

# To Serve or Create – An Analysis of Family Background as a Differentiator

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## Abstract

The advancement of any economy largely depends on emergence of new generation entrepreneurs. Hence, it is the obligation on the prevailing education system to charge the graduating youth with entrepreneurial orientation. Entrepreneurship depends on an array of external as well as certain latent socio-demographic factors. Family background is found to be the most prominent among them. A sample of 200 final year postgraduate management students were selected randomly from leading management institutes in Warangal region of the state of Andhra Pradesh. Three types of family occupations are considered for the purpose of the present study. The source of variance is found to be in between the groups and post hoc comparison establishes that the sample with business family background are more focused and stand ahead on the derived two constructs - resourcefulness and foresight, followed by agriculture family offspring while those from employment family background trail behind. However, the responses of agriculture family generation are relatively wide spread than the other two groups. Hence, it is concluded that business family background graduates establish lead over their counterparts from other types of family background on entrepreneurial orientation. Thus, the findings coincide with the earlier empirical findings in international contexts.

**Key words:** *Entrepreneurial orientation, Family background, Entrepreneurial resourcefulness, Entrepreneurial foresight, Entrepreneurship*

## Introduction

Today's students are the prospective entrepreneurs for tomorrow. Hence a growing number of higher educational institutions are stepping up to offer courses and programs in entrepreneurship. A career in entrepreneurship ensures financial autonomy and boosts the economy by job creation, innovation, and economic growth. The tempo and advancement of an economic system largely depends on the emergence of new generation entrepreneurs. Entrepreneurship fits to be a

feasible means of economic development for a populous country like India. A survey of Mckinsey and NASCOM estimates that 110 to 130 million Indians will be searching for jobs by 2015 (Popli, 2010). Policymakers and academics around the globe agree that the role and pace of entrepreneurship is significant for the development of society. Hence, fostering entrepreneurial awareness and positive attitudes towards entrepreneurship are high on the policy agenda of several economies (OECD, 2010). At the same time what one

understands entrepreneurship to be is not always viewed equally and this hinders making fact based policy (GEM, 2011). The idea is that embryonic attitudes and perceptions about entrepreneurship affect the efforts to venture into. Hence, it is the obligation on the prevailing education system, apart from the other institutions existing, to charge the graduating youth with entrepreneurial orientation. However, there is little understanding of the factors that affect students' intentions of becoming entrepreneurs (Souitaris et al., 2007).

Entrepreneurship depends on an array of external factors like socio-cultural traditions, supporting financial institutions and certain latent socio-demographic factors also are equally responsible. As per the Global Entrepreneurship Monitor-2002 report (GEM, 2002), around 12% of adult population was involved in entrepreneurial activities among 37 countries representing 62% of the world population. While less than 3% of adults were involved in entrepreneurial endeavors in Japan, Russia and Belgium, more than 18% were so engaged in India and Thailand. Thus the level of entrepreneurial activity was observed to be the highest in the developing Asian countries. The salience of entrepreneurship in India has been intensifying in recent times. The percentage of entrepreneurial activity in India was 17.9%, as compared to United States-10.5%; UK-5.4%; and Japan-1.8%. Entrepreneurship has been a part of Indian culture since long. Further, there is also a rich tradition within the Indian

diaspora, spanning the past several hundred years, whose spirit of enterprise is legion. To quote the renowned economist, T.N. Srinivasan, 'India has been an entrepreneurial society...we had the entrepreneurial skill but suppressed it for too long a time... and now it is thriving' (Gopalakrishnan, 2004). In a recent survey by the Deloitte group, India ranks 2<sup>nd</sup> globally as home to the fastest growing technology firms. In a survey conducted by the National Knowledge Commission, of the 95% who valued education as a foundation for entrepreneurship, 53% consider education a key trigger to evoke entrepreneurial orientation (NKC, 2008). An emergent body of research seeks to spot out fundamental factors that motivate individuals towards entrepreneurial activity. Some of these factors relate to specific individual differences in family background, education, age, sex, or personal attributes (Shao et al, 2005). The entrepreneurial potential of potential entrepreneurs has emerged as a frontline national agenda item and succeeded to attract the interest of policy makers, educationists and development agencies all over the world (Sobel & King, 2008). In an empirical study on linking entrepreneurial attitudes and activities for European regions using GEM data, Bosma and Schutjens (2009; 2011) found a weak positive association between regional variations in entrepreneurial attitudes on one hand and in entrepreneurial activity on the other. This supports the notion that there is much in between attitudes and activities and

that a mixture of individual, social and contextual factors impact on the individual decision making process when it comes to venturing into entrepreneurial activity. It is not only the skills but also some other factors like family background, personal characteristics, entrepreneurial support, social recognition, and risk-taking capability that matter in nurturing a successful entrepreneur. Factors affecting entrepreneurship can be grouped under four main headings; demographic factors, social factors, psychological factors and factors outside of them. The contents of demographic/personal factors are age, marital status, gender, income level and education. Social factors can be considered as culture and society, family and religious values (Stephen, 1998).

Previous research shows that entrepreneurs have the ability to act quickly during the emergence of new opportunities, and that there is an important relationship between the capabilities of the entrepreneur and the activities (Hardy, 1999). In many studies, personal characteristics, family structure and the motivation of an entrepreneur were examined and accordingly concluded that in addition to the education level of entrepreneurs, their personality traits are considered to be an important variable. In terms of individual approach, demographic variables have an important role in being entrepreneurial. In addition, many factors such as age, marital status, socio-economic status, individual background and family income affect being entrepreneurial (Coulter, 2001).

However, from the review of the earlier research, it can be concluded that entrepreneurial characteristics are not universal. There is no precise regulation or a set of traits independent across situations to guide the entrepreneur to success. Psychological characteristics like ability to take risk and desire to be successful stand against common apprehensions & leadership skills are strongly associated with entrepreneurial success. Socio - Economic features like caste, parental background, technical and professional education, financial backup, location advantage and easy access to market are also found to have strong correlation with entrepreneurial success (Azhar, 1999).

Many researchers suggest that individuals' attitudes are determined by 'exogenous factors' which are not yet adequately explored. Shapero (1982) further listed out the exogenous factors such as demographics, traits, skills, culture, and social and financial support. Prior exposure to entrepreneurial activity would also be included as one such factor. Prior exposure could be in the form of early exposure to a family business, which influences attitudes toward entrepreneurship (Krueger 1993). Drennan, Kennedy, and Renfrow (2005) found that those who reported a positive view of their family's business experience perceived starting a business as both desirable and feasible. They found that other childhood experiences that involved facing adversity or frequent relocation also had a positive effect on individuals' perceived

autonomy and attitude toward self-employment. At the same time, it can be argued prior exposure in the form of direct experience in starting or attempting to start a new business would affect attitudes and perceptions about entrepreneurship as a career.

## **Family Background**

Family has been recognized as the most important institution that enhances students' awareness about entrepreneurship. Moreover, growing in a family where one of the relatives and particularly parents run their own business not only provides an inspiring and supportive environment for entrepreneurship but also serves as an opportunity to learn and experience the challenges of business. Involvement of family in entrepreneurship creates a profound opportunity for understanding how entrepreneurial qualities and perceptions develop among the offspring (Chrisman et al, 2003). Family background has been found to be the most prominent factor that affects early socialization and hence formation of attitude towards entrepreneurship. An entrepreneur parent provides strong inspiration at an early age and help to inculcate the independent nature of self employment (Matthews & Moser, 1995). Various studies described that that it is not easy to set up a business for the first generation entrepreneurs, but majority of the entrepreneurs set up their business if they already have a family background of business and mostly capital for startup is provided by family and friends (Lee & Tsang, 2001).

According to Kolvereid (1996), entrepreneurs tend to have parents with entrepreneurial mind set. Thus entrepreneurs having entrepreneurial parents are more likely to behave entrepreneurially and to work with higher entrepreneurial orientation than other whose parents are job oriented and ultimately increase firm's entrepreneurial orientation. The successful entrepreneur builds up through family occupation. Informal relations play very important role in this context especially from family member's side because those whose family members are business oriented their participation is high. Early communication received and imbibed by an individual from the family would impact career choices by inducing individuals to choose a career in which they are viewed positively by society. Research has found that entrepreneurs often come from homes where the mother or father was self-employed (Crant, 1996). Family with a business background often influence and motivate their siblings to involve in entrepreneurial activity and they are expected to possess higher propensity to launch a business in future (Van Auken et al., 2006). Family business background leads perhaps to lower barriers to entrepreneurial entry, since those having it may capitalize on their social ties and social capital (Greve & Saleff, 2003). Research has shown that family social capital, described as non-financial resources and support offered by family members to the entrepreneur affects positively the start-up decision (Chang et al, 2009). The family embeddedness perspective

describes the impact and the importance of parents on the entrepreneurial career of their offspring (Aldrich & Cliff, 2003). Both the breadth and the quality of family business experience matter (Krueger, 1993). Experiences during early childhood and socialization at home and in school probably shape the attitudes of young people towards entrepreneurship (Basu & Virick, 2008). Parents act as initial role models and the parents active in a family business influence the future entrepreneurial intentions through changing attitudes and beliefs (Krueger et al, 2000). In Singapore, Lee and Wong (2003a, b) found that the desire to participate in entrepreneurship programs was found to be higher in people coming from families with business as major occupation. Together, these suggest that family background is likely to impact the preferences of individuals towards entrepreneurs and entrepreneurship. However, a closer look into such studies reveals that the issue of family background has received scant attention as an explanatory variable of the phenomenon of entrepreneurship. Advocates of demographic models have suggested and found empirical support for the hypothesis that family background is related to entrepreneurial intentions (Mathews & Moser, 1995). Furthermore the family business background shapes the attitudes and willingness of people to start new businesses. In the Indian context, family background and entrepreneurship find mention in a few studies. For instance, Gadgil (1959) and Singer (1972) found that the joint family

provides undivided family property to invest in and expand the family firm. Sharma and Singh (1980) observe that capital formation and the confidence to administer business are essential for the development of industrial entrepreneurship and these are easily available with people who have a business or industrial background. Family occupation and inter-generational occupational mobility are addressed in a study by Khanka (1990) which shows that there is a high propensity for the members of the next generation to choose an occupation related to business and industry, if the first generation belonged to the same occupation. By superimposing age and family background one could locate a segment of entrepreneurs who have inherited a business legacy through familial links in terms of tangible and intangible assets, as well as the appropriate environment and expertise at a young age.

## **Review of Literature**

Research on entrepreneurship has continuously been using a few selective lenses and often used to ignore the family background dimension (Chrisman et al, 2003). Athanasios and Panikkos (2011) found a rather low, but statistically significant, correlation between a family business background and the intention to start a new business in Cyprus. Aykut and Belgin (2011) studied the link between entrepreneurial propensity and gender, family profession, and business education is studied and observed no significant difference on individual

entrepreneurship. Ishfaq et al (2010) argue that family background and level of education matters while intending to become an entrepreneur. Basu and Virick (2010) suggest that students with self-employed fathers gain exposure to and tacit knowledge of entrepreneurship from an early age which in turn affects their attitudes and perceptions of self-efficacy toward entrepreneurship. The study revealed that individuals' prior exposure to entrepreneurship in practice, both direct and indirect through their family background in business was significantly linked to their attitudes, norms and perceived behavioral control regarding entrepreneurship. More specifically, having a self-employed father is significantly related to the student's positive attitudes, stronger norms, and greater self-efficacy with respect to entrepreneurship. Prior experience of starting a business or trying to start a business is significantly linked with a positive attitude toward entrepreneurship and a greater degree of self-efficacy. This implies that students who have had direct experience of starting their own business have a more favorable attitude toward an entrepreneurial career and are more confident in their own ability to repeat that behavior. An Australian study of undergraduate university students (Drennan et al. 2005) found that a family business background and a positive family background experience had a significant impact on the desirability to start a business. Wang and Wong (2004), Mathews and Moser (1995), and Moriano et al. (2007), have also found

empirical support for the positive relationship of the family background with entrepreneurial intent. Phan et al. (2002) found that in Singapore and Australia, students were more likely to commence new ventures upon graduation if their parents are in businesses. Chan's study (1996) on family-related matters found that not all the variables under the category of family-related matters are significantly affecting entrepreneurial orientation. The study further revealed that there were no significant differences in entrepreneurial orientation along family income, parents' education, and parents' occupation respectively. Krueger (1993) who stated that one can distinguish students from entrepreneurial families in terms of preference to business start up attitudes than those from non entrepreneurial families.

The National Knowledge Commission (2008) found that, 'family background' was the prime motivating factor among the second generation, whether in the same family business (74%) or in a different one (34%), though the extent to which it serves as a motivation trigger varies significantly. Further, 'family background' was a more significant motivator for the second generation compared with the first generation. This may be because the second generation entrepreneur is more likely to be influenced by a family environment that extols Entrepreneurship. Goel et al. (2006) tested more than 5,000 respondents in India and China. The results for familial occupational background's influence on attitudes found strong support in both India

and China. For China, those from families with business as major occupation were more positive in their attitude on all items except for the need to become entrepreneur to make China prosperous. Indian results showed youth from business families to be more positive in attitude for all items than those from families with service as the major family occupation. The differences between the three occupational classes were significant at  $p = 0.05$  or lower for seven of the nine statements. The hypothesis that family's occupational background would influence attitudes towards entrepreneurs and entrepreneurship was supported both in China and India. Classification of responses on familial occupation basis suggested that youth from business familial occupation background preferred being an entrepreneur compared to a person from service background in both countries. Chinese from a business families rated entrepreneurship as the third most preferred career choice and those from service background preferred it at the fourth place. Indian youth from business families preferred entrepreneurship in the third spot and those from service background preferred entrepreneurship fifth in their career choice. The results for career preference supported the alternate hypothesis that family's occupational background influences the attitude towards entrepreneurs and entrepreneurship in both India and China. Patnaik and Pradhan (2010) found high relationship between the occupational background and nature of units promoted in Orissa region. The study further

shows that experience had more bearing than educational qualification on entrepreneurial intentions.

While similar issues have been investigated in several developed countries, research on family background and entrepreneurship is relatively scarce in developing economies like India. Moreover, previous research provides scant inputs about how family background influences entrepreneurial orientation of the youth. The present study attempts to narrow down the gap by probing how family background influences the entrepreneurial orientation.

## **Objective**

The principle aim of this research is to analyze the impact of family background on entrepreneurial orientation among the potential entrepreneurs.

## **Methodology**

The most probable source of future entrepreneurs is the youth of a country. They are the product of the society and reflect the prevalent attitudes (Veciana, Aponte, & Urbano, 2005). Therefore it was decided to study the youth studying in colleges. A sample of 200 final year postgraduate management students were selected randomly from leading management institutes in Warangal region of the state of Andhra Pradesh. The respondents were served with a questionnaire schedule containing 11 statements (Table-1) adopted from the EAO scale of Robinson et al. (1991)

(to be marked on a five-point scale, denoting 5 = strongly agree; 4 = agree; 3 = unable to answer; 2 = disagree; and 1 = not at all). Initially the responses are compared for mean scores across family background and then component reduction was done with factor analysis through varimax rotation. Further the derived constructs were tested with ANOVA

and post-hoc comparisons were done for an in depth understanding of the nature of variance across different types of family background. Three prominent types of family occupations namely business or self-employment, agriculture and employment are considered to differentiate family background for the purpose of the present study.

**Table-1: List of Statements**

| Sl. No. | Statement                                                   | Intended Skill Set |
|---------|-------------------------------------------------------------|--------------------|
| S1      | I have specific goals in my life                            | Goal orientation   |
| S2      | I can anticipate the potential problems                     | Anticipation       |
| S3      | I spend some time every day on new ideas                    | New ideas          |
| S4      | I always think about future opportunities than past deeds   | Exploration        |
| S5      | I try to take-up problems that nobody has looked at yet     | Problem solving    |
| S6      | I can take control in unstructured situations               | Controlling        |
| S7      | I am ready to face any risk related to my future tasks      | Risk orientation   |
| S8      | I always try to be innovative and creative                  | Innovativeness     |
| S9      | I can forecast the implications of a particular situation   | Prediction         |
| S10     | I will not be disturbed by the set-backs in my future tasks | Forbearance        |
| S11     | I try to invent new product/service or improve existing one | Invention skill    |

## Results and Analysis

### *Comparison of Means:*

From Table 2 the mean scores for each statement are compared across the three groups of family background. Except for one component representing the skill of new ideas (S3), the business family background group

showed higher mean values followed by the agriculture background across all the components and the employment family occupation group trails behind the other two and show even lesser values than the total sample means for all the skills

**Table-2: Comparison of Mean Scores Across the Three Types of Family Background**

| Component |                                                             | Mean Score of Family Background |             |            | Total |                |
|-----------|-------------------------------------------------------------|---------------------------------|-------------|------------|-------|----------------|
|           |                                                             | Business                        | Agriculture | Employment | Mean  | Std. Deviation |
| S1        | I have specific goals in my life                            | 4.44                            | 3.00        | 1.79       | 3.15  | 1.48           |
| S2        | I can anticipate the potential problems                     | 4.13                            | 3.80        | 2.07       | 3.33  | 1.46           |
| S3        | I spend some time every day on new ideas                    | 4.06                            | 4.20        | 2.07       | 3.40  | 1.40           |
| S4        | I always think about future opportunities than past deeds   | 4.38                            | 3.80        | 1.86       | 3.35  | 1.46           |
| S5        | I try to take-up problems that nobody has looked at yet     | 4.38                            | 3.90        | 2.29       | 3.53  | 1.27           |
| S6        | I can take control in unstructured situations               | 4.25                            | 3.80        | 2.50       | 3.53  | 1.25           |
| S7        | I am ready to face any risk related to my future tasks      | 4.13                            | 3.90        | 2.64       | 3.55  | 1.34           |
| S8        | I always try to be innovative and creative                  | 4.44                            | 3.80        | 1.79       | 3.35  | 1.45           |
| S9        | I can forecast the implications of a particular situation   | 4.12                            | 3.80        | 1.86       | 3.25  | 1.45           |
| S10       | I will not be disturbed by the setbacks in my future tasks  | 4.31                            | 3.10        | 2.29       | 3.30  | 1.37           |
| S11       | I try to invent new product/service or improve existing one | 4.44                            | 3.90        | 1.79       | 3.38  | 1.41           |

**Sampling Adequacy:**

From table 3 the sample sufficiency index KMO, which compares the sizes of the observed correlation coefficients to the sizes of the partial correlation coefficients for the sum of analysis variables, is 85.7% and it is reliable because it overcomes 70% by far. In addition, supposition test of sphericity by the Bartlett test supports the proposed positive hypothesis on a level of statistical significance  $p = 0.000$  for an approximate Chi-Square value of 3233.956. As a result, both acceptances for the conduct of factor analysis are satisfied and the work can be progressed with further analysis.

**Table-3: KMO and Bartlett's Test**

|                                                  |                    |          |
|--------------------------------------------------|--------------------|----------|
| Kaiser-Meyer-Olkin Measure of Sampling Adequacy. |                    | 0.857    |
| Bartlett's Test of Sphericity                    | Approx. Chi-Square | 3233.956 |
|                                                  | df                 | 55       |
|                                                  | Sig.               | 0.000    |

**Component Reduction:**

Then, factor analysis is carried out for reducing the eleven components into a few homogeneous groups using varimax rotation method. The rotated factor loadings indicate the correlations between the component and the factor. The initial eleven components are reorganized into two factors comprising components of similar nature. In this case, six components denoting the skill set regarding goal orientation (S1); new ideas (S3); problem

solving (S5); controlling (S6); innovativeness (S8); and invention skill (S11) are loaded into one factor which is named as 'entrepreneurial resourcefulness'. The remaining skill sets of anticipation (S2); exploration (S4); risk orientation (S7); prediction (S9); and forbearance (S10) converged into another group which is named as 'entrepreneurial foresight'. Table-3 shows the eigen values,

which are the proportion of total variance in all the variables which is accounted for by that factor. Out of eleven factors, only the first two are extracted for analysis because, under the Extraction options, SPSS was told to extract only factors with eigen values of 1.0 or higher. The overall variance explained by these two factors is 81.279 as per Table - 4.

**Table-4: Total Variance Explained (SPSS Output)**

| Component | Initial Eigen values |               |              | Rotation Sums of Squared Loadings |               |              |
|-----------|----------------------|---------------|--------------|-----------------------------------|---------------|--------------|
|           | Total                | % of Variance | Cumulative % | Total                             | % of Variance | Cumulative % |
| 1         | 14.146               | 66.019        | 66.019       | 9.215                             | 43.007        | 43.007       |
| 2         | 3.270                | 15.260        | 81.279       | 8.201                             | 38.272        | 81.279       |
| 3         | 1.313                | 6.129         | 87.408       |                                   |               |              |
| 4         | 0.753                | 3.514         | 90.922       |                                   |               |              |
| 5         | 0.626                | 2.920         | 93.843       |                                   |               |              |
| 6         | 0.518                | 2.418         | 96.261       |                                   |               |              |
| 7         | 0.354                | 1.653         | 97.914       |                                   |               |              |
| 8         | 0.254                | 1.184         | 99.098       |                                   |               |              |
| 9         | 0.130                | 0.605         | 99.703       |                                   |               |              |
| 10        | 0.054                | 0.254         | 99.957       |                                   |               |              |
| 11        | 0.009                | 0.043         | 100.000      |                                   |               |              |

Extraction Method: Principal Component Analysis.

**Component Matrix:**

From Table 5 basing on the correlation of each variable with each factor, the first factor has high loadings from six components representing the skills of goal orientation, new ideas, problem solving, controlling, innovativeness and invention skill. By

understanding the nature of these skills, the factor is named as 'entrepreneurial resourcefulness'. The second one is loaded with five skill components corresponding to anticipation, exploration, risk orientation, prediction and forbearance. Basing on the character of these skills, the factor is named as 'entrepreneurial foresight'.

**Table-5: Rotated Component Matrix<sup>a</sup>**

| Statement                                                          | Component |       | Cronbach's Alpha | Factor Name     |
|--------------------------------------------------------------------|-----------|-------|------------------|-----------------|
|                                                                    | 1         | 2     |                  |                 |
| I always try to be innovative and creative (S8)                    | 0.885     | -     | 0.931            | Resourcefulness |
| I try to invent new product/ service or improve existing one (S11) | 0.883     | -     |                  |                 |
| I can take control in unstructured situations (S6)                 | 0.830     | -     |                  |                 |
| I have specific goals in my life (S1)                              | 0.821     | -     |                  |                 |
| I try to take-up problems that nobody has looked at yet (S5)       | 0.734     | -     |                  |                 |
| I spend some time every day on new ideas (S3)                      | 0.728     | -     | 0.944            | Foresight       |
| I am ready to face any risk related to my future tasks (S7)        | -         | 0.920 |                  |                 |
| I can anticipate the potential problems (S2)                       | -         | 0.887 |                  |                 |
| I will not be disturbed by the set-backs in my future tasks (S10)  | -         | 0.842 |                  |                 |
| I can forecast the implications of a particular situation (S9)     | -         | 0.786 |                  |                 |
| I always think about future opportunities than past deeds (S4)     | -         | 0.745 |                  |                 |

Note: Extraction Method: Principal Component Analysis; Rotation Method: Varimax with Kaiser Normalization. a. Rotation converged in 3 iterations.

**Scale Reliability:**

The internal consistency reliability of a set of items is tested with Cronbach's alpha. The emerged two sets of components show a high level of internal consistency reliability as the value of the coefficients of Cronbach are 0.931= 93.1% for 'resourcefulness' and 0.944 = 94.4% for 'foresight' (Table-5 ). The derived high alpha values denote high stakes testing.

**The Source of Variance:**

In the next stage, the two factors are transposed into individual constructs as dependent variables (DV) and the construct scores are compared using one-way ANOVA, across family background as the independent

variable (IV). The highly significant F values (Table-6) provide stronger evidence for existence of variance among the three types of family background regarding the two constructs of entrepreneurial orientation. As the values for sum of squares between the groups for the constructs of resourcefulness (206.669) and foresight (166.956) are larger than their respective values within the groups and the mean square of total sample for resourcefulness (103.335) and foresight (83.478) also are considerably higher than similar values within the groups, it is confidently proposed that the source of variance lies between the groups for both the constructs – resourcefulness and foresight.

**Table-6: ANOVA**

| Construct (DV)  |                | Sum of Squares | df  | Mean Square | F       | Sig.  |
|-----------------|----------------|----------------|-----|-------------|---------|-------|
| Resourcefulness | Between Groups | 206.669        | 2   | 103.335     | 274.087 | 0.000 |
|                 | Within Groups  | 74.272         | 197 | 0.377       |         |       |
|                 | Total          | 280.941        | 199 |             |         |       |
| Foresight       | Between Groups | 166.956        | 2   | 83.478      | 103.015 | 0.000 |
|                 | Within Groups  | 159.639        | 197 | 0.810       |         |       |
|                 | Total          | 326.595        | 199 |             |         |       |

**Comparison of Construct Scores:**

Both the business and agriculture occupation background groups exhibit higher mean values than the group mean for both the factors. Further, the business family offspring stand

ahead followed by the agriculture background group and the employee family sample trails behind the other two family background types over the factors of resourcefulness and foresight (Table-7).

**Table-7: ANOVA**

| Construct (DV)  | Family Background (IV) | N   | Mean   | SD      | Std. Error | F Value | Sig.  |
|-----------------|------------------------|-----|--------|---------|------------|---------|-------|
| Resourcefulness | Business               | 80  | 4.3333 | 0.38884 | 0.04347    | 274.087 | 0.000 |
|                 | Agriculture            | 50  | 3.7667 | 0.84582 | 0.11962    |         |       |
|                 | Employment             | 70  | 2.0357 | 0.62868 | 0.07514    |         |       |
|                 | Total                  | 200 | 3.3875 | 1.18818 | 0.08402    |         |       |
| Foresight       | Business               | 80  | 4.2125 | 0.69526 | 0.07773    | 103.015 | 0.000 |
|                 | Agriculture            | 50  | 3.6800 | 1.15423 | 0.16323    |         |       |
|                 | Employment             | 70  | 2.1429 | 0.90226 | 0.10784    |         |       |
|                 | Total                  | 200 | 3.3550 | 1.28109 | 0.09059    |         |       |

**Multiple Comparisons:**

However, ANOVA output itself only tells about the existence of differences among the groups. It does not find out the quantum of difference between two groups. Hence multiple comparisons are made through post hoc method which compares the specific groups with each other. Regarding the construct of resourcefulness, the respondents from business families are more confident than those hailing from agriculture families with a difference of 0.56 and employee

families with 2.30 on the maximum scale of 5 (Table-8). The range of differences is more or less similar for 'foresight' also as the business family generation stand higher by 0.53 over agriculture and by 2.07 over employment background groups. Thus, the business family children significantly stay far ahead of employee family respondents and slightly ahead of agriculture on both constructs. The agriculture family offspring differ with employee children by 1.73 on resourcefulness and 1.54 on foresight, which is considerable.

**Table-8: Multiple Comparisons Between the Groups (Post-hoc Analysis)**

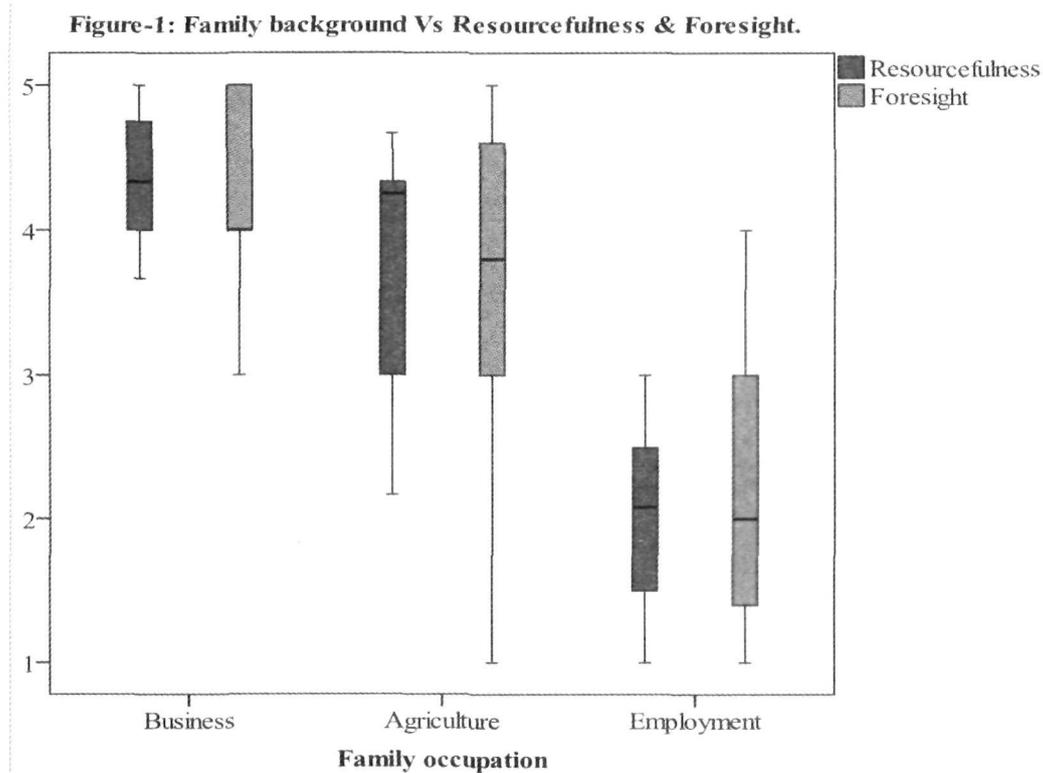
| Construct       | (I) Family occupation | (J) Family occupation | Mean Difference (I-J) | Sig.  |
|-----------------|-----------------------|-----------------------|-----------------------|-------|
| Resourcefulness | Business              | Agriculture           | 0.56667*              | 0.000 |
|                 |                       | Employment            | 2.29762*              | 0.000 |
|                 | Agriculture           | Employment            | 1.73095*              | 0.000 |
| Foresight       | Business              | Agriculture           | 0.53250*              | 0.003 |
|                 |                       | Employment            | 2.06964*              | 0.000 |
|                 | Agriculture           | Employment            | 1.53714*              | 0.000 |

\* The mean difference is significant at the 0.05 level.

The business family sample stay ahead of the other two sample groups on both the constructs. The sample group with agriculture as family background follows suit with business group in all the cases and establishes a clear dominance over the employee sample group. The employee background sample trails behind the other groups in all the cases. Thus, even after making efforts of in-depth analysis through multiple comparisons, it is

clearly evident that the business and agriculture background respondents establish a clear lead over their counterparts with employee background for both the constructs of resourcefulness and foresight. Hence, at a final stage, efforts are made to understand how the data is spread in terms of interquartile range, and standard deviation.

**Measures of Dispersion:**



**Table-9: Descriptive**

| Family background type | Resourcefulness     |                | Foresight           |                |
|------------------------|---------------------|----------------|---------------------|----------------|
|                        | Interquartile Range | Std. Deviation | Interquartile Range | Std. Deviation |
| Business               | 0.79                | 0.38884        | 1.00                | 0.69526        |
| Agriculture            | 1.33                | 0.84582        | 1.60                | 1.15423        |
| Employment             | 1.00                | 0.62868        | 1.60                | 0.90226        |

The means comparison was already done through post hoc analysis and found that business and agriculture family background groups exhibit more confidence than employee family offspring. Hence it is clearly established that the business background sample lead the comparison followed by agriculture and trailed by employee family offspring. Further, to understand the nature of spread, the interquartile range and standard deviations are considered for comparison. Regarding the construct of resourcefulness, the interquartile range value is high at 1.33 (Table-9 & Figure-1) with a standard deviation value of 0.846 for agriculture backgrounds. Consequently, the responses of agriculture family backgrounds are spread more widely than other two groups implying that despite their position in means comparison, they show more variance than others. Similarly, for the construct of foresight, both agriculture and employee groups show the interquartile ranges values of 1.60 each while the standard deviation for agriculture background group is very high at 1.154 compared to the same with employee background sample (0.902). Hence, it is evident that the agriculture family offspring exhibit a wider spread than others, despite their relative position in means comparison.

## Conclusion

Finally, it can confidently be concluded that the nature of family background exerts high influence on entrepreneurial orientation of the graduating youth. Among the three types of family occupations, those hail from business background families exhibit stronger preference towards resourcefulness and foresight as the essential constructs of entrepreneurial orientation. They yield high mean values all the time on both constructs. They are narrowly followed by the agriculture family offspring except for the wider spread of their responses. However, the employee family sample trails behind the other two groups on both constructs. It is obvious that the graduates from employment family background find it difficult to adapt to and exhibit entrepreneurial orientation than those from agriculture and business backgrounds. The agriculture family backgrounds are more scattered, even though easily get used to entrepreneurial orientation by showing strong desire towards resourcefulness and foresight as the integral qualities of entrepreneurship. Finally, the business background graduates are highly focused by easily become accustomed to entrepreneurial orientation by showing strong preference for resourcefulness and

foresight as the critical constructs of entrepreneurial orientation. Thus, it is clearly evident that family background plays an influencing role in developing entrepreneurial orientation among the management graduates. The findings of the present study strongly confirm the earlier empirical evidences put forth by many researchers in the international context.

However, there can be no study without limitations. First of all, the sample may not be entirely representative of the kind of management students graduating and seeking to be entrepreneurial across the nation. Many extraneous variables may wield influence on being entrepreneurial. Hence, the results of the present study may be seen in this spectrum only. However, the researcher wishes to present the larger implications of the study. The same can be extended to other regions on a national scale for improving the validity and generalizability of the findings.

The present study is a modest attempt to understand the entrepreneurial orientation of management graduates in Warangal region of Andhra Pradesh. The policy makers of higher and business education may thrive for fostering entrepreneurial orientation among the management graduates by considering the students' family background as an influential factor and making necessary changes in the curriculum design and administration. In an age of fast growing entrepreneurship among the developing countries, there needs to be an extended sense of responsibility for

government as well as academicians in motivating and promoting entrepreneurship among the offspring of non-business families. This study attempts to provide the required insights in this direction.

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