

ENTREPRENEURIAL INTENTIONS AMONG ENTREPRENEURIAL MANAGEMENT STUDENTS CLASS 2014: A QUALITATIVE LONGITUDINAL STUDY

Renilda A. Magsino,

Rizal Technological University,
Philippines

Kristine Y. Opulencia,

Rizal Technological University,
Philippines

ABSTRACT

To find out how intra-academic business exposure changed entrepreneurial intentions (EI) over a period of time, the post-graduation plans of all the students enrolled in the Rizal Technological University's (RTU) entrepreneurial management program who took up the subject "Project Study 1-Business Plan" (prior to the business project experience) and their plans after the business project exposure in the "Project Study 2 – Business Plan Implementation" were documented and analyzed using longitudinal qualitative research method. Qualitative data from both the pre and post exposure plans were taken from the essays the students wrote during the two-semester period, school year 2012-2013. Qualitative content analyses of the narratives revealed that actual business exposure as part of the course curriculum increased the students' EI and that there were different reasons for the change. It was found out that regardless of exposure factor, males have higher EI than females. The study also showed that the problems encountered by the students in their business projects made them realize that they have potential for entrepreneurship and that they can convert their passions and new-found ideas into profitable activities. However, three common problems were cited by the students in the business plan implementation which were limited capital, time constraints and lack of teamwork among group members.

Keywords: Entrepreneurial intentions, longitudinal qualitative research, plans after graduation, entrepreneurship, content analysis

INTRODUCTION:

Entrepreneurship plays an important role in economic development by incubating technological innovations, increasing economic efficiency and creating new jobs (Shane and Venkataraman, 2000). The Philippine government, through its 2011-2016 Development Plan recognizes the importance of sustainable livelihood and entrepreneurship opportunities for the youth, among other sectors. This has been consistent with its long-running support for entrepreneurial endeavors which were translated into public policies. The Philippine Commission on Higher Education (CHED) for instance, had set the minimum curricular requirements for BS Entrepreneurship in its CHED Memo Order No. 17 s.2005 (CMO) for the purpose of rationalizing the undergraduate entrepreneurship in the country with the end in view of keeping apace with the demands of global competitiveness. CHED considers entrepreneurial spirit as the backbone of any economy and that the stronger the entrepreneurial spirit, the more vibrant the economy will be. However, since spirit is nonphysical or non-corporeal, it must metamorphose into entrepreneurial intention (EI) to be significant to national economy.

Entrepreneurship has been defined in many different ways some of which tie it closely to the establishment of new organizations and their viability in early years. Professor Howard Stevenson, the godfather of entrepreneurship studies at Harvard Business School however, does not limit entrepreneurship to creation of a new business only but also innovative activities in existing large corporations. He defines it as: "the pursuit of opportunity beyond resources controlled" (Eisenmann, 2013). He sees entrepreneurship as a distinctive approach to managing rather than a specific stage in an organization's life cycle such as startup, and contends that entrepreneurs can be found in many different types of organizations, including large corporations. This idea has been shared by some successful businessmen in the Philippines. No less than Jaime Augusto Ayala of the famous Ayala Group of Companies believes that the secret of the Ayala Corporation's longevity is partly attributable to their strong entrepreneurial drive. When asked by Andrew Stevens of CNN in a 2012 interview if it is possible to be conservative and entrepreneurial at the same time, Ayala replied: "I think so, absolutely. I think entrepreneurial is really about starting major new initiatives. And through history, we've gone into new businesses overtime. The water industry- we knew very little about the water industry and about managing the water system. There weren't any set rules at the time, it was uncharted territory for us. But we wanted to fix the water system of Manila. And we knew that that would have an impact on a lot of people that had no water in the past. And we've made a success of it." (Ayala, 2012).

Entrepreneurship in existing large corporations can also be shown when Henry Sy built ice-skating rinks in some of his SM malls. This was something new and innovative. His reason for this venture was: "Very few people know this: I love skating and bowling. I used to roller skate a lot in my youth on Taft Avenue, Manila. That's the reason why there's always a skating area in my SM malls. I want more people to share my love for skating." (www.kabayan-balikbayan.com.Retrieved May 17, 2014).

Another successful businessman in the Philippines has the same view. John Gokongwei believes that to be a truly great nation, "we must also excel as entrepreneurs before the world. We must create Filipino brands for the global market place". (<http://transcripts.cnn.com/TRANSCRIPTS/1204/27/ta.01.html>. Retrieved May 18, 2014.)

He believes that the principle of self-determination works for individuals as it does for companies.

EI, on the other hand is defined as a state of mind that people wish to create a new firm or a new value driver inside existing organizations. Over the years, numerous research undertakings have been devoted to EI. Remeikiene (2013) reported that the studies of Wu Wu,(2008); Nabi, et al., (2006); and Guerrero, et al., (2008) agree on the above definition. This is reminiscent to Eisenmann's (2013) view that EI can flourish inside an existing firm.

Literature search on the subject revealed many similar results on the factors affecting EI so this study no longer delved deeper on these. The previous findings on entrepreneurial education factor provided the basis for determining and describing the EI of students after taking the academic course. After reviewing eleven studies made between 2005 to 2012, Remeikiene (2013) concluded that EI is mostly influenced by personal factors that can be developed acquiring entrepreneurial education. She explained the relationships between personality traits, entrepreneurial education and entrepreneurial intention.

The Remeikiene, et al. (2013) and Roxas, et al. (2008) studies both suggested that entrepreneurial knowledge/education gained by students from formal entrepreneurship education will have positive effects on EI through the mediating factors favoring entrepreneurial behavior. Using the above argument as basis, the proponents tried to determine how exposure to entrepreneurial activities as part of the academic curriculum affected RTU Entrepreneurial Management students' EI based on their own communications. For the purpose of this study, EI is taken to mean the explicit expression of decision to "put up own business for self-employment". (Roxas, et al. 2008).

This study would help policymakers and administrators evaluate the relevance of entrepreneurial projects to the goals of the program and guide students and their parents in making post-graduation plans. Specifically, the following issues were studied:

1. Description of the students under study;
2. Students' immediate plans after graduation (before the business exposure);
3. How the business exposure changed their plans after graduation;
4. Problems encountered by students in their business projects;
5. Perceptions of selected parents on the students' EI.

RESEARCH METHODOLOGY:

This year-long study started on the first day of classes for the first semester SY 2012-2013. All the 215 students of the three sections of BSBA major in Entrepreneurial Management who were enrolled in Project Study 1 (Business Plan) were asked to write an essay on their plans after graduation. The responses were organized, sorted and categories were identified. Under the course, the students were required to come up with a Business Plan. The following semester, the same group of students took up Project Study 2 (Business Plan Implementation) which required them to engage in a small profit-generating project in groups of 5, using the Business Plan they submitted the previous semester. As a requirement for passing the subject, the students were made to submit individual (personal) evaluation of their business project. In addition, they were asked to write an essay on the topic: "Do you intend to put up your own business immediately after graduation?" Do you have other plans? If yes, what are these?" and "What problems did you encounter in undertaking your business project?" The required format of the essays on the immediate plans after graduation is the same as those the students wrote during the first semester. These questions provided the data used to discuss issues 2, 3 and 4. For number 5, parents of three students responded to the invitation for interview as a nominal focus group to solicit their perceptions on their children's EI. Nominal group interviews are similar in characteristics to focus group interviews. The primary difference, according to Churchill, et al. (2012) is that nominal group interviews require written responses from participants. After the informal discussion, the parents were requested to share their insights and comments in writing.

The researchers used the qualitative longitudinal research (QLR) which Farrall (2006) describes as a study which involves returning to interviewees to explore changes which occur over time. According to him, this approach is appropriate in the study of a process which has a "notion of a career of some sort or which involves a developmental process". QLR also makes possible to distinguish differences that have consequences, and how change is differentially experienced and acted on by individuals and groups (Holland et al. 2006). This method, according to Holland (2006) has a different claim to validity. While quantitative approach iron out details and enabling comparison on the basis of averages and trends, QLR makes possible the understanding of the importance of what might be statistically insignificant differences. The proponents considered the common characteristics of longitudinal research (Corden, 2007) which emphasized that data collected earlier always forms an integral part of the research, involving going back to the same people and addressing the original research questions.

As to sufficiency of one year (two school semesters) as the period of study, Saldana (2003) is quoted on how long a QLR should be: "How Long Is a Longitudinal Qualitative Study? Is there a required minimum length of fieldwork time for a qualitative study to be considered longitudinal? I can find no consensus or authoritative answer to satisfy multiple disciplines. The *Inventory of Longitudinal Studies in the Social Sciences* (Young, Savola, & Phelps, 1991) establishes a span of at least one year as a criterion for its inclusion of studies" (p. 3). Saunders (2009) also considers one year as sufficient for a longitudinal qualitative study (p.155)

The content analysis technique (Fraenkel, et al, 2012) was also liberally referred to in the scrutiny of the essays. This technique, according to Fraenkel enables researchers to study human behavior in an indirect way, through the analysis of their communications. Content analysis of the students' essays facilitated the organization of data available, particularly the problems encountered by the students in the implementation of the project. A preliminary scanning of the essays was made and latent content were organized and sorted to form general categories. "Latent content" of a document refers to the meaning underlying what is said or shown (Fraenkel, 2012 p. 484). This technique requires more rigor than organizing "manifest content" which could simply be counted every time a word appears in the essays.

RESULTS AND DISCUSSION:

1. The students. The 215 students included in this study were on the first semester of their 3rd year of the Entrepreneurship program of RTU College of Business at the start of the investigation. There were more

female (177) than male (38). The study showed that for class 2014, entrepreneurial management program was more attractive to female than male but that EI was more evident among the male than the female students.

2. Students' immediate plans after graduation

Before the exposure to business project. In their submitted essays at the start of first semester classes, all of the 215 students signified interest in putting up their own business, when the opportunity comes. However, 212 said they have no capital to start own business and plan to get employment immediately after graduation and if ever they have saved enough, they will try doing business. Only three students have definite plans of starting own business immediately after graduation. All the 3 are male. One said that an aunt who was operating a restaurant business in Canada promised him the ownership of the said business after he graduates. Since the aunt is single and no child, she was planning to retire in the Philippines and turn over the business to him. The second of the three students has already a small capital which his parents have saved for a new business and he believes he is ready to take the challenge. The third plans to join the family business after graduation.

One essay was quite different. After graduation, she plans to take up "caregiving course" at TESDA and then go to London to do caregiving job and save for a future business project. The businessman-father (a foreigner) of one of the students on the other hand, advised him to work for a well-known company in his home country after graduation to gain experience before going into business of his own. It can be gleaned from the communications that the three students who have already plans of going into own business right after graduation have different reasons for deciding on putting up of own business. The intention of putting up own business however was expressed in all the essays although not immediately after graduation, Starting own business has been part of everybody's long-term plans.

3. How business exposure changed students' plans after graduation. After being exposed to actual business projects during the second semester, the students who said in their essays they will engage in business right after graduation increased from 3 to 22. Of the 22, ten were female and 12 were male. The reasons of the 22 were categorized into 8 themes:

1. "I have acquired the skills from our business project".
 - The students particularly enjoyed going around scouting for materials they need for the project. They said they were able to put in practice the lessons they have learned in the other subjects, particularly costing and pricing strategies. What they perceive to be a difficult activity turned out to be fun.
2. "I became aware of the risks and possible problems and how to solve them";
 - Problems on time management, not being able to buy in bulk and spoilage of products were specifically cited.
3. "I learned a lot of ideas";
 - In the course of their activities, the students had to make a lot of readings and observations from different media, including the internet. This enriched their perceptions that ultimately led to change in EI.
4. "I discovered I can turn my passion into profitable business";
 - This came from a group who have common interest in portrait drawing. The group discovered new ways of marketing their products and developing their selling skills.
5. "My financial statements preparation skills were enhanced"
 - The financial statement preparation computer program for non- accountants helped them solve their problems in pro-forma financial statements preparation. The students discovered the relevance of their accounting subjects to real-life business. They found out accounting could be interesting.
6. "I learned I can use recycled and indigenous materials";
 - One particular material they found just rotting after the fruits are harvested is the banana trunk. They discovered that the fibers could substitute for abaca fibers in the production of furniture and other handicraft products. One group used horse mane to make good-quality pillows.
7. "The business plan that we prepared will be my guide";
 - The intricacies involved the preparation of the required business plan stimulated the students' interest in putting up own business.
8. "I learned that there are institutions providing seed capital".

- The Barangay Micro Business Enterprise Act or Republic Act 9178 provided them the ideas on the opportunities available to entrepreneurs like special credit programs from government financial institution, tax incentives, exemption from the minimum wage laws, among others.

This study showed that entrepreneurial exposure attributed to the academic curriculum increased the EI of students. This is different from Zhang, et al.'s (2013) findings that there is a significant negative impact from exposure (which he considered surprising). It was also found out in this study that regardless of exposure factor, males have higher EI than female. This is congruent to Zhang's (2013) study that shows males having higher EI than female.

4. Problems encountered during the business project. The problems encountered by the students during the duration of the business project implementation were lifted from the 215 essays submitted at the end of the second semester. The following themes emerged during the data analyses.
 - limited capital
 - cannot buy materials in bulk, so cost of production was high
 - cannot find a good location/cannot legally enter into contract because of their age
 - cannot focus on the business because of classes/lack of time
 - cannot buy the right equipment because of the price
 - cannot find the right marketing strategy because of lack of focus
 - losses because of high cost of materials
 - spoilage of food products
 - lack of cooperation among members

The themes were trimmed down to three categories:

1. Limited capital. Limited capital had an impact on the ability of the students to buy materials in bulk that resulted to high cost of materials. Limited capital also prevented the purchase of needed equipment such as refrigerators or coolers, hence, the problem of spoilage. They were not able to buy perishable raw materials in bulk because of the lack of needed coolers.
2. Lack of time to devote to the project. The curriculum for the entrepreneurial management program was not conducive to the business implementation phase. Class schedules were so tight that focusing on the business affairs was almost impossible. Performance in other classes would be adversely affected if focus on the business was given priority.
3. Lack of cooperation among the members of the group. Based on the reasons given for problems on group cooperation, squabbles arose when some members failed to show up or devote time during weekends, the only time everybody could be present to do production. Some of the members have to do house work during week-ends.

Despite the cited problems encountered by the students, the activity surprisingly resulted to increased EI among those under study. It may be attributable to the increased awareness brought about by the business exposure.

PERCEPTIONS OF PARENTS:

Parents who were entrepreneurs preferred that their child join them in the family business while those who were not said they will be happy if their children land a job after graduation and go into own business when financial condition improves. Although they believe their children were well prepared to do own business, they were also aware of their financial incapacity to fund even a small project. At the end of the nominal focus group interview, the parents shared the idea that given the opportunity, they still prefer that their children engage in business immediately after graduation.

IMPLICATIONS AND RECOMMENDATIONS:

1. The literature consulted were in unison in the definition of entrepreneurship i.e a state of mind that people wish to create a new business or a new value for an existing organization. Different authors have different ways of explaining the term "entrepreneurship" but all agree that it can also exist in large firms and can flourish in large corporations. Famous entrepreneurs who lead the biggest corporations could not have possibly been successful if not for individuals working for them who have equally been entrepreneurial. Individual entrepreneurs could rise within the walls of established corporations. It is high time that

academic orientation in the Philippines, particularly the Rizal Technological University shift from the traditional perception that “entrepreneurship” is only a business start-up to the contemporary idea that entrepreneurship could exist in well-established companies. Lessons could be learned from successful entrepreneurs who started working for companies before going on their own. Fernando and Augusto Zobel de Ayala went on to work in different companies after graduation. The Gokongwei siblings started doing jobs even when they were still in high school. Socorro Ramos of National Bookstore worked as saleslady before she started her own business. Entrepreneurial management students must not be led to believe that finding employment after graduation means that what was learned in college is gone to waste. Many studies have shown that academic preparation and entrepreneurial intention are positively related and that being entrepreneurial can be put to test in whatever environment one is into and can be honed through experience gained from large companies.

2. The findings in this study that students considered lack of capital as one of their main problems in their business projects must be looked into. The course curriculum must allot special topics on how to avail of government and non-governmental funding sources. The university must also consider incubation laboratories which are school-based so that the students’ class schedules need not be disturbed.
3. Studies on the effects of economic status of students to entrepreneurial intentions would considerably fill in the gaps in the body of knowledge on the subject.

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