

**ORGANIZATIONAL EMPLOYMENT VS ENTREPRENEURSHIP:
A STUDY OF CAREER CHOICE OF INDIAN ENGINEERING AND
MANAGEMENT STUDENTS**

By

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CERTIFICATE

This is to certify that the thesis entitled “**Organizational Employment vs Entrepreneurship: A Study of Career Choice of Indian Engineering and Management Students**” being submitted by Mr. Sushil Kumar Poddar to the Indian Institute of Technology Delhi, for the award of the degree of **Doctor of Philosophy (Ph.D.)** is a record of bona fide research work carried out by him. He has worked under our guidance and supervision and has fulfilled the requirements for the submission of the thesis, which has attained the standard required for the Ph.D. degree of the institute. The results presented in this thesis have not been submitted elsewhere for the award of any degree or diploma.

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ABSTRACT

Given the complexity of the subject “Entrepreneurship” and in order to develop a comprehensive model for the Indian students, the research has been divided into three phases: i) the opinion survey that deals with opinion of the students of final year engineering/management, ii) case study of a technical entrepreneur and a management entrepreneur, iii) the synthesis that encompasses the learning of both opinion survey and case study. A career flexibility approach has been developed to present different types of careers to the students.

The employment status choice is the vocational decision process in terms of the individual's decision to enter in an occupation “as a wage-or-salaried individual or a self employed one” (Katz, 1992). This issue involves an understanding of student's career choice attitudes and intentions, which vary from country to country and within different segments of society. This subject has been studied in the context of different countries (Wang & Wong, 2004; Kolvereid, 1996, 2007, Ozbilgin and Pines, 2007). A decision taken by an individual depending upon his need for achievement, knowledge and skills, personality traits and attributes, demographics, family background, attitude and intention, an individual can either opt for wage-or-salaried employment or a self-employment (SE). There are several factors that dissuade him from self-employment. Firstly, if he does not belong to a prosperous business family, all his family members, friends and persons important to him advise him to go for organizational employment (OE) and not for self-employment (Kolvereid, 1996a; Ajzen, 1991). Secondly, he may neither have the required capital nor may arrange the required resource. He may not have the required knowledge, technical know how, confidence, initiative, required experience for different aspects of business like purchase, marketing, processing, money management etc.

The purpose of the present research is to apply the Theory of Reasoned Action (TRA) and Theory of Planned Behavior (TPB) (Ajzen, 1991) to predict

attitude and intention of a student towards self-employment. In addition, this research investigates the impact of family background, gender, merit of the student, standard of the engineering/management College, family income and capital on employment status choice intentions of the student. The TRA and TPB have been extended to predict entrepreneurial intentions. A Hybrid Model (HM) and an Entrepreneurship Acceptance Model (EAM) have been developed for this purpose. The findings strongly support the TRA and TPB at the same time HM and EAM predict still stronger intentions than predicted by TRA and TPB.

Then there are the case studies of two entrepreneurs. This part of the study aims to understand the impact of entrepreneurship as the career choice of the individuals. SAP-LAP Framework (Sushil, 2000, 2001) has been utilized for doing this part of study. Here keyword for success in a different situation is "Flexibility".

The case studies have also been put to test to find out, up to what extent it satisfies the TRA, TPB, Hybrid and EAM models. These intentional models are further applied to the case studies of a Technical Entrepreneur and a Management Entrepreneur. The findings strongly support the theory that intention to become self-employed determines actual entry into SE.

The questionnaire for the study, measures 13 salient beliefs of attitude through 50 items, seeks demographic information and student's interest in "OE for whole life" or SE just after studies or "SE after some years of OE. The data have been collected from 12 engineering/management colleges of different grades selected from the northern and central zone of India. Out of 1350 questionnaires distributed to the selected respondents, 1200 were received and after scrutiny 980 questionnaires were found to be suitable for analysis. The data were analyzed for interest, demographic information and salient beliefs for attitude towards entrepreneurship. The results validate various hypotheses through multivariate analysis. Briefly, it was found that 22% students opted for OE, 75% for "SE after some years of OE and only 3% students opted for SE just

after studies. The results suggest that salient beliefs concerning SE determine attitude toward SE.

The learning from the questionnaire survey and the case studies have been synthesized and validated model for attitude, intention towards entrepreneurship and ultimately the behavior which is entry into SE has been presented. In Theory of Reasoned Action (TRA), attitude and subjective norm predicts intention. In Theory of Planned Behavior (TPB), Self-efficacy along with attitude and subjective norm predicts stronger intention than predicted by TRA. In Hybrid model, Total Feasibility along with self-efficacy, attitude and subjective-norm predicts stronger intention than predicted by TPB. In Entrepreneurship Acceptance Model (EAM), Perception of ease, and control along with total feasibility, self-efficacy, attitude and subjective- norm predicts even stronger intention than predicted by Hybrid model. Self-efficacy along with intention predicts 61% behavior but hardly 5% students are likely to opt for SE as their future career choice because constraints of finance, family, government policies etc. and some other competencies in the self- efficacy have not been considered in these models. The case studies predict 100% of attitude and intention. They are superior to opinion survey because they predict 100% of behavior which is entry into SE after surpassing all the constraints and after getting all kinds of competencies which are essential for running an enterprise.

The limitations of the study are outlined and specific suggestions have been made regarding future extension of research work reported in the thesis. It is hoped that this research may help the students, teachers, practitioners, consultants and the government in creating an awareness in students for opting SE as their future career choice at the same time they can see that more and more students who want to opt SE but could not do so due to some reason or the other, can do so with their help. The study has been presented in nine chapters.

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