Inclination of Business Graduates towards Entrepreneurship A case study of HEIs of Sindh Province

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Abstract
This research focused on rural and urban business graduates attitude in entreprenurship and impact of public and private university who imparting education in Sindh, province. The survey based withstructured questionnaire in which 160 business graduates (MBA) are examine in 16 business institutes of Sindh, province. Categorical data was analyzed by SPSS-17 inwhich response rate was 97%, almost 72% business graduates inclined toward entrepreneurship and MBA (marketing) has shown positive impact on entrepreneurial attitude and business graduates mostly preferred the service-based model of entrepreneurship despite of rural and urban difference in Sindh. It is found that business graduates who are interested to become entrepreneur they percieved that access to finance, economic uncertainty and fear of failure are the major obstacles in sindh, province.

Key words: Entrepreneurship; Higher Education Institutes.

Introduction
Entrepreneurship is a multi-faced process in which individual or group of people engaged to acquire the business competencies and market oriented skills for launching new enterprise or adding value in established business. For an entrepreneur, fostering the risk taking culture, bringing innovation into new enterprise are the essential characteristics of an entrepreneurship. Entrepreneurship has emerged as the most potent economic force the world has ever experienced world

(Kuratka, 2000)

Entrepreneurship Education
In the 21st century, entrepreneurship education treated as the modern disciple through which business graduates explored the new market opportunities and striving for the commercialization of products and services. Earlier entrepreneurship education was confined up to engineering and technical institutes but in last decade of 19th century entrepreneurship education was integrated in business institutes (chee, 2008). According to westhed (1994) Entrepreneurship education focused on the following crucial aspect of entrepreneurship development.

- To educate the business graduate for commercialize process of product and service
- To create the feasible environment for new market start up
- To assess the ratio of failure business venture
- To explore the financial institutions for entrepreneurship support.

Entrepreneurship Economy
In mid of 19th century several economists reveal that the traditional production factors capital and labor are not sufficient to measure the growth but entrepreneurial knowledge would be dominated in economic growth. Entrepreneurial knowledge factor would measure in terms of R&D, human capital and patents invented. Dominant view of traditional economy that revolves around the stability, specialization, homogeneity and certainty but in contrast of traditional model the entrepreneurial model focus on flexibility, diversity, innovation and clustering in economic process. In traditional economic model unemployment reduce at cost of lower wages or at downsizing but entrepreneurial model generate the more job opportunities and compensate the job that lost in downsizing process (Audretsch at el., 2003.

Entrepreneurial Pyramid in Sindh
Entrepreneurship pyramids of Sindh constitutes of four different business levels, however each level reflects the percentage of workforce employed by the business sectors.

Level 1: Agricultural and other activities: fishing, mining, plantation, forestry and crop.
Level 2: Trading services: whole sales and retail trade, hotel and real estate.
Level 3: Traditional sector: Manufacturing, electricity and gas.
Level 4: knowledge intensive sector: finance, business education, construction, health and social services.

Business Obstacles in Sindh

Currently, Sindh province faces the multiple challenges in business sector according to the report of World Bank (2011) on creating a place for future in Pakistan. This study identified the various challenges faced by the business sector in different cities/districts of Sindh/Pakistan. The gravity of problems hampered the industrial progress and entrepreneurship process through red-tapism in industrial registration process, paying taxes and getting electricity connection for new industry.

Source: Bureau of Statistic(2008)

Throughout the Sindh 26 Public and Private institutes which offers MBA program’s in different areas of specialization. But very few numbers of business institutes are offers MBA in entrepreneurship as an independent field of specialization. Entrepreneurship having two main objectives (1) to promote business start-ups culture (2) foster the entrepreneurial attitudes amongst the business graduates (HEC, 2011).

Literature Review

Entrepreneurship and Business Education

Entrepreneurship is a scientific and systematic phenomena in which personal capabilities of graduates are developed to cope with uncertainty, bring innovation and having rational decision making approach (Hassani, 2013). Entrepreneurship is mainly concern with the business expertise through that graduates concentrate on, how to bring innovation, how to sale innovation and how manage the innovatepeoples intheenterprises(Aronsson,2004). Entrepreneurship education has sound record of history in Pakistan which was totally based on British model of education in which vocational institutes and higher institutes were responsible to promote the business education. Entrepreneurship plays the instrumental role to brought socio-economic changes by increasing the number business opportunities, skill enhancement programs and business education system in developing countries (Khan, 2011). Entrepreneurial education is basic remedy of unemployment and social crisis. Level of education and family background are the basic ingredients of entrepreneurial development as compare to demographic variable and final year students are more inclined toward entrepreneurship because of their interaction with business orientation inside universities (Ahmed at el., 2010).

Entrepreneurial Capacities and Obstacles

National culture has capacity to shaping the entrepreneurial intention of business graduates. It is observed that if perceived feasibility and perceived desirability is higher in culture that society entitles as most entrepreneurial society. Rigid government policies and political instability are major obstacles in front of business graduates in entrepreneurial society (Impact of Culture, 2012).

According to Planning Commission of Pakistan (2011) sole-proprietorship is most dominated factor in Pakistan because of lesser transformation of knowledge towards entrepreneurship. Business communities are reluctant to diffusion of business because of lower trust level in business families. Leading obstacles in front of entrepreneurship are rigid government policies, high cost of doing business, social sanction and paucity of entrepreneurial mentors in Pakistan. Entrepreneurship interest remains lower in business graduates where culture of entrepreneurial activities is lower in higher institutes (Linan, 2007). Entrepreneurship education is positively related business opportunity and feasibility of a venture (Hassani, 2013). Interest level of business graduates are mainly affected due to poor governance and rigid taxation system of country, contextual factors especially weaker accountability system, political instability and poor regulatory system are major hindrances in entrepreneurial development (Ali at el., 2010). Entrepreneurial culture remain margin Graduates from middle level private institutes are more likely to pursue entrepreneurial career as compare to post graduate students of higher institutions (Rosemary, 2006).

Family Inspiration and Entrepreneurial Development

Sound business family background directly or indirectly affects on entrepreneurial intention of business graduates. Entrepreneurial norms and previous business knowledge increase the self-assurance about success of business in business graduates (Ahmed, 2004). Entrepreneurship can develop the personality traits of business graduates by providing the proper business knowledge and leadership qualities. Extraversion and openness are the core personality characteristic which concerns with curiosity, eagerness and openness in communication for entrepreneurship. Institutional culture affects the entrepreneurial intention and capabilities of business graduates (Ismail, 2009).

Rural and Urban Entrepreneurship

Rural entrepreneurship contributes the major share in economic development by providing the economic opportunities, development of workforce and increasing ratio of small scale industries in Sindh. Economists and social scientist
identify that there is still scarcity in business skills and need of training for business graduates to promote the rural entrepreneurship (PCP, 2011). According to planning commission of Pakistan (2011) the role of urban entrepreneurship is limited because of existing rent-seeking culture and lower trust society but on the other hand job security and employment development is significantly higher for urban entrepreneurship in Sindh. The 80% of non agricultural labor force expecting the maximum linkage between the entrepreneurial institutes and informal entrepreneurial communities in the Pakistan (Ali, 2008).The rigid banking procedure, lack of entrepreneurial knowledge and ill taxation system are the major constrains in entrepreneurship (Ahmed, 2010).

Urban entrepreneurship pertain the significance role in the economic development due to diversified culture and institutions which generally known as creative class and structural opportunity in shape of financial services and market knowledge. Urban areas attract the maximum financial and social institutions which assist the entrepreneurial capabilities and reduce the barriers of entrepreneurship (Hackler, 2008; Lupke, 2004).

**Research Methodology**

For investigating the impact of HEI on entrepreneurship a questionnaire was design to collect data from student of final year in public and private institutes of Sindh. This questionnaire explores the role of public and private business institutions support, obstacles in front of final year’s students, family inspiration and preferences of business graduates towards rural-urban entrepreneurship.

This research is classified into four hypotheses which are developed in this research work for subsequent empirical validation. First hypotheses address the impact of public and private universities on entrepreneurial capacities. Second hypotheses concerns with family support and last two hypotheses highlight the entrepreneurial preferences in rural and urban graduates and institutional support.

**Data Analysis**

All the received data was analyzed by statistical software package, statistical Package for Social Sciences (SPSS 20). This data was based on descriptive nature and core questions of research were qualitative in nature however statistical test were applied where it seems necessary. The option of cross tabulation was used to investigate the inclination of business graduates and role of HEI in promotion of entrepreneurship. Increasing rate of business and urban-rural entrepreneurship were analyzed by chi-square test.

This research analysis the data that collected from the sixteen public and private higher institutes (HEI) through a self-design questionnaire in five different cities, Karachi, Hyderabad, Sukkur, Khairpur and Larkana respectively in Sindh. The Higher education institutions which offer MBA programs were the unit of analysis and questionnaire was personally distributed among the final year students of MBA in deferent cities of Sindh.
### HEI and number of Questionnaire

<table>
<thead>
<tr>
<th>City</th>
<th>Institute</th>
<th>Type</th>
<th>Year of establishment</th>
<th>Questionnaires Distributed</th>
<th>Responded Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Karachi</td>
<td>BBSLU</td>
<td>Public</td>
<td>2011</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>FUU</td>
<td>Public</td>
<td>2002</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>IBA</td>
<td>Public</td>
<td>1994</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>KU</td>
<td>Public</td>
<td>1999</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>BIZTEK</td>
<td>Private</td>
<td>1996</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>GWU</td>
<td>Private</td>
<td>1998</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td></td>
<td>HU</td>
<td>Private</td>
<td>1994</td>
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<tr>
<td></td>
<td>IU</td>
<td>Private</td>
<td>2000</td>
<td>10</td>
<td>08</td>
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<tr>
<td></td>
<td>MAJU</td>
<td>Private</td>
<td>1998</td>
<td>10</td>
<td>10</td>
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<tr>
<td></td>
<td>SZABIST</td>
<td>Private</td>
<td>1995</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>Hyderabad</td>
<td>ISRA U</td>
<td>Private</td>
<td>1997</td>
<td>10</td>
<td>10</td>
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<tr>
<td></td>
<td>US</td>
<td>Public</td>
<td>1979</td>
<td>10</td>
<td>10</td>
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<tr>
<td>Sukkur</td>
<td>DBIT</td>
<td>Private</td>
<td>2011</td>
<td>10</td>
<td>09</td>
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<td></td>
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<td>2006</td>
<td>10</td>
<td>10</td>
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<tr>
<td>Khairpur</td>
<td>SALU</td>
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<td>1992</td>
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<tr>
<td>Larkana</td>
<td>SZABIST LAR</td>
<td>Private</td>
<td>2004</td>
<td>10</td>
<td>09</td>
</tr>
</tbody>
</table>

### Interest Rate of Business Graduates for Entrepreneurship

This research identified that one hundred and twelve (112) business students show positive response to become self-employer after completion of MBA, out of one hundred and fifty six (156) business graduates in public and private business institutes of Sindh. Almost 72% business graduates inclined toward entrepreneurship followed by the 72%, 28% male and female percentage in self-employment.

### Entrepreneurship Interest on Specialization in MBA

Inclination in business graduates towards entrepreneurship is further classified on the basis of specialization which students opt in the final year of MBA. Research survey reveals that MBA (marketing) has shown an impact on entrepreneurial attitude and business graduates are solely interested in doing their own business after completion of MBA (marketing). Almost forty nine (49) business graduates of MBA (marketing) prefers entrepreneurship as career option out of one hundred and twelve (112) business students. MBA(Finance) and MBA(HRM) stood on second and third after the MBA(Marketing).

### Role of Business Institutions in Entrepreneurship

The statistical analysis showed that university is an ideal place for entrepreneurship, role of training regarding entrepreneurship inside the campus; source provided by university to business graduates for entrepreneurship and impact of entrepreneurship course were significant. However entrepreneurship course include in compulsory subject and entrepreneurship enhance the business skills of business graduates were not significant in the institutions.

Business institutes promote the entrepreneurship culture inside the campus by transforming the professional business knowledge, leadership skills and market opportunities in Sindh. Public/Private business institutes highlight the critical role of entrepreneurship to address the inevitable economic and social deterrence in Sindh.

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Role of Institutions in Entrepreneurship Development

<table>
<thead>
<tr>
<th>Research Questions</th>
<th>N</th>
<th>Pearson Chi-Square</th>
<th>DF</th>
<th>Asym.Sig .(2-sided)</th>
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</thead>
<tbody>
<tr>
<td>University is ideal place for entrepreneurship</td>
<td>156</td>
<td>38.112</td>
<td>16</td>
<td>0.001*</td>
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<tr>
<td>Seminar and training promote entrepreneurship in campus</td>
<td>156</td>
<td>28.562</td>
<td>16</td>
<td>0.027*</td>
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<tr>
<td>Entrepreneurship course made compulsory</td>
<td>156</td>
<td>21.934</td>
<td>16</td>
<td>0.145</td>
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<tr>
<td>University provides sources to student for entrepreneurship</td>
<td>156</td>
<td>31.978</td>
<td>16</td>
<td>0.010*</td>
</tr>
<tr>
<td>Entrepreneurship course provide basic knowledge to student</td>
<td>156</td>
<td>39.106</td>
<td>16</td>
<td>0.001*</td>
</tr>
<tr>
<td>Entrepreneurship developed business skills</td>
<td>156</td>
<td>21.713</td>
<td>16</td>
<td>0.153</td>
</tr>
</tbody>
</table>

Entrepreneurship in Public Sector Institutes

By this investigation interest level of business graduates were analyzed in public sector higher institutes. Amongst the seven public sector universities of Sindh it was observed that the business graduates of Sindh University Jamshoro and business graduates of Sukkur IBA pertains the higher inclination rate towards entrepreneurship as compare to other public sector institutes in sindh. However business graduates of IBA Karachi shows the lesser interest towards entrepreneurship and more inclined to join corporate job.

Entrepreneurship in Private Sector Institutions

Increasing number of private higher business institutes reflects the significant role of business education in Sindh. Current research revealed that the interest level towards self-employment was significantly higher in the business graduates of MuhammadAliJinnahUniversity and ISRA University of Sindh. On the other hand the business graduates of BIZTEK pertains the lower interest towards entrepreneurship in the private business institutes of Sindh.

Entrepreneurship Preferences in HEI of Sindh

HEIs striving for the quality education and innovative approaches through which business graduates exploited the market competition after the completion of business graduation in Sindh. Public and private business institutes stimulate the interest of business graduates toward entrepreneurship and emphasized on the economic contribution in society through entrepreneurship economy after the completion of MBA. By analysis the data it was observed that the business graduates mostly preferred the service-based model of entrepreneurship despite of rural and urban difference in Sindh.
Obstacles in Entrepreneurship in Sindh

Business graduates perceived several obstacles and barriers to become an entrepreneur soon after completion of his/her MBA in public and private institutes of Sindh. According to this survey business graduates who are interested to become entrepreneur but understand that access to finance, economic uncertainty and fear of failure are the major obstacles.
Role of Family Support in Entrepreneurship Development

Parents Education and Occupation

Urban and rural environment mostly shape the entrepreneurial behavior and pertain the significant impact on entrepreneurship. Feasible environment, easy access to financial institutions, social security and entrepreneurial knowledge are the supporting factors for urban and rural students to start new business. Entrepreneurial preference stimulates by the feasible environment and entrepreneurial knowledge. Rural and urban entrepreneurship can be distinguished on the base of their preferences towards agro-based entrepreneurship, service-entrepreneurship and techno-entrepreneurship.

While it is observed that family background and level of parent’s education plays the vital role in career development of business graduates those are inclined towards entrepreneurship in Sindh. Analysis of data shows that graduation from university has direct association with the level of self-employment in parents and majority of parents are operating own business those got masters degree from university in Sindh. The research findings showed that the majority of student parents have their own business and having university qualification.

Entrepreneurship in Rural and Urban Sindh

Entrepreneurship in rural Sindh

Statistical analysis showed that all variables in rural entrepreneurship were not significant apart one variable the rigid government policy was significant for entrepreneurship in Sindh.

Rural entrepreneurship of sindh

<table>
<thead>
<tr>
<th>Research Question</th>
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<th>Pearson Chi-Square</th>
<th>DF</th>
<th>Asym.Sig. (2-sided)</th>
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<tr>
<td>Business perceived less opportunity in rural areas</td>
<td>156</td>
<td>21.547</td>
<td>16</td>
<td>.158</td>
</tr>
<tr>
<td>Financial institutes are less interested in entrepreneurship</td>
<td>156</td>
<td>15.836</td>
<td>16</td>
<td>.464</td>
</tr>
<tr>
<td>Law and order situation is not suitable for entrepreneurship</td>
<td>156</td>
<td>15.164</td>
<td>16</td>
<td>.513</td>
</tr>
<tr>
<td>Business opportunity decline because of poor business education</td>
<td>156</td>
<td>15.596</td>
<td>16</td>
<td>.482</td>
</tr>
<tr>
<td>Rigid government policy is major obstacle in rural areas</td>
<td>156</td>
<td>26.801</td>
<td>16</td>
<td>.044*</td>
</tr>
</tbody>
</table>

Entrepreneurship in Urban Sindh

Statistical data showed that urban environment was more attractive for entrepreneurship development and all variables regarding urban entrepreneurship in Sindh for instance feasibility for entrepreneurship, easy access to financial institutes, urban market, admissible law and order situation and role of entrepreneurship centers were significant in urban areas of Sindh.
Urban entrepreneurship in Sindh

<table>
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<tr>
<th>Research Questions</th>
<th>N</th>
<th>Pearson Chi-Square</th>
<th>DF</th>
<th>Asym.Sig.(2-sided)</th>
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<tr>
<td>Urban environment is feasible for entrepreneurship</td>
<td>156</td>
<td>41.614</td>
<td>16</td>
<td>.000*</td>
</tr>
<tr>
<td>Urban graduates has easy access to financial institutes</td>
<td>156</td>
<td>47.928</td>
<td>16</td>
<td>.000*</td>
</tr>
<tr>
<td>Urban market attracts the business graduates</td>
<td>156</td>
<td>30.298</td>
<td>16</td>
<td>.017*</td>
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<tr>
<td>Law and order situation is admissible in urban areas</td>
<td>156</td>
<td>42.963</td>
<td>16</td>
<td>.000*</td>
</tr>
<tr>
<td>Entrepreneurship centers are available in urban areas</td>
<td>156</td>
<td>34.416</td>
<td>16</td>
<td>.005*</td>
</tr>
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</table>

Role of Supportive Institutions in Entrepreneurship Development

Statistical analysis explored that the role of supportive institutions were significantly positive specifically private association and public supportive bodies inside the business institutes. The urgency of entrepreneurship training, financial assistance for business graduates and establishment of entrepreneurship centre in campus were not significant.

Supportive institutions for entrepreneurship in Sindh

<table>
<thead>
<tr>
<th>Research Questions</th>
<th>N</th>
<th>Pearson Chi-Square</th>
<th>DF</th>
<th>Asym.Sig.(2-sided)</th>
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<tbody>
<tr>
<td>Private associate promote entrepreneurship in university</td>
<td>156</td>
<td>40.242</td>
<td>16</td>
<td>.001*</td>
</tr>
<tr>
<td>Public supportive encourage entrepreneurship environment</td>
<td>156</td>
<td>54.842</td>
<td>16</td>
<td>.000*</td>
</tr>
<tr>
<td>Urgency of entrepreneurship training institute in campus</td>
<td>156</td>
<td>22.113</td>
<td>16</td>
<td>.140</td>
</tr>
<tr>
<td>Financial assistance is feasible for business graduates</td>
<td>156</td>
<td>22.525</td>
<td>16</td>
<td>.127</td>
</tr>
<tr>
<td>Established the entrepreneurship center in campus</td>
<td>156</td>
<td>24.805</td>
<td>16</td>
<td>.073</td>
</tr>
</tbody>
</table>

Entrepreneurship Inspiration from Innovative Entrepreneurs

By the analysis of data it was revealed that throughout the Sindh excluding Sukkur the majority of business graduates were inspired from the family members who are already running the successive business, but in the case Sukkur mostly business graduates inspired from friends who are operating the business in Sukkur.
Conclusion

Entrepreneurship education equipped the business graduates to cope with emerging trends of poverty and unemployment. Higher education institutes emphasized on the promotion of entrepreneurship culture inside the campuses for socio-economic development. The aim of present study was to reveal the interest level of business graduates towards entrepreneurship and role of higher education institutions in promotion of entrepreneurship in Sindh. The sixty one percent (61%) of public and private higher business institutions surveyed in Sindh, reported that seventy two percent (72%) of business graduates of final year pertain the higher inclination towards entrepreneurship and intended to start their own business after the completion of MBA. Majority of business graduates from MBA (Marketing) has shown higher interest in entrepreneurship as compared to other fields of specialization in Sindh. Higher Education Institutions are working in scientific lines and are recognized as an ideal place for the promotion of entrepreneurship education inside the campus of Sindh. Business graduates believed that institutions can enhance the entrepreneurship interest by transferring the entrepreneurship course and seminar inside the institutions. This results show that the business graduates of Sindh University of Jamshoro keeps higher interest rate towards entrepreneurship in public sector universities and business graduates of Muhammad Ali Jinnah University shows higher interest in private sector universities of Sindh. Result shows that the majority of business graduates are inspired from family support for doing their own business in Karachi, Hyderabad, Khairpur, Larkana only in Sukkur region business graduates are getting inspiration from an innovative friends. It is also revealed by results that parents occupation and level of education has significant impact on the inclination towards entrepreneurship in Sindh. Results showed that the business graduates of higher education institutions are more interested in service-based model of entrepreneurship for career options in all regions of Sindh excluding Khairpur region where business graduates are inclined towards techno-based model of entrepreneurship. Business graduates of all regions perceive that the access to finance and fear of failure of doing business are most effective in promotion of entrepreneurship culture in Sindh. Results showed that rural and urban entrepreneurship attracts the maximum business opportunities for business graduates in Sindh. The feasible environment and business networks enhance the interest level of business graduates and rigid government policies hampered the interest of business graduates in rural and urban regions of Sindh.

Policy Recommendations

Current economic scenario of Sindh is extremely important to channelize the professional education with economic development for creating the maximum number of business opportunities. In this context, all the stakeholder of Sindh may frame the policies in the light of following recommendations for promotion of entrepreneurship culture in higher education institution.

Recommendations for HEI

- Entrepreneurship courses may be incorporated in all disciples of higher education institutions especially in engineering and medical institutions.
• Entrepreneurship education must be integrated with practical based approach rather than class based model of entrepreneurship teaching
• Entrepreneurship centre should be established in all higher educational institutes where business graduates has easy access to business networks

**Recommendation for Government**

• Establish the independent bodies to institutionalize the entrepreneurship consultancy and business training programs to foster the self-employment culture
• National commission on entrepreneurship pertain the crucial role to address the mainstream problems regarding the business graduates
• Restructuring the entrepreneurship policies and create a feasible loaning procedure for rural and urban business graduate

**References**


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