjects showed high fear of failure, 80% showed low fear of failure. The difference between two percentages was found to be significant (CR= 8.4,p<0.01). 46.6% of subjects reported high level of self-disclosure and 53.4% of subjects reported low level of self-disclosure. The difference between two percentages was not found significant (CR= 0.96). Openness to feedback was reported high by only 13.3% and reported low by 86.7%.The difference between two percentages was found to be significant (CR= 10.42,p,0.01). Similarly, perceptiveness was reported high by 51.1% and reported low by 48.9%.The difference between two percentages was found to be insignificant (CR= 0.31).

The next variable taken up was transactional style. 77.7% of subjects reported high level of nurturing and only 22.3% of subjects reported low level of nurturing. The difference between two percentages was found to be significant (CR= 7.8, p<0.01). It has also found that 64.4% of boys showed high level of regulation, whereas, low level of regulation was shown by 35.6% of the individuals. The difference between two percentages was found to be significant (CR= 4.07, p<0.01). Only 24.4% of the subjects showed high level of task, 75.6% showed low level of task. The difference between two percentages was found to be significant (CR= 7.24, p<0.01). High level of confronting was shown by 57.7%, whereas low level of confronting was shown by 42.3% of the subjects. The difference between two percentages was found to be significant (CR= 2.17, p<0.01). Similarly, it has also been found that only 15.5% of boys showed high level of adaptive whereas low level of adaptive was shown by 84.5% of the individuals. The difference between two percentages was found to be significant (CR= 9.7, p<0.01). Only 20% of the individuals showed high level of creative style, 80% showed low level of creative style. The difference between two percentages was found to be significant (CR= 8.4, p<0.01).

The findings reveal that the youth taken up as subjects in the present study did not show any preparedness to become entrepreneurs. Fear of failure is one factor which is less in most of the subjects. Other important determinants of successful entrepreneurship like need for achievement and power are quite less in the present sample. This shows that the subjects have not set goals and are also not inclined towards achieving much in life. Similarly a desire to influence and lead others is also missing. Soft factors like nurturing regulating are quite high in the subjects. But again factors like task, confronting adaptive and creative style are lacking. An individual who is not creative can also be expected to be low on imagination, an important feature of entrepreneurs. There is an urgency to explore the reasons behind such findings. Why is it so that the young minds of Punjab state do not show that 'spark'

in them? At what level should the interventions for enhancing entrepreneurial skills be planned?

Entrepreneurship depends on individual motivations, individual experiences, socio-cultural (including family) traditions, educational opportunities, availability of relevant skills and attitudes, supporting financial institutions and access to credit, existence of commercial trading centers, supporting infrastructure including trade routes with efficient transport and communication facilities, macro-economic environment and overall political stability. If entrepreneurial skills are lacking in our youth we should try to find out which aspects need to be improved upon.

The present study provides some significant insights that suggest psychological traits are important variables among other influences in the dynamic nature of entrepreneurship and Entrepreneurial orientation. The findings also suggests the importance of education as a moderating variable in enriching and enhancing entrepreneurial behavior, such as, engaging in new idea experimentation, research and development activities including the development of products, services, administrative techniques, and technologies.

## Conclusion

The findings suggest that possessing high achievement motivation, high level of internality, high tolerance for ambiguity with a blend of high level of education may improve entrepreneurial behavior relative to proactiveness, innovativeness, competitive aggressiveness and risk taking behavior in managing business organization. The youth of the state of Punjab need to be made aware and trained on entrepreneurial skills so as to enable them to utilize their potentialities to the optimum level.

**Table 1: Percentage responses of subjects for different entrepreneurial characteristics**

Feature	% response (high)	% response (low)	Critical ratio
<b>Risk taking</b>	20%	80%(moderate)	8.4**
<b>Motivational Behavior</b>			
a)Achievement	11.1%	88.9%	11**
b)Influence	8.8%	91.2%	11.65**
c)Control	4.4%	95.6%	12.89**
d)Dependence	2%	98%	13.57**
e)Extension	8.8%	91.2%	11.65**
f)Affiliation	0	100%	8.4**
<b>Fear of Failure</b>	20%	80%	8.4**
<b>Personal Effectiveness</b>			
a)Self-disclosure	46.6%	53.4%	0.96
b)Openness to feedback	13.3%	86.7%	10.42**
c)Perceptiveness	51.1%	48.9%	0.31 (NS)
<b>Transactional style</b>			
a)Nurturing	77.7%	22.3%	7.8**
b)Regulation	64.4%	35.6%	4.07**
c)Task	24.4%	75.6%	7.24**

d) Confronting	57.7%	42.3%	2.17**
e) Adaptive	15.5%	84.5%	9.7**
f) Creative	20%	80%	8.4**

\*\*p&lt;0.01

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