

International Journal of Advance Research in Computer Science and Management Studies

Research Article / Survey Paper / Case Study

Available online at: www.ijarcsms.com

Entrepreneurial Sociological Capital among Postgraduate Management and Non-Management students in Kerala, India.

Nimitha Aboobaker

Doctoral Research Scholar, School of Management Studies,
Cochin University of Science and Technology

Abstract: Social entrepreneurship has emerged as a pioneering advance towards dealing with multifaceted social needs, especially in the face of diminishing public funding. India is a country of young, with 430 million people in the age range of 15-34 and estimates confirm that by 2020, youth will comprise of 64% of India's working population. Nurturing entrepreneurship among students has become an imperative focus for universities, government agencies and research academicians as well. A sample of 164 students from various streams of study, were taken and data was collected using Likert scale, indicating their level of agreement or disagreement with a series of statements relating to a potential entrepreneur's sociological capital, in his or her sphere of social connection in family, social, professional and recreational networks, entrepreneurial role models and supporting networks. The results of the empirical study showed that Professional and Recreational networks, followed by Strength of family network showed the most statistically significant influence in contributing towards Entrepreneurial Sociological Capital. Gender was a significant factor in determining one's Entrepreneurial Sociological Capital, with males scoring higher than female counterpart. Monthly income of parents and household asset position had no significant relationship in determining entrepreneurial sociological capital. Management postgraduates scored more than non- management students on Sociological Capital. The study emphasize the importance of building and sustaining social relationships and thus social capital among potential entrepreneurs, by including entrepreneurial development programs as part of curriculum, among non-management student too.

Keywords: Entrepreneurial Sociological Capital, Social Network, Social Entrepreneurship, Social Capital, Entrepreneurial attitude, Youth in India

I. INTRODUCTION

Social entrepreneurship as a process to promote social development has recently attracted the interest of academicians (Alvord et.al., 2004; Dees & Elias, 1998, Steyaert and Hjorth, 2006). Analysis of different successful cases of social entrepreneurship around the globe reveals a common that all of creatively combine resources, to address social problems and thereby change existing social structures. India is a nation of youths: 27% of the population is amid the 20-35 years array and 18% constitute the 25-35 years segment. Whilst many young people continue to look for a secure career, an escalating number amongst them show an urge make it big in the entrepreneurial world.

From an entrepreneurial standpoint, social capital provides networks that facilitate the identification of opportunities as well as the recognition, collection, and allocation of scarce resources. Social capital also aids in providing and diffusing considerable information and other vital capital. Social capital assists potential entrepreneurs by exposing them to novel and diverse ideas, world views, thereby, providing them with a wider horizon of reference. Informal networks make easy the establishment of innovative firms, through the use of compound ownership, and the consequent relationships they bring (Praszkie et.al, 2009).

A. *Social Entrepreneurship and Kerala*

Kerala is essentially a wage economy. As per the Economic Review report 2014(Philip, 2015), Unemployment in Kerala is found to be over three times the all India average. The youth aspire for government jobs due to the social status attached to it. Unless this is resolved in their education system, these tendencies will continue. Due to the low level of legitimacy, young people, with entrepreneurial talents opt for other career opportunities or migrate to distant places in search of greener pastures. This situation needs to be changed for the economy to make transition from traditional to knowledge economy.

II. REVIEW OF LITERATURE

The economist Joseph Schumpeter (Schumpeter 1951), who put forward the famous “innovation theory of entrepreneurship”, regards the entrepreneur as “one who, through new combinations of the means of production, carries out several functions such as the introduction of new goods, introduction of new production methods and the opening of new markets”. For Schumpeter, entrepreneurship is essentially a ‘creative activity’. It is a phenomenon that comes under the wider aspect of leadership. The entrepreneur in Schumpeter’s conception possesses three qualities, namely: (a) an instinctive capacity to see things as they are; (b) the effort of will and mind to overcome fixed attitudes of thinking; and (c) the capacity to surmount social opposition to doing something new.

Fostering entrepreneurship among students has become an important topic in universities and governments’ as well as in research. As a number of studies show, student interest in entrepreneurship as a career choice is growing (Brenner et al. 1991, Fleming 1994, Kolvereid 1996), while interest in professional employment in businesses is declining (Kolvereid 1996). The positive role of universities in developing entrepreneurial intention and to explore the factors influencing entrepreneurial behaviour of students are confirmed by a number of studies (Autio et al. 1997, Fayolle et al. 2005, Hannan et al. 2004, Luthje & Franke 2003) that help to explain the emergence of entrepreneurial intention among target groups and the stimulation of entrepreneurship education that would influence the students’ attitudes towards entrepreneurship.

A. *Social Entrepreneurship*

The concept of social entrepreneurship has loosely been defined differently by different academicians (Dees, 1998). Peter Drucker said that social entrepreneurs change the performance capacity of the society (Gendron, 1966). Mort et.al. (2003) argue that social entrepreneurship is a “multidimensional” construct formed by the intersection of a number of defining characteristics. It could be defined as not-for-profit endeavors in search of substitute funding strategies, or management schemes to generate social worth (Austin et.al., 2003; Boschee, 1998) or as the socially responsible practice of commercial businesses (Sagawa & Segal, 2000) or as a means to lessen social problems and catalyze social revolution (Alvord et al., 2004). Rather than profit versus not-for-profit, researchers argue that the main distinction between commercial entrepreneurship and social entrepreneurship is the relative primacy set to social wealth creation as opposed to economic wealth creation. In business entrepreneurship, social wealth is a derivative of the economic worth created (Venkataraman, 1997); but in social entrepreneurship, the foremost focal point is on social value creation.

B. *Entrepreneurial Sociological Capital*

Social capital is generally described by researchers as definite and prospective resources rooted in relationships amid individuals, communities, networks and societies (Burt, 1997; Nahapiet & Ghoshal, 1998). Structural social capital defines the possibility that the social entrepreneur has access to information, resources and support. The structural dimension of social capital is critical, since it is one of the factors that will decide whether and to what level the social entrepreneurs would be able to solve and lessen social problems, and bring them to the public front (Mair and Marti, 2006). The relational dimension of social capital focus on the worth of relationships, may it be amongst family or friends or social networks.

III. STATEMENT OF PROBLEM

According to Max Weber, entrepreneurs are a product of the particular social conditions in which they live and it is the society which shapes the personality of individuals as entrepreneurs. Promoting the culture of entrepreneurship among the young people through nurturing and unearthing talent will stimulate the economic growth and development within a country. Studies have confirmed the presence of enormous potential in universities graduates for improving and contributing towards entrepreneurial development of the country (Mohd Noor 2009, Seyed and Hyder 2011). Social capital provides networks that facilitate the identification of opportunities as well as the recognition, collection, and allocation of scarce resources. This research paper attempts to measure the entrepreneurial sociological capital among postgraduate management and non management university students in Kerala, India.

IV. OBJECTIVES OF THE STUDY

1. To assess the entrepreneurial sociological capital among post graduate management and non-management students in Kerala.
2. To identify if social connections in diverse groups, contribute differently towards entrepreneurial sociological capital.
3. To identify if strength of social connections differ among post graduate management and non-management students in Kerala.
4. To explore the demographic factors that influence entrepreneurial sociological capital among post graduate management students in Kerala

V. RESEARCH METHODOLOGY

The study is primarily descriptive in nature. Data was collected from among post graduate management students pursuing MBA degree and non-management students comprised of those pursuing post graduate arts courses- MSc. Chemistry, MSc. Physics, MSc. Maths , M.A Hindi and M.A Economics, at Cochin University of science and technology (CUSAT) campus, Kerala, India.

A. Data collection

The population of the study comprised of 164 students of CUSAT campus of which 85 comprised of management students and 79 comprised of students pursuing other non management courses. Quota Sampling was used to ensure adequate participation from all arts students. Hundred questionnaires were given to management students and 85 were returned and found usable. Twenty questionnaires were allotted to each non-management stream and were distributed among arts students, based on simple random sampling. Of the hundred distributed, 89 were returned back and 79 were found usable.

The survey was conducted using a self-completion questionnaire method. Questionnaires were handed out to respondents for self-completion and returned to the researcher immediately. In an effort to encourage high response, the questionnaire was accompanied by a cover letter which guaranteed the respondents of privacy. A 22 item questionnaire developed by GoForth Institute for Psychological capital assessment was used to measure the strength of one's support system – the extent of his/her social network of people who can support one's goal of becoming a successful entrepreneur.

B. Variables under study

In order to assess the entrepreneurial characteristics necessary for a successful entrepreneur, the following variables were operationalized:

1. Family Network
2. Social Network

3. Professional and Recreational Networks
4. Entrepreneurial Role Models
5. Supporting Networks

To explore these variables, related questions were asked, which were scaled and whose values were assigned as strongly disagree, disagree, neither agree nor disagree, agree and strongly agree. In the analyses, the values were reverse-coded for convenience of reading the findings.

VI. DATA ANALYSIS

The SPSS 20.0 package was used to analyze the various aspects of the study, Necessary tools for analysis were used to test the data collected. 92.1% (151) of the students were in the age group of 20-30 years, while 7.9% (13) belonged to the age group of 31-40 of which 76 were males and 88 females. The other relevant descriptive statistics of the population is given in (Table1).

TABLE 1
Descriptive statistics of the population

Demographic Variables	Frequency	Percent
Age of Respondents		
» 20-30 years	151	92.1
» 31-40 years	13	7.9
Gender of Respondents		
» Male	76	46.3
» Female	88	53.7
Community	108	65.9
» Hindu	40	24.4
» Muslim	16	9.8
» Christian		
Parents source of income	52	31.7
» Business	112	68.3
» Salaried		
Parent or relative in business	86	52.4
» Yes	78	47.6
» No		
Monthly household income	13	7.9
» Less than Rs 10,000	43	26.2
» Rs 10,000- Rs 20,000	31	18.9
» Rs 20,000- Rs 30,000	40	24.4
» Rs 30,000- Rs 40,000	37	22.6
» Above Rs 40,000		
Household asset position	104	63.4
» Less than Rs 25lakhs	40	24.4
» Rs 25lakhs- Rs 50lakhs	9	5.5
» Rs 50lakhs- 1crore	11	6.7
» Above Rs 1crore		

A. Computation of Entrepreneurial Sociological Capital

In order to compute the Entrepreneurial Sociological Capital of respondents, the scores of the five social connection in family, social, professional and recreational networks, entrepreneurial role models and supporting networks variables were summed up. The mean and standard deviation of Entrepreneurial Sociological Capital was determined as 109 and 6.2 respectively. Based on the mean and standard deviation derived, the respondents were categorized as those having:

- » Very poor ESC (ESC scores between > 131- 168)
- » Poor ESC (ESC scores between 169-206)
- » Average ESC (ESC scores between 207-283)
- » Good ESC (ESC scores between 284- 321)
- » Very good ESC (ESC scores ranged 322&above)

TABLE 2
Frequency of Entrepreneurial Sociological Capital score

		Frequency	Percent
Valid	High ESC	98	60.0
	Average ESC	22	13.2
	Poor ESC	28	16.8
	Very poor ESC	16	10.0
	Total	164	100.0

Table 2 shows the ESC scores and the number of respondents falling under each of the ESC score grades. It can be seen from the table that majority of the respondents (98) 60% fall under the category of those having average ESC, followed by (22) 13.2 % having average ESC scores, (28) 16.8% reported to have poor ESC, while (16) 10.0% reported to have very poor ESC scores.

C. Regression Analysis between different independent variables and dependent variable (Entrepreneurial Sociological Capital)

TABLE 3
Regression Analysis
Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.737 ^a	.543	.524	1.558

1. Predictors: (Constant), Family Network, Social Network, Professional and Recreational Networks, Entrepreneurial Role Models, Supporting Networks

ANOVA^a

Model	Sum of Squares	df	Mean Square	F	Sig.	
1	Regression	273.820	4	68.455	28.199	.000 ^b
	Residual	230.620	95	2.428		
	Total	504.440	99			

1. Dependent Variable: Entrepreneurial Sociological Capital

2. Predictors: (Constant), Family Network, Social Network, Professional and Recreational Networks, Entrepreneurial Role Models, Supporting Networks

Model	Coefficients ^a			t	Sig.
	Unstandardized Coefficients		Standardized Coefficients		
	B	Std. Error	Beta		
(Constant)	1.738	1.474		1.179	.241
1 Family Network	.037	.071	.236	.518	.003
Social Network	.297	.119	.185	2.493	.004
Professional and Recreational Networks	.219	.199	.693	1.100	.004
Entrepreneurial Role Models	.019	.062	.022	6.721	.045
Supporting Networks	.132	.170	.136	.231	.002

a. Dependent Variable: Entrepreneurial Sociological Capital

The above table (Table 3) reveals that Professional and Recreational networks (regression coefficient = .693), followed by Strength of family network (regression coefficient = .236) showed the most statistically significant influence in contributing towards Entrepreneurial Sociological Capital. Entrepreneurial role models didn't contribute significantly towards Entrepreneurial Sociological Capital

D. Entrepreneurial Sociological Capital and its relation with demographic variables

TABLE 4
Chi square testing with demographic variables

Pearson Chi- Square	Value	Df	Asymp.Sig.(2-sided)
Gender	126.198	52	.000
Age	164	52	.403
Community	284.381	104	.070
Parents source of income	122.899	52	.000
Parent or relative in business	290.478	104	.002
Household income	527.055	208	.001
Asset position	386.935	156	.003
Qualification of respondent	136.964	52	.000

The Table 4 above shows the Chi square values of the various demographic variables used in the study. The results indicate that Gender, Parents source of income, Parents or relative in business, Household income, Asset position and Qualification of respondent are directly related to the Entrepreneurial Sociological Capital of the students. Age of the respondent and his/her community were not significant variables in relation to Entrepreneurial Sociological Capital

VII. DISCUSSION

From an entrepreneurial perspective, social capital provides potential entrepreneurs with facilitating networks that help in discovery of opportunities as well as the identification, compilation, and distribution of scarce resources (Birley, 1985; Greene and Brown, 1997; Uzzi, 1999). Social capital assists in the entrepreneurial utilization growth, by providing and diffusing significant information and other added vital resources. Social capital, built on a constructive reputation, significant earlier understanding, and direct personal contacts, frequently assists entrepreneurs in gaining access to business enterprise capitalists and possible customers. The findings from this study propose that potential entrepreneurs ought to aim at developing and promote social networks. Students should give careful attention toward the promotion and development of social, network, and

mentoring capabilities. This would help in the facilitation of community and networking capital, thus escalating each potential entrepreneur's likelihood of finding the distinctive inputs one needs in building and sustaining one's own firm.

Human capital is not only the outcome of formal education, but includes experience and realistic learning as in the case of on-the-job training, as well as non-formal education, such as explicit training courses that are not a part of conventional formal educational curriculum. The study reveals that management students exhibit higher Entrepreneurial Sociological Capital than non-management students. This can be primarily attributed to the Entrepreneurial oriented programs that they undergo during the two years of course. The study explicitly reveals that entrepreneurial programs have significant impact on students, by building Entrepreneurial Psychological Capital (Nimitha et.al, 2015) and Entrepreneurial Sociological Capital, as revealed in the current study. The study highlights the need for inclusion of entrepreneurial programs for non-management students too, as to promote potential entrepreneurs among them.

VIII. CONCLUSION

The purpose of the current study was to assess the level of Entrepreneurial Sociological Capital among post graduate management and non-management students in Kerala, India. The study revealed that management students possessed higher social capital than students from arts and science streams. The study emphasizes the importance of building and sustaining social relationships and thus social capital among potential entrepreneurs, as social networks provided by extended family, community-based, or organizational relationships are theorized to complement the effects of education, experience, and financial capital. Having parents and/or close friends or neighbors in business, as well as encouragement from friends and family, was strongly associated with probability of entry. As the study reveals, professional and recreational networks contribute the most towards social capital. Efforts should be taken to orient communication applications such as social media, towards building, fostering and sustaining effective professional relationships. Mentoring programs, as initiated by academic institutions will prove fruitful. Social entrepreneurs are change agents for the social sector and exist to promote the finest promising life for all, hence their advancement is in the interest of society and Government alike.

References

1. "XLRI hosts 7th National Conference on Social Entrepreneurship" <<http://www.newkerala.com/.9news/2015/fullnews-14223.html>>
2. Nimitha Aboobaker, Rashmi M.B and Wilson P.R, 2015, "Entrepreneurial psychological capital of postgraduate management and non-management students in Kerala, India", *Asian Journal of Management Research*, Volume 5 Issue 3, 2015.
3. Alvord, S. H., Brown, L. D., & Letts, C. W. ,2004, Social entrepreneurship and societal transformation. *Journal of Applied Behavioral Science*, 40(3): 260–282.
4. Austin, J., Stevenson, H., & Wei-Skillern, J., 2003, Social entrepreneurship and commercial entrepreneurship: Same, different, or both? (Working paper series no. 04-029). Harvard Business School.
5. Autio, E., Keeley, R.H., Klofsten, M., Ulfstedt, T., 1997, Entrepreneurial Intent among Students: Testing an Intent Model in Asia, Scandinavia and USA, Paper presented at the Frontiers of Entrepreneurship Research, Wellesley, MA: Babson College. Available from <http://www.babson.edu/entrep/fer/papers97/autio/aut1.htm> as on 20/11/13
6. Birley, S., 1985, The role of networks in the entrepreneurial process. *Journal of Business Venturing* 1:107-117.
7. Boschee, J., 1995, Social entrepreneurship. *Across the Board*, 32(3): 20–25.
8. Brenner, O. C., Pringle C. D., Greenhaus, J. H, 1991, Perceived Fulfillment of Organizational Employment versus Entrepreneurship: Work Values and Career Intentions of Business College Graduates. – *Journal of Small Business Management*, Vol. 29, No. 4, 62-74
9. Burt, R. S. ,1997, The contingent value of social capital. *Administrative Science Quarterly*, 42(2): 339–365.
10. Davidsson, Per and Honig, Benson, 2003, The role of social and human capital among nascent entrepreneurs. *Journal of Business Venturing* 18(3):pp. 301-331.
11. Dees, G., 1998, The meaning of social entrepreneurship <http://www.fuqua.duke.edu/centers/case/documents/dees_SE.pdf> Accessed on January 20th, 2015.
12. Fayolle, A., Gailly, B., Lassas-Clerk, N. 2005. Capturing Variations in Attitude and Intentions: A Longitudinal Study to Assess the Pedagogical Effectiveness of Entrepreneurship Teaching Programmes, Working Paper of EMLYON of the European Institution for Life Long Learning. <http://www.em-lyon.com>
13. Fleming, P., 1994, The Role of Structured Interventions in Shaping Graduate Entrepreneurship. *Irish Business and Administrative Research*, Vol. 15, 146-147
14. Gendron, G., 1966, Flashes of genius. *Interview Drucker. Inc. Magazine*, 18 (7), 30–39.
15. Greene, P., Brown, T., 1997, Resource needs and the dynamic capitalism typology. *Journal of Business Venturing* 12(3):161-173

16. Hannan, M., Hazlett, S.-A., Leitch, C., 2004, Entrepreneurship Education: How Do We Measure Success? Working paper, Queen's University Belfast.
17. Kolvereid, L., 1996, Prediction of Employment Status Choice Intentions. *Entrepreneurship Theory and Practice*, Vol. 20, No. 3, 45-57.
18. Luthje, C. and Franke, N., 2003, The Making of an entrepreneur: Testing a Model of Entrepreneurial intent among Engineering Students at MIT, *R&D Management*, 33, 135-147.
19. Mair Johanna and Marti Ignasi , 2006, "Social entrepreneurship research: A source of explanation, prediction, and delight", *Journal of World Business* 41 , 36-44
20. Mort, G. S., Weerawardena, J., & Carnegie, K., 2003, Social entrepreneurship: Towards conceptualisation. *International Journal of Nonprofit and Voluntary Sector Marketing*, 8(1): 76-89.
21. Nahapiet, J., & Ghoshal, S., 1998, Social capital, intellectual capital, and the organizational advantage. *Academy of Management Review*, 23(2): 242-266.
22. Peredo Ana Mari 'a and McLean Murdith, 2006," Social entrepreneurship: A critical review of the concept", *Journal of World Business* 41, 56-65.
23. Philip Shaju, 2015, "Kerala Economic Review 2014: State records growth rate of 6.49 per cent", retrieved from <<http://indianexpress.com/article/business/economy/kerala-economic-review-2014-state-records-growth-rate-of-6-49-per-cent/#sthash.qr9yGUVr>. Dpuf>, viewed as on 23-05-2015.
24. Praszquier et.al, 2009, "Social capital built by social entrepreneurs and the specific personality traits that facilitate the process
25. Sagawa, S., & Segal, E., 2000, Common interest, common good: Creating value through business and social sector partnership. *California Management Review*, 42(2): 105-122.
26. Schumpeter, Joseph, 1951, "The Theory of Economic Development", Harvard University Press, Massachusetts, p 23.
27. Steyaert, Ch., Hjorth, D., 2006, Introduction: What is social entrepreneurship? In: Praszquier et.al, 2009, "Social capital built by social entrepreneurs and the specific personality traits that facilitate the process
28. Uzzi, B., 1999. Embeddedness in the making of financial capital: How social relations and networks benefit firms seeking financing. *American Sociological Review* 64(4):481-505
29. Venkataraman, S., 1997, The distinctive domain of entrepreneurship research. *Advances in entrepreneurship, firm emergence and growth*, 3(1), 119-138.

AUTHOR(S) PROFILE



Nimitha Aboobaker, is UGC- Junior Research Fellow, currently pursuing Doctoral Degree in Management Studies, at School of Management Studies, Cochin University of Science and Technology, Kerala. She received B.Tech degree in Computer Science and Engineering in 2005 from M.G University, Kerala and MBA degree in 2011, from Cochin University of Science and Technology, Kerala. Her research interests include Human Resource Management and Systems topics.