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# Education and Entrepreneurial Motivation

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**Abstract:** *Motivation is the process that motivates a person into action and induces him to continue the courses of action for the achievement of goals.*

*Ambitions or aspiration motivates men, activate them, broaden their vision and make the life meaningful. Various ambitions which motivate a person to become an entrepreneur are need for independence, to make money, previous experience, unemployment, securing social status, availability of industrial shed or plot, fulfillment of father's ambition etc.*

*The paper focuses on factors motivating the entrepreneurs, the relationship between motivational factors and education qualification. The paper is based on primary sources collected from 60 entrepreneurs running their units in KSSIDC industrial estates of Shivamogga district. The response is collected using structured interview schedule using stratified random sampling technique.*

*The study finds that making money, the opportunity to start the unit/availability of KSSIDC shed, humble to become an employer, previous experience and need for independence, encouragement from friends/relatives, the unemployment problem, securing social status, fulfillment of father's ambition and education/training in the related line, EDP and EAP participation and success stories of other entrepreneurs are the factors motivated the entrepreneurs in the order of importance.*

*To see the degree of relationship between motivational factor and education, the chi-square test for each background is calculated. The calculations shown that, the calculated value is less than the table value.*

*Therefore the null hypothesis that there is no significant relationship between parental occupation and motivational factor is accepted.*

**Keywords:** *EAP: Entrepreneurship Awareness Program, KSSIDC: Karnataka Small Scale Industries Development Corporation.*

## I. EDUCATION AND ENTREPRENEURIAL MOTIVATION

### A. Introduction

Motivation is the process that motivates a person into action and induces him to continue the courses of action for the achievement of goals. Since man is a product of his own environment, the prevailing socio-economic, psychological and the cultural factors naturally influence him and act as a source of inspiration to become an entrepreneur. As such the ambition, aspirations, compelling factors and facilitating factors make an entrepreneur. Various ambitions which motivate a person to become an entrepreneur are need for independence, to make money, previous experience, unemployment, securing social status, availability of industrial shed or plot, fulfillment of father's ambition etc. Ashok Kumar <sup>1</sup> in a study on the entrepreneurship in small industry in 2 industrial estates of Andhra Pradesh found that the ambition of becoming self-reliant was ranked first and ambition of giving shape to their ideas and skills received second rank. To make money, to continue the family business and gaining social prestige are the other influencing factors. Ambitions or compulsions may not make a man an entrepreneur. At times, the encouragement of family members, friends and relatives, the experience gained in employment, the skill acquired or inherited, availability of finance, success of others, EDPs etc., also facilitate the exercise of entrepreneurship. In a study on entrepreneurial process and promises conducted by BEVVN Murthy et.al.,<sup>2</sup> in Andhra Pradesh, it was found that previous experience in the same or other line of activity, success stories of entrepreneurs and advise or influence of family members/friends/relatives facilitated the entrepreneurship.

### B. Objectives

The paper focuses on factors motivating the entrepreneurs, the relationship between motivational factors and education qualification and parental occupation.

### C. Hypotheses

- 1) There is no significant relationship between educational qualification and motivational factor.
- 2) There is no significant relationship between parental occupation and motivational factor.

#### D. Research Methodology

The paper is based on primary sources collected from 60 entrepreneurs running their units in KSSIDC industrial estates of Shivamogga district. The response is collected using structured interview schedule using stratified random sampling technique.

## II. ANALYSIS OF FINDINGS

#### A. Motivating Factors

In the present study the entrepreneurs surveyed were asked to rank the different factors which motivated them to become an entrepreneur. Then each factor marked by the entrepreneurs is totaled and ranking is given to the respective factor detailed in below Table.

Table 1  
Motivating Factor

Factor	No. of Entrepreneurs	Rank
To earn income/money	26	1
Availability of KSSIDC shed	24	2
To be an employer, not an employee	19	3
Previous experience	18	4
Need for independence	18	4
Encouragement from friends/relatives	16	5
No employment/Job	14	6
Social status	10	7
Fulfillment of father's ambition	10	7
Education/ Training in the related line	10	7
EDP/EAP participation	07	8
Success stories of other entrepreneurs	03	9
Any other	02	10

Source : Field Survey

Table 1 shows that making money is the prime factor secured first rank which motivated 26 out of 60 entrepreneurs surveyed. The opportunity to start the unit/availability of KSSIDC shed secured II rank motivated 24 entrepreneurs, humble to become an employer secured III rank motivated 13 entrepreneurs, previous experience and need for independence secured IV rank motivating 18 each entrepreneurs, encouragement from friends/relatives secured V rank motivating 16 entrepreneurs and the unemployment problem secured VI rank motivated 14 persons to become entrepreneurs. Securing social status, fulfillment of father's ambition and education/training in the related line secured VII rank motivated 10 each entrepreneurs. EDP and EAP participation and success stories of other entrepreneurs motivated 7 and 3 entrepreneurs with a respective grade or rank of 8 and 9. Two entrepreneurs opined that they became entrepreneurs to do special research and development for the growth of nation.

#### B. Motivating Factor and Education

The education is sure to influence the entrepreneurial performance. The instance of successful entrepreneurs hailing from very poor background without any formal education is not rare in our country. Noony Lenin Kumar <sup>3</sup>, in his study with reference to Tobacco re-drying units in coastal Andhra Pradesh found that the motivating factors did not significantly vary with educational qualifications of the entrepreneurs. Keeping the above things in mind the break-up of entrepreneurs across educational qualification and motivational factor is presented here.

Table 2  
Motivational Factors And Educational Qualification

Motivational Factor/Education	Primary & SSLC (Out of 24)	Collegiate & Technical (Out of 36)	Total
To earn income/Money	16 (66.67)	10 (27.77)	26
Availability of KSSIDC shed	14 (58.33)	10 (27.77)	24
To be an employer, not an employee	07 (29.17)	12 (33.33)	19
Previous experience	11 (45.83)	07 (19.44)	18
Need for independence	09 (37.50)	09 (25.00)	18
Encouragement from friends/relatives	11 (45.83)	05 (13.88)	16
No employment/Job	08 (33.33)	06 (16.67)	14
Social status	03 (8.33)	07 (19.44)	10
Fulfillment of father's ambition	06 (25.00)	04 (11.11)	10
Education/ Training in the related line	03 (12.50)	07 (19.44)	10
EDP/ EAP participation	05 (20.83)	02 (5.56)	07
Success stories of other entrepreneurs	01 (2.77)	02 (5.55)	03
Any other (special R&D )	01 (2.77)	01 (2.77)	02
TOTAL	95	82	177

Source : Field Survey

Note : 1. The figures in parentheses is percentage calculated to total entrepreneurs in each group.

For the purpose of analysis the entrepreneurs are categorized into two groups. The first group represents the entrepreneurs with primary and matriculation education and second group with collegiate and technical education back ground. The analysis of Table 2 is as below.

- 1) Out of 24 entrepreneurs in first group, 16 entrepreneurs representing 66.67% to total and 10 out of 36 entrepreneurs representing 27.77% were motivated by making money. Thus making money stimulated a large majority of entrepreneurs of the first group.
- 2) The opportunity to start the unit motivated 14 out of 24 entrepreneurs in first group and 10 out of 36 in the second group. Thus availability of KSSIDC shed motivated a large number of entrepreneurs with lesser education background.
- 3) To become an employer motivated 1 of out of 24 entrepreneurs in first group and 12 out of 36 entrepreneurs in the second group. Thus becoming an employer motivated large number of entrepreneurs in the second group.
- 4) The previous experience in the related line motivated 11 out of 24 entrepreneurs in the first group and 7 out of 36 in the second group. Thus, this factor motivated a large number of entrepreneurs of the first group.
- 5) Need for independence motivated 9 each out of 24 and 36 entrepreneurs in the first and second group, thus comparatively motivated large number of entrepreneurs with little education background.



- 6) Securing social status prompted 3 out of 24 and 7 out of 36 in the first and second group respectively. Thus social status or prestige became an issue to highly qualified entrepreneurs.
- 7) The friends and relatives motivated 11 out of 24 entrepreneurs in the first group and 5 out of 36 in the second group. Thus friends and relatives motivated entrepreneurs with lesser education.
- 8) Unemployment problem leading to 8 out of 24 persons to become entrepreneurs in first group and 6 out of 36 entrepreneurs in second group. Thus unemployment hit hard the entrepreneurs with little education comparatively.
- 9) The fulfillment of father's ambition prompted 6 out of 24 entrepreneurs in first group and 4 out of 36 in the second group. Thus fulfilling the expectations of father/parents can be seen more in entrepreneurs with little education.
- 10) The education or training in the related line motivated 3 out of 24 and 7 out of 36 in the first and second group respectively. Thus a large number of entrepreneurs with higher education, more particularly technical graduates preferred to become entrepreneurs.
- 11) The District Industries Center organizing EDPs. Five out of 24 entrepreneurs in the first group and 2 out of 36 entrepreneurs in the second group become entrepreneurs through the EDP participation. This underlines the contribution of EDPs to the entrepreneurs with little education.
- 12) The success stories of entrepreneurs motivated 1 and 2 entrepreneurs respectively in the first and second group. Here also better educated are motivated by the success stories of others.
- 13) The objective of doing research and development work for the growth of the Nation motivated 1 each entrepreneur in both the groups.

In order to see the degree of relationship between motivation and the academic background, the chi-square test for the lower education (primary and matriculation) and higher education (collegiate and technical education holders) is calculated in below Table 3 and 4.

Table 3  
Chi-Square Test For Motivation And Lower Education

Motivating Factor	O	E	O-E	O-E <sup>2</sup>	$\frac{O-E^2}{E}$
To earn income/Money	16	13.95	2.05	4.20	0.30
Availability of KSSIDC shed	14	12.88	1.12	1.25	0.09
To be an employer, not an employee	07	10.19	-3.19	10.18	0.99
Previous experience	11	9.66	1.34	1.80	0.19
Need for independence	09	9.66	-0.66	0.44	0.05
Encouragement from friends/relatives	11	8.59	2.41	5.81	0.68
No employment/Job	08	7.51	0.49	0.24	0.03
Social Status	03	5.37	-2.37	5.62	1.05
Fulfillment of father's ambition	06	5.37	0.63	0.40	0.07
Education/ Training in the related line	03	5.37	-2.37	5.62	1.05
EDP/ EAP participation	05	3.76	1.24	1.54	0.41
Success stories of other entrepreneurs	01	1.61	-0.61	0.37	0.23
Any other	01	1.07	-0.07	0.0049	0.005
TOTAL					5.15

Source: Field Survey

O=Observed Value

E=Expected Value

- 1)  $Df = (n - 1)$   
 $13 - 1 = 12$
- 2)  $X^2 - \text{Table value} = 21.0$

TABLE 4  
Chi-Square Test For Motivation And Higher Education

Motivating Factor	O	E	O-E	0-E <sup>2</sup>	$\frac{0-E^2}{E}$
To earn income/Money	10	12.05	-2.05	4.20	0.35
Availability of KSSIDC shed	10	11.12	-1.12	1.25	0.11
To be an employer, not an employee	12	8.80	3.20	10.24	1.16
Previous experience	07	8.34	-1.34	1.80	0.22
Need for independence	09	8.34	0.66	0.44	0.05
Encouragement from friends/relatives	05	7.41	-2.41	5.81	0.78
No employment/Job	06	6.49	-0.49	0.24	0.04
Social status	07	4.63	2.37	5.62	1.21
Fulfillment of father's ambition	04	4.63	-0.63	0.40	0.09
Education/ Training in the related line	07	4.63	2.37	5.62	1.21
EDP/ EAP participation	02	3.24	-1.24	1.53	0.47
Success stories of other entrepreneurs	02	1.39	0.61	0.37	0.27
Any other	01	0.93	0.07	0.0049	0.005
TOTAL					5.97

Source: Field Survey

O=Observed Value

E=Expected Value

- 1)  $Df = (n - 1)$   
 $13 - 1 = 12$
- 2)  $X^2 - \text{Table value} = 21.0$

The chi-square value is calculated at 5% significance level and one-tail test is adopted. The above calculation shows that;

- The table value at 5% significance level is 21.0, while the calculated value is 5.15 for primary and matriculation education and motivational factors. Therefore there is no significant relationship between motivational factor and lower education (i.e., primary and matriculation education).
- Similarly the calculation value is 5.97 in case of higher education (i.e., collegiate and technical education) and motivational factor, while the table value is 21.0.

### III. HYPOTHESIS TESTING

As the calculated value for both lower and higher education is less than the table value, the first hypothesis (null) that there is no significant relationship between educational qualification and motivational factor is accepted/proved.

### IV. SUGGESTIONS AND CONCLUSION

Mere establishment of industrial estates will not assure the development of industrial estates. To motivate the potential entrepreneurs, EAPs and EDPs at selected locations can be organized. Decentralization of industrial estates, provision of infrastructure in industrial estates, purchase guarantee by bigger units, starting of large scale industries in Shivamogga district, grabbing the green entrepreneurship opportunities etc., are the need of the hour.

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