An Empirical Study of Demographic Variables on Entrepreneurial Attitudes

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Abstract—In the era of globalization tremendous opportunities are there for innovative firms to be successful in global businesses. Entrepreneurship is the process of innovation in economic organizations that either introduce new products or diversify markets. Hence, a country in strong entrepreneurs with entrepreneurial attitudes can be more successful in their business. The main purpose of this paper is to present an empirical analysis of the sequence relating to the age, income, marital status and type of ownership. Based on their entrepreneurial attitudes the data is drawn from 120 entrepreneurs engaged in small and medium enterprises in Cuddalore district of Tamilnadu. Based on these samples both primary and secondary data were used. The findings reveal that the entrepreneur's entrepreneurial attitudes are very much influenced by their age, income, marital status and type of ownership. The study concludes that the level of entrepreneurial attitudes increased as the increase of the age, income, change in the marital status and type of ownership.

Index Terms—entrepreneurship, entrepreneurs, entrepreneurial attitudes, small and medium enterprises

I. INTRODUCTION

The economic development of a country means a process by which the per capital income of that country moves upward over a period of time. Like many other countries of the world, India is endowed with rich natural and human resources and these have to be used properly by adopting modern technology for the growth and development of the economy. Therefore, entrepreneurship is essential for proper use to renewable and non-renewable resources and provides employment to the unemployed youth.

A. Concept of Entrepreneurs

The word 'Entrepreneur' originates from the French word 'entreprende' which means 'to undertake'. Earlier it was termed 'UNTERNEHMER'. A word corresponding to this is missing in the English language and literature. (Casson, 1982) [7] suggests that the term 'undertaker' was translated by Englishmen living in France as 'Entrepreneur' and other terms 'master', 'manager', 'employee', 'merchant', 'enterprises', 'projector' etc. has been tried out, but none had the flavour of the term Entrepreneur. According to (Encyclopedia Americana 1988) [10] "An entrepreneur is a businessman who assumes the risk of bringing together the means of production including capital, labour and material and receives his reward in profit from the market value of his product". It refers to entrepreneur as a person who initiates an economic activity and manages the same successfully. Thus,

the entrepreneur is an individual who ventures on his own using new things and methods.

In the early 16th century it was applied to a person engaged in military expeditions and extended to cover construction and civil engineering activities in the 17th century, but during the 18th century the word 'entrepreneurs' was used to refer the economic activities. Generally an 'entrepreneur' is the agent who buys means of production at certain prices, in order to sell at prices that are certain at the moment at which the commits himself to his cost''. According to P.F.Drucker, 1985 [9] "he is one who always Searches for change 2. Responds to it 3. Exploit it as an opportunity".

In the 21st century especially after the adoption of new economic policy (NEP). Entrepreneurship has assumed a more significant role in the economic development of India. Under the impact of rapidly changing business environment the role of entrepreneurship extends beyond increasing per capital output and income, it is increasingly expected to work as a catalytic force for economic development. Rapid changes and progress across wide range of industries has taken place.

B. Entrepreneurship and Attitude Orientation

Attitude refers to an object, be it a specific person, place, thing, event, activity, mental concept, cognitive orientation, life style or even combinations of the various categories. Attitude also exists at the general and the specific levels for many objects. Because of this, attitude specificity needs to be matched by measurement specificity (Abelson 1982[1], Ajzen 1982[2], Ajzen & Madden 1986[2]. Human beings are said to have stable sets of attitudes. However, attitude differs across individuals. Attitudes are not permanent features. For example, attitude towards achievement in general (General object) is not the same as attitude towards achievement in an entrepreneurial setting (Specific object). Attitude is defined as a mental and neural state of readiness, organized through experience, exerting a directive or dynamic influence upon the individual's response to all objectives and situation with which it is related (Allport, 1935)[3].

Trait and demographic approaches attempt to identify measure and analyze either personality characteristics or personal characteristics of individuals so as to determine the latent entrepreneurial spirit of any specific individuals and to distinguish entrepreneurs from others. However, a number of fundamental problems with this approach have been identified by et al., (1991)[18]. All these problems are related to (i) conceptual deficiency when applying psychology in entrepreneurship research; (ii) inappropriate application of traditional psychology to current interactive model of human behaviour; (iii) lack of convergent validity



because different instruments are used to measure the same concept.

Previous researches on the demographic characteristics have focussed on variables such as family background, previous working experience before start-up, socio-economic status, age, education level, birth order, etc. (Brockhaus 1982[5]; Hisrich 1986[13]; Gasse 1985[12]; Sexton & Auken 1982)[20].

There are many problems in using demographic variables to predict entrepreneurship. Robinson et al. (1991)[18], concluded that this approach is limited to its static nature. Entrepreneurs react to a specific circumstance, not a given set of demographic characteristics. Second, demographics are used as surrogates for personality characteristics (Bowen & Hisrich 1986[13]. Attitudinal approach has been carefully thought as one of the more suitable alternatives to study the entrepreneurial personality. Personality theories emphasizing personal dispositions or traits and the use of demographic information such as sex, age and birth order are widely used in the studies of entrepreneurship. Although there have been many studies using these models, the field has progressed little beyond the earlier psychological frame work on entrepreneurs carried out by McClelland and his associates in the 1950's and 1960's (McClelland 1965[15], McClelland et al. 1953)[16]. Indeed some view the study of entrepreneurs' personal characteristics as dead end offering little hope of furthering our understanding (Gartner, 1988)[11]. The problem is not because of psychological perspectives, but due to flaws and obstacles in the methodological considerations. There is an argument that the necessity of accounting for the dynamic interaction between the individual entrepreneur and the environment-social, financial, technical, so on. The so forth, in which new ventures are created need to be addressed (Carsurd and Johnson 1989[6]. A visible alteration to personality and demographic approaches is the use of attitudes in predicting behavioural tendencies.

Few have recognized that attitude may be an alternative approach to personality based behavioural model. However, the failure to take off is attributed to two important aspects. Firstly the attitudinal research in entrepreneurship, which is seldom based on the existing theory and research. Secondly a wishful development of a Likert type rating scale has been christened as an attitude scale. In this the researchers have failed to follow the standard scale development and validation procedures. However, it is argued that attitudinal approach would facilitate prediction of entrepreneurship better compared to other approaches.

Many research endeavours on EAO (Entrepreneurial Attitude Orientation) have been in use since 1989. Attitudinal approach has been considered to be one of the better alternatives to the study of entrepreneurial personality. Attitudes are assumed to be the prediction of human behaviour. In the current socio-psychological context, attitude is defined as the predisposition to the object of the attitude (Rosenberg, 1960). Attitude theory has a substantial history of research and offers both theoretical and practical benefits to the study of entrepreneurship. Attitudes are seen as being relatively less stable than personality traits,

changing across time and across situations through interactive processes with the environment (Abelson 1982[1], Chaiken and Stanger, 1987). Attitude can be considered as a dynamic interactive way that an individual relates to the attitude object, changing across time and from situation to situation. The rate of change may vary, depending both on how deep-seated or fundamental the attitude is to the individual's identified and on the intensity of experiences. The ability to change has led to problems in attitude-behaviour consistency in that the prediction of behaviours from measured attitude is far from perfect, particularly when attitudes are measured in general ways. Despite this lack of perfect attitude-behaviour correlation, the relationship is nonetheless higher than comparable correlation to other individual variables. Attitude instruments tend to account for more of the variance in a particular set of behaviours (Correlation typically range from 0.40 to 0.70, Ajzen & Madden 1986) than do personality disposition or trait based instrument (Correlation typically range from 0.10 to 0.30). One of the methodological advantages of the attitude model over the personality model is that it can be more domain-specific, thereby reducing the unexplained variability and increasing the correlation with behavior. Although many researchers and theorists have recognized the importance of attitude in understanding entrepreneurs, few have recognized that attitude theory may alternative approach to personality-based be an psychological modes. Gasse (1985)[12] provides what is probably the best example of an attitude model with research design around a belief-based approach that closely parallels and could be considered as a unidimensional (cognitive) attitude model. Greenberger and Sexton (1982) and Sexton et al. (1987) also used the cognitive model attitude in this approach to entrepreneurship research. Entrepreneurship research based on attitude orientation has been considered as a relevant variable in the prediction of entrepreneurial supply and performance.

II. REVIEW OF LITERATURE

McCroy (1956) studied 14 and 3 small - scale firms in Chopur and Moradabad towns respectively, in Uttar Pradesh. Though he considered his family background in crafts as a needed source of good industrial entrepreneurs, he observed that in the initial stages such a background did not enable craftsmen entrepreneurs to protect their working capital and overcome a crisis in the industry. They lost their working capital and overcome a crisis in the industry. They lost their working capital in a variety of ways- through illness, a slump in the market, failure of a machine to sell, competition, deception of a partner, theft, etc.

(Singh 1964)[21] studied the role played by entrepreneurship in development activities of farmers. The successful agricultural entrepreneurs had a positive rating of their economic progress, liking for their present occupation, preference for agriculture as a profession for their sons if they so desired, a favourable attitude towards modernization and individual farming for the growth of agriculture in this country in contrast to traditional and unsuccessful agricultural entrepreneurs, thus clearly indicating the role played by entrepreneurship in development activities of farmers.

Raymond Lee Ovens and Ashis Nandy (1971)[17] have found the manner in which entrepreneurs identify the forces that push a community towards greater entrepreneurial initiation and success. They found that in Howrah, it is a case of secondary industrialization in which most small- scale firms are backwardly linked to well developed large scale units. Then is a highly efficient blending of modern and traditional ways of doing things and groups other than traditional elitists who were in a position to enter entrepreneurship. Again entrepreneurship is not unitary behavior of experience.

The characteristics of entrepreneurs have been identified by (Christopher 1974)[18] as perseverance and hard work, risk taking ability, high aspiration and willingness to learn. dynamism and creativity, adaptability, innovativeness, good salesmanship, ability to win friends and overcoming crisis, initiative, self- confidence, will power, determination to succeed, pleasing personality, congruous and facefulness, high integrity, responsibility, excellence in work and perception of time. Those entrepreneurs who were ambitions to learn more and who followed business ethics were highly successful in their business.

Entrepreneurial attitude orientation has been gaining premium over the studies of entrepreneurial personality characteristics. The first available documentary evidence dates back to 1990s. Stimpson et al., (1991)[22] reported that entrepreneurial attitude orientation consists of 4 broad dimensions such as achievement self esteem, personal control and innovation. The reliability of attitude orientation was within the acceptable standards significant difference of all the 4 dimensions have been shown by the results of the discriminate functional analysis of entrepreneurs and nonentrepreneurs. The scores of entrepreneurs were significantly higher in innovation, achievement and personal control. Both groups; however, showed marginal difference on self-esteem. Venkatapathy (1992)[23] has used entrepreneurial Attitude orientation scale (EAO) among manufacturing and engineering entrepreneurs to study first generation entrepreneurs (FGE) and second generation entrepreneurs (SGE). The FGE significantly differed from SGE on their achievement orientation, self- esteem, personal control and innovation. A study among FGE and SGE on entrepreneurs in the textile segment front that FGE were significantly higher than the SGE in achievement and self Esteem (Shanmugavelan, 1992)[19]. However, SGE were significantly higher in innovation and personal control.

Yuvaraj (1993)[24] aimed to compare the unemployed, employed and the entrepreneurs with attitude orientation. The findings of the study revealed that the pattern of results obtained was varying with regard to the difference between the unemployed, employed and entrepreneurs with regard to entrepreneurial attitude orientation. Entrepreneurs were found to be more achievement and innovation oriented than the unemployed and employed. The unemployed and entrepreneurs were distinguished on opportunities on subscale of EAOs. He reported that it is possible that both the unemployed and the entrepreneurs may be manipulative perhaps the manipulation of entrepreneurs seems to serve the purpose which that of the unemployed seems to be selfdefeating.

III. METHODOLOGY

The main objective of this, to study the nature and level of relationship between the demographic variables and attitudes of entrepreneurs. Descriptive research design followed in this study, both primary and secondary data were used. Data pertaining to the areas identified in this study were collected by administering structured questionnaires to the respondents in the sample population.

S.NO	Age in Years	Ν	Mean	SD	'F' Value	LS
1	Upto30 years	11	244.73	1.62		0.01
2	31-40	24	241.37	6.67	8.194	
3	41-50	39	239.44	5.22	0.174	
4	Above 50 years	46	234.67	9.67		
	Total	120	238.48	8.00		

TABLE I: LEVEL OF SIGNIFICANCE OF ENTREPRENEURIAL ATTITUDES ON THE BASIS OF THEIR AGE

IV. RESULT AND DISCUSSION

Hy: The mean level of entrepreneurs, entrepreneurial attitudes do not differ on the basis of their age.

The table 1 shows the Mean, standard deviation and 'F' value for the entrepreneurs' entrepreneurial attitudes based on their age groups. It is noted from the table that the entrepreneurs below the age of 30 are found to be more mean

scores of entrepreneurial attitudes (244.73) when compared to other age groups. On the contrary, entrepreneurs above the age of 50 are found to be less mean scores of entrepreneurial attitudes than other age groups. The analysis of variance and 'F' value of entrepreneurial attitudes show that the difference among the different age groups is significant at 0.01 levels. Hence, the above hypothesis is rejected.



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S.No	V. INCOME	N	Mean	SD	' F' value	LS
1	Upto Rs 50,000	58	235.91	9.82		
2	50,000- 10,0000	35	239.77	4.08	7.260	0.01
3	Above 1,00,000	27	242.33	5.24		
	A. Total	120	238.48	8.00		

Hy: The mean level of entrepreneurs' entrepreneurial attitudes do not differ on the basis of their income

Table 2 gives the mean, standard deviation and 'F' value of entrepreneurial attitudes based on their income. It is noted from the table that the entrepreneurs whose income is below 50,000 are found to be less mean scores of entrepreneurial attitudes than the other groups. On the contrary, the entrepreneurs whose income is above 1, 00, 000 are found to be more mean scores of entrepreneurial attitudes (242.33) than the other groups. The different between the groups is established as the 'F' value is (7.260) which is significant at 0.01 level. Hence, the proposed hypothesis is rejected.

TABLE 3 Showing the 4x3 Model of Chi-Square Test between the Level of Entrepreneurial Attitudes and Their Age in Years

S. No.	Age in years	Low	Moderate	High	Total	F	χ ²	LS
1.	Upto 30 years	9	0	2	11		-24.467	
2.	31 to 40 years	16	5	25	46	3		0.01
3.	Up to 50 years	6	4	29	39	3	-24.467	0.01
4.	Above 50 years	11	5	8	24			
	Total	42	14	64	120			

Hy: There is no association between the level of entrepreneurial attitudes and their age.

A chi-square test was conducted to understand the association between the age and different levels of entrepreneurial attitude of their business. In order to achieve

this objective, a chi-square test was conducted. The obtained chi-square value (-24.467) is statistically significant at 0.01 level. Therefore, the stated hypothesis is rejected.

TABLE 4: SHOWING THE 4X3 MODEL OF CHI-SQUARE TEST BETWEEN THE LEVEL OF ENTREPRENEURIAL ATTITUDES AND THEIR AGE IN YEARS

S. No.	Age in years	Low	Moderate	High	Total	F	χ^{2}	LS
1.	Up to 30 years	9	0	2	11		-24.467	
2.	31 to 40 years	16	5	25	46			0.01
3.	Up to 50 years	6	4	29	39	3		0.01
4.	Above 50 years	11	5	8	24			
	Total	42	14	64	120			

Hy: There is no association between the level of entrepreneurial attitudes and their age.

A chi-square test was conducted to understand the association between the age and different levels of entrepreneurial attitude of their business. In order to achieve this objective, a chi-square test was conducted. The obtained

chi-square value (-24.467) is statistically significant at 0.01 level. Therefore, the stated hypothesis is rejected.

TABLE 5: SHOWING THE 2X3 MODEL OF CHI-SQUARE TEST BETWEEN THE MARITAL STATUS AND THE LEVEL OF ENTREPRENEURIAL ATTITUDES

S. No.	Marital status	Low	Moderate	High	N	df	χ ²	LS
1.	Married	0	0	3	3	1	108.300	0.01
2.	Unmarried	43	22	52	117	1		
	Total	43	22	55	120			

Hy: There is no association between the marital status and the level of entrepreneurial attitudes.

In order to understand the association between the marital status and the entrepreneurial attitudes, a chi-square test was

conducted. The obtained chi-square value (108.300) is statistically significant at 0.01 level. Therefore, the above hypothesis is rejected.

TABLE	6: SHOWING 3X3 MODEL OF CHI-SQUAR	E TEST BET	WEEN THE INCOME	AND THE L	EVEL OF EN	TREPRE	NEURIAL ATTI	TUDES

S. No.	Income	Low	Moderate	High	N	df	χ ²	LS
1.	Upto Rs. 50,000	0	0	7	7			
2.	Rs. 50,000 to Rs.1,00,000	30	10	27	67	2	46.350	0.01
3.	Above Rs. 1,00,000	12	4	30	46			
	Total	42	14	64	120			

Hy: There is no association between the income and the level of entrepreneurial attitudes.

A chi-square test was conducted to understand the association between income and the level of entrepreneurial

attitudes. In order to achieve this objective a chi-square test was conducted. The obtained chi-square value (46.350) is statistically significant at 0.01 level. Therefore, the stated hypothesis that is rejected.

TABLE 7: Showing the Correlation Co-efficient between the Level of Entrepreneurial Attitudes and Demographic Variables

S. No.	VI. DEMOGRAPHIC VARIABLES	Entrepreneurial Attitudes Score
1.	Age	1.124
2.	Income	-0.148 (0.625)
3.	Type of ownership	121 (1.319)
4	Marital status	111 (1.212)

** Significant at 0.01 level

Hy: There is no relationship between the level of entrepreneurial attitudes and the demographic variables. The above correlation table indicates the relationship between the level of entrepreneurial attitudes and their demographic variables in their business. The table clearly shows that positively and correlated with age and negatively correlated with the income, type of ownership and marital status.

TABLE 8: Showing the Mean values, SD, SEM 't' value and LS for the Level of Entrepreneurial Attitude based on Their Martial Status

S. No.	Marital status	Ν	Mean	SD	S.E _M	't' value	LS
1.	Married	3	244.00	.00	.00	1 212	NC
2.	Unmarried	117	233.34	8.05	.74	1.212	NS

NS - Non significant



Hy: The levels of entrepreneurial attitudes do not differ on the basis of their marital status.

Table 8 shows the mean, standard deviation and 't' value corresponding to the differences in the level of entrepreneurial attitudes based on the marital status. The table reveals that married entrepreneurs and unmarried

entrepreneurs have different mean scores. It is evident from the't' value that the difference between the mean scores with regard to level of entrepreneurial attitudes based on their marital status is statistically not significant. Hence, the hypothesis is accepted.

TABLE 9: SHOWING THE MEAN VALUES, SD, SEM, 'T' VALUE AND LS FOR LEVEL OF ENTREPRENEURIAL ATTITUDE BASED ON THEIR OWNERSHIP

S. No.	Ownership	Ν	Mean	S.D.	S.E _M	't' value	LS
1.	Sole trade	38	239.89	4.59	0.74	1.319	NS
2.	Partnership	82	237.83	9.11	1.01	1.517	110

Hy: The levels of entrepreneurial attitudes do not differ based on their ownership.

The above table shows the mean, standard deviation and't' value corresponding to the differences in the level of entrepreneurial attitudes based on the ownership. It is observed from the table that the entrepreneurs in sole trade ownership and the entrepreneurs in partnership have different mean scores. It is further evidenced from the't' value (1.319) that the difference between the two groups viz., sole trade and partnership with regard to the level of entrepreneurial attitudes is statistically not significant at 0.01 level. Hence, the stated hypothesis is accepted.

VII. CONCLUSION

As it concluded the level of entrepreneurial attitudes increases as the increase of age, income and not change in the type of ownership and marital status. It was found from the ANOVA test, chi-square test, correlation and't' test. These tests proved the level of entrepreneurial attitudes increased the increase of age, income and not change in type of ownership and marital status.

Hence the growth and development of small and medium enterprises is essential for the economic development of the nation. The findings and suggestions of the study to enable the planners of the country to encourage the entrepreneurs and to increase their level of attitudes.

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