

A Study on Entrepreneurial Intention and Career Mobility: Among MSME Entrepreneurs in Kerala



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Every entrepreneur is driven by certain motivations to pursue their course of action. Sometimes it may be the result of an aversion of the existing condition of working environment. This paper tries to establish a relationship between entrepreneurial intention and career mobility. Behavioral change caused by downward career mobility or perceived fear of career mobility creates an entrepreneurial intention. For this study data were collected from MSME entrepreneurs from Kerala. Unstructured questionnaire is used and in the analysis it is found that fear of downward career mobility is a factor affecting entrepreneurial intention in Kerala.

Keywords: Entrepreneur, Motivations, Career Mobility, Behavioral Factors of Entrepreneurship

1. Introduction

Career mobility refers to the movement of employees across grades/ positions (both upward and downward) or a complete change in occupation. When a downward career mobility is expected in a firm or when an employee tries to find a job in a new firm in which he or she has to be employed in a lesser position than the previous firm, it may affect the professional ego of the employee. This mental condition may lead to an entrepreneurial intention. It may also be present in a condition when an employee feels lower positions in the hierarchy, in modern firms employees may join in the firm in a lower position and in later times based on his or her performance may get an upward career mobility, but when a new employee joins in the top position it may cause a feel of competition to the employee. Or when the employee has to change the firm he may not have the adequate professional qualification even though he has the professional ability. With this ability and no willingness to work in a lower environment and position than the previous firm, the employee may develop an entrepreneurial intention of his own; this study tries to establish a relationship between downward career mobility and entrepreneurial behavior of a person.

Objective of the Study

The objectives of the study are

1. To study the relationship between career mobility and entrepreneurial intention.
2. To study the factors affecting entrepreneurial intention is highly educated entrepreneurs.
3. To study the factors affecting the entrepreneurial intentions of low educated entrepreneurs.
4. To study the career mobility of different educational groups and entrepreneurial intentions.

2. Review of Literature

The theory of career mobility (Sicherman and Galor, 1990) says that salary for underemployed workers are compensated by better promotion prospects. Career mobility theory states that employees accept low-level positions to obtain experience and training with the hopes of moving to higher-level occupations at some point in the future. (Büchel and Mertens (BM, 2004)). Training in a company can increase the job performance of an employee (AP Bartel-1995). This training and development may effect in the increased productivity of an employee and position of the employee in the company. But his basic qualification for the employee, remains the same. Length of experience and job complexity will help an employee to get in top position of a company (MA McDaniel, FL Schmidt, JE Hunter -1988). When new competition emerges in the firm the employee may feel less appreciated. This leads to a mental stress about perceived downward career mobility. Fear of unemployment (Kobbs and Kashi 1977, Dooley and Catalano 1980) may also affect the perceived fear of career mobility of an employee. Recent research has been relatively accepting of arguments that people vary in their willingness and ability to engage in the entrepreneurial process because of non-motivational individual differences. Researchers have shown that the willingness of people to pursue entrepreneurial opportunities depends on such things as their opportunity cost (Amit, Mueller, & Cockburn, 1995), their stocks of financial capital (Evans & Leighton, 1989), their social ties to investors (Aldrich & Zimmer, 1986), and their career experience (Carroll & Mosakowski, 1987; Cooper, Woo, & Dunkleberg, 1989). It is been argued by researchers that motivational differences also influence the entrepreneurial process. Variation across people in their perceptions of risk and opportunity influence entrepreneurial decisions (Shane & Venkataraman, 2000). People vary in how they view the risk of expending resources before knowing the distribution of outcomes (Palich & Bagby, 1995).

The primary determinant of entrepreneurial intention is a person's conviction that starting and running one's own firm is a suitable alternative for him/her. (P Davidsson – 1995). The job independence and utility expected from a job is also a factor that affecting the entrepreneurial intention of a person. (EJ Douglas, DA Shepherd -2002) the downward career mobility

affect the professional ego of an employee. And a chance for stop working for the firm. Unemployment and entrepreneurship intention has a very significant relation and it is proportionate (M Cowling, W.D Bygrave -2002). When a professionally qualified person with high potential refuses to work in a lower working environment he/she may start an entrepreneurial intention. These are a result of downward career mobility of the employee.

3. Research Methodology

The study conducted among the small scale entrepreneurs of Kerala state, based on a random sampling a group of 50 entrepreneurs with high education qualification and 50 entrepreneurs with low education qualification were selected as a sample. With the help of an unstructured questionnaire, direct interaction made through phone call. To find out is downward career mobility and unwillingness to get employed in a lower position in a new firm has any relationship with entrepreneurial behavior. In the two samples group, the sampling group with higher education's entrepreneurial intention has no significant relationship with downward career mobility because of the education qualification or professional education. The sampling group with low education qualification's entrepreneurial intention has a significant relation with downward career mobility because of low education qualification.

In the study the hypothesis are tested with two groups,

1. Sampling group with high education qualification.
2. Sampling group with low education qualification.

The hypotheses taken for the study are,

H1: There is no significant relationship between entrepreneurial intention and change in job position.

H2: There is no significant relationship between entrepreneurial intentions and perceived under employment.

H3: There is no significant relationship between entrepreneurial intentions and perceived fear of competition.

H4: There is no significant relationship between entrepreneurial intentions fear of social rejection.

4. Data Interpretation

For the study a higher education is defined as the person who got educated with minimum under graduation in a scheme of 10+2+3 of state government of Kerala. Preferring B tech and MBA

1. Entrepreneurial Intention and Changes from Working Position.

From the data, the finding is there is significant relationship between entrepreneurial intention of entrepreneurs and changes in their working position. From the samples it is identified that the 73 entrepreneurs out of total 100 samples were under gone a change in working position.

Changes from Working Position	73	27
GROUP 1	37	13
GROUP 2	36	14

From the data it is found that career mobility can be considered as a factor affecting entrepreneurial intention. The factor is significant in entrepreneurial intention of both highly educated entrepreneurs and less educated entrepreneurs.

2. Entrepreneurial Intention and Under Employment

Under employment is considering as a variable for entrepreneurial intention because in working environment when an employee feels that he or she is deserving a high position or high salary or his employee appraisal is not up to his or her expectation the employee feels a mental state of perceived under employment. This perceived state of underemployment is a factor affecting entrepreneurial intention from the study it is found that the perceived feel of under employment is a factor affecting entrepreneurial intention of an entrepreneur.

Perceived Under Employment	75	25
GROUP 1	32	18
GROUP 2	43	7

3. Entrepreneurial Intention and Perceived Fear of Competition

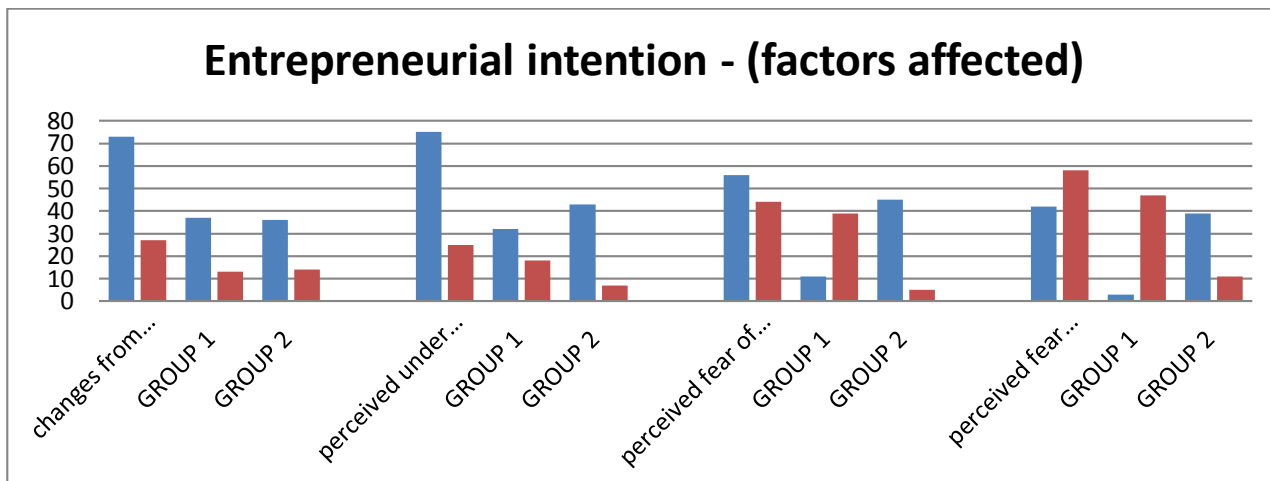
Perceived fear of competition is a mental feel arising from the new changes in employment role. It's not only due to the involvement of another employee but also the work competency for the particular job position. Employees feel of insecurity is considering as fear of competition. The data shows that the perceived fear of competition is significant in total samples and highly significant in group 2. Lower educated entrepreneurs felt fear of competition in their working environment and it leads to the entrepreneurial intention of the person

Perceived Fear Of Competition	56	44
GROUP 1	11	39
GROUP 2	45	5

4. Entrepreneurial Intention and Perceived Fear of Social Rejection

Perceived fear of social rejection is considered as after an employee faces hardship or downward career mobility in working environment, the employee feels a fear of social rejection. A resigning from a company and when he joins in a lower position the employee feels insecurity and fear of social rejection. This feeling of perceived fear of social rejection is a factor affecting entrepreneurial intention of an entrepreneur. From the data it is found that the perceived fear social rejection is not a factor affecting the entrepreneurial intention of entrepreneurs. But it's a very significant factor in case of group 2. The entrepreneurs with low education felt a high feel of social rejection and led to entrepreneurship. In case of group 2 perceived fear of social rejection is a factor affecting entrepreneurial intention

Perceived Fear of Social Rejection	42	58
GROUP 1	3	47
GROUP 2	39	11



5. Findings

From the study the findings are

1. Entrepreneurial intentions has a significant relationship with change in working position. An employee's career movement is a factor in determining the entrepreneurial intention of a entrepreneur. The career mobility is affecting the entrepreneurial intention in two ways. Upward career mobility creates a increased confidence to start an entrepreneurship, and downward career mobility creates a perceived feel of fear and it also leads to entrepreneurial intention.
2. The entrepreneurial intention has a relationship with perceived under employment. Entrepreneurial intentions may arise by the feel of perceived underemployment of an employee.
3. The perceived fear of competition is a significant factor in developing an entrepreneurial intention in samples with low education, but in case of highly educated perceived fear of competition is not a factor in developing entrepreneurial intention.
4. The perceived fear of social rejection has is a significant factor in developing an entrepreneurial intention in samples with low education, but in case of highly educated perceived fear of social rejection is not a factor in developing entrepreneurial intention.
5. Factors affecting entrepreneurial intentions are different in highly educated samples and low educated samples. When studying the entrepreneurial intention factors may differ in different education groups.

6. Limitations

The study is made with only a sample of 100 entrepreneurs in Kerala.

The study shows different result in two different groups, means in case of samples the with high education qualification downward career mobility is not happened in most cases.

7. Conclusion

In the study of entrepreneurial intentions the factor career mobility plays an important role in developing entrepreneurial intention. The perceived fear of social rejection made by downward career mobility , the perceived fear of competition by downward career mobility , perceived underemployment all are factors affecting entrepreneurial intentions of an employee. The study shows different result in two different groups, means in case of samples the with high education qualification downward career mobility is not happened in most cases. There is scope for further study.

8. Reference

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