

The Role of Locus of Control in Determining Entrepreneurial Orientation among College Students of Punjab

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ABSTRACT

Entrepreneurship is assuming great significance in the current economic situation, so it has become imperative to encourage youngsters of the country to take up this activity enthusiastically. Entrepreneurial orientation has become a fundamental concept in the sphere of entrepreneurship and has received an enormous amount of conceptual as well as empirical attention. This work focuses on the impact of Locus of Control on Entrepreneurial Orientation among students of Punjab. The sample comprises of students both boys and girls studying in government as well as private colleges of Punjab at undergraduate level. A stratified random selection of 488 students; both boys and girls will be selected. The focus of the study is that the Locus of Control is likely to influence many aspects of entrepreneurial orientation.

1. Introduction

Entrepreneurial Orientation: Entrepreneurial Orientation is a combination of all the psychological traits, attitudes and attributes that are associated with a motivation to engage in entrepreneurial activities and starting own business. A large stream of research has examined the concept of entrepreneurial orientation. Entrepreneurial Orientation has become a central concept in the field of entrepreneurship that has received a substantial amount of theoretical and empirical attention. Based on Miller's (1983) conceptualization, the three dimensions of Entrepreneurial Orientation have been identified and used consistently in literature: Innovativeness, Risk taking, and Pro-activeness. Lumpkin and Dess (1996) suggested that two additional dimensions were salient to entrepreneurial orientation. They identified competitive aggressiveness and autonomy as additional components of the Entrepreneurial Orientation construct.

Locus of Control: Locus of control as a term indicates the degree to which an individual assumes or feels responsibility for success or failure in his life as opposed to feeling that external agents, like luck, chance, fate are in control. The concept was introduced by Rotter (1966) who defines the locus of control as the reinforcements which are basic markers of individual's attitudes in the long term. Locus of control is one of the vital concepts in the context of learning difficulty and attitude change. This concept covers the idea that individuals, throughout their lives, analyze the events as their attitudes or they believe that those events result from chance, fate or outside forces (Erdogan, 2003). Internal or external locus of control plays an important role for students to sustain the efficacy and usefulness of learning performance. The 'Locus of Control' is found to be an important factor influencing entrepreneurial orientation by various researchers. The present study attempts to examine this relationship in college students of Punjab.

2. Review of literature

Locus of control refers to one's belief in his or her abilities to control life events (Strauser, 2002). In other words, locus of control is defined as one's thoughts of his/her belief that his/her own power or forces out of his/her control are influential in any positive or negative situation occurring during his/her life (Sardogan, 2006). While one's control on his/her own life dependent on chance, fate and powerful people is explained as external control; maintaining the individual control over one's life on his/her own is described as the internal control (Rotter, 1966). When environmental conditions are not sufficient to explain individuals' success or failures, locus of control can facilitate in making these situations clear. The individuals, who have the internal locus of control, think that they have a big role on affecting the events which influence their lives. Furthermore, they assess themselves as possessing the power for the attitude they want to display by having the positive ego concept, and they believe that they can direct their lives whatever way they desire (Gülveren, 2008).

The individuals with external locus of control relate the events affecting their lives to perceptions such as chance, fate, and fortune which are out of their control. Additionally, they believe that the events affecting their lives cannot be predicted and controlled (Kücükkaragöz, 1998). Individuals with internal locus of control are careful, alert, dominant, focused on success, self-confident, and ingenious. On the other hand, the individuals with external locus of control are less careful, affected by the group members, easily influenced by external forces, less self-confident, and they display unsteady performances (Rotter, 1975).

An internal locus of control has been one of the psychological traits most often put forth as predictive of entrepreneurship (Perry, 1990). Shapero (1975) found that entrepreneurs tended to have an internal focus, and Nelson (1991) found that female entrepreneurs have a significantly more internal locus of control than do females in the general population. Levin and Leginsky (1990) used Levenson's (1973)

IPC scale and found that entrepreneurial social workers tended to exhibit a greater internal locus of control.

Entrepreneurial Orientation (EO) could be defined as a set of psychological traits, values, attitudes and attributes that are strongly associated with a motivation to engage in entrepreneurial activities. It could be described as a mindset of a person, degree of pro-activeness a person possesses to be ahead of others in risk taking behavior, innovation, achievement and so on. Various researchers have investigated the contributions of demographic and contextual factors such as age, gender, work experience, and job satisfaction in mobilizing entrepreneurship behavior (Linan, 2005). Prior work experience through family members, relatives and peer effect often plays a critical role in the development of entrepreneurial skills. Studies have apparently shown that many of the entrepreneurial skills can also be developed and refined within the framework of entrepreneurship education and training courses (Mitra&Matlay, 2004). Zimmer & Scarborough (1998) reported that entrepreneurship is not a genetic trait but a learned skill.

3. Need of study

Entrepreneurial skills are essential for quick economic growth, for alleviating mass unemployment and poverty, especially in the Indian context. Entrepreneurial orientation is essential for creating entrepreneurs who are job creators and not job seekers. In this research an attempt is being made to understand the role of locus of control on entrepreneurial orientations of college students of Punjab. An attempt is being made to gain insight into the question as to why some individuals become entrepreneurs and to find out whether the strength of an individual's personal characteristics can predict entrepreneurial behavior.

4. Objectives of the study

1. To identify the association between Gender and Entrepreneurial Orientation among college students of Punjab.
2. To identify the association between Gender and Locus of Control among college students of Punjab.
3. To identify the relationship between Locus of Control and Entrepreneurial Orientation among college students of Punjab.

5. Hypotheses of the study

H₀₁: There is no significant relationship between Gender and Locus of Control among College students of Punjab.

H₀₂: There is no significant relationship between Gender and Entrepreneurial Orientation of college students of Punjab.

H₀₃: There is no significant relationship between Locus of Control and Entrepreneurial Orientation among college students of Punjab.

6. Sampling Design:

The sampling design involves two phases: In the First phase the colleges are selected by using stratified random sampling taking Government and Private colleges as strata. Only those colleges of Punjab are selected that provide co-education degree courses and have separate departments for all the three streams i.e. Arts, Commerce and Sciences.

In the second phase the students from the selected colleges are selected using stratified random sampling using gender as the stratum. A Total of 488 students (245 boys and 243 girls) are selected for study and self-administered questionnaire is filled from the sample.

7. Research Methodology

In order to study Locus of Control of the sample students, the Levenson Multidimensional Locus of Control Scale (1973) is used. For Entrepreneurial Orientation the questionnaire is self-administered and the reliability and face validity checked by undertaking a pilot study. The Data collected is analyzed in SPSS software version 16. Both Parametric and Non parametric tests are applied to test the framed hypotheses.

The dimensions of variables under study:

Locus of control	Entrepreneurial orientation
1. Internal Locus of Control	1. Self Confidence
2. External Locus of Control	2. Utilizing opportunities
	3. Bearing Risk
	4. Control Orientation
	5. Determination
	6. Innovativeness
	7. Will to succeed

8. Data analysis and interpretation

In order to test the hypotheses of the study, descriptive statistics were generated. The descriptive statistics were generated for the sample of 500 college students. Out of the total questionnaires filled by the students, 488 were found appropriate to be taken for study. The sample of which questionnaires were found to be appropriate consisted those of 245 males and 243 female students. Thus the data was normally distributed with regard to gender.

Table 1: Showing Gender wise Distribution of Sample

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	245	50.2	50.2	50.2
Female	243	49.8	49.8	100.0
Total	488	100.0	100.0	

The frequency Table 2 shows the Locus of Control wise distribution of the sample taken for study. The findings in this

regard show that out of 488 college students taken as sample for study,

Table 2: Showing Frequency of Internal and External Locus of Control

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Internal Locus of Control	260	53.3	53.3	53.3
Powerful others External LOC	89	18.2	18.2	71.5
Chance External LOC	139	28.5	28.5	100.0
Total	488	100.0	100.0	

Hypotheses Testing:

H₀₁: There is no significant relationship between Gender and Locus of Control among College students of Punjab.

Chi square analysis was applied to determine the relationship between Gender of students and their Locus of Control. It was hypothesized that it is unlikely that the Gender of the college students would determine whether the student

has internal Locus of Control or External Locus of Control. The findings of the present study show that there is no significant relationship in this regard and the H₀₁ stands accepted. Table 3 and 4 clearly show that the Chi square value of 1.427 at 2 degrees of freedom is not statistically significant at 5% level of confidence and therefore substantiates that there is no significant relationship between Gender and Locus of Control in the given sample. **Thus, H₀₁ is accepted.**

Table 3: Cross Tabs showing relationship between Gender and Locus of Control

		locCAT			Total
		Internal Locus of Control	Powerful others External LOC	Chance External LOC	
Gender	Male	136	45	64	245
	Female	124	44	75	243
Total		260	89	139	488

Table 4: Chi Square value showing relationship between Gender and Locus of Control

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	1.427 ^a	2	.490
Likelihood Ratio	1.428	2	.490
Linear-by-Linear Association	1.370	1	.242
N of Valid Cases	488		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 44.32.

H₀₂: There is no significant relationship between Gender and Entrepreneurial Orientation of college students of Punjab.

Null hypothesis H₀₂ affirms that there is no significant relationship between Gender and Entrepreneurial Orientation of college students of Punjab. Chi square analysis is applied to find out the relationship between Gender and Entrepreneurial

Orientation of the sample under study. It is hypothesized that there is no significant relationship between Gender and Entrepreneurial Orientation among Undergraduate students of Punjab taken for study. The Cross Tabulation in this regard show that there is no student in the sample that showed Low Entrepreneurial orientation.

Table 5: Showing Cross Tabulation of Entrepreneurial Orientation and Gender

		Gender		Total
		Male	Female	
Entrepreneurial Orientation	Mod	114	126	240
	High	131	117	248
Total		245	243	488

Table 6: Showing Chi square value between Entrepreneurial Orientation and Gender

	Value	Degrees of Freedom
Chi Square Value	1.382	1
Likelihood Ratio	1.383	1
No. of Valid Cases	488	

All the under graduate students taken for study have shown either moderate or higher Entrepreneurial orientation. Cross Tabs in Table 5 show that Males have higher Entrepreneurial orientation as compared to female under graduate students. Further, the Chi Square results reveal that there is no significant relationship between Gender and Entrepreneurial orientation (Chi Square Value=1.382 at 1 degree of freedom). **Therefore the null hypothesis H₀₂ in this regard is accepted.**

H₀₃: There is no significant relationship between Locus of Control and Entrepreneurial Orientation among college students of Punjab.

Chi square analysis is applied to find out relationship between Locus of Control and Entrepreneurial Orientation among college students of Punjab. The Cross Tabs in Table 7 reveal that students with internal Locus of Control have shown a higher tendency for Entrepreneurial Orientation. In other words, the students who believe that they are the masters of their own destiny and that they themselves are responsible for all the good and bad happenings in their life are more likely to show higher Entrepreneurial Orientation. The Chi square value of 60.697 at 2 degrees of freedom is highly significant at 1% level of confidence. **Thus null hypothesis H₀₃ is rejected.**

Table 7: Cross Tabs showing relationship between Locus of Control and Entrepreneurial Orientation.

		locCAT			Total
		Internal Locus of Control	Powerful others External LOC	Chance External LOC	
ENTORIEN	Mod	85	59	96	240
	High	175	30	43	248
Total		260	89	139	488

In order to substantiate the results Correlation test is applied. The Correlation results reveal that Internal locus of Control is significantly and positively associated with Entrepreneurial Orientation for the sample under study. The Correlation value for Internal Locus of Control is .295 which is significant at 1% level of confidence. External Locus of Control is not found to be significantly related with Entrepreneurial

Orientation. The correlation results in Table 9 further reveal that External Locus of Control (Powerful Others) has a negative relation with Entrepreneurial Orientation among college students of Punjab. This means that the students who believe that others are responsible for whatever happens in their life have a lesser orientation for Entrepreneurship.

Table 8: Chi square Value showing relationship between Locus of Control and Entrepreneurial Orientation.

	Value	df	Asymp. Sig. (2-sided)
Pearson Chi-Square	60.697 ^a	2	.000
Likelihood Ratio	62.030	2	.000
Linear-by-Linear Association	53.795	1	.000
N of Valid Cases	488		

a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 43.77.

Table 9: Showing Correlation between Locus of Control and Entrepreneurial Orientation

		loc INTERNAL	LOCPow	LOC CHANCE	EO
loc INTERNAL	Pearson Correlation	1	.098*	.187**	.295**
	Sig. (2-tailed)		.030	.000	.000
	N	488	488	488	488
LOCPow	Pearson Correlation	.098*	1	.330**	-.088
	Sig. (2-tailed)	.030		.000	.051
	N	488	488	488	488
LOC CHANCE	Pearson Correlation	.187**	.330**	1	.055
	Sig. (2-tailed)	.000	.000		.225
	N	488	488	488	488
EO	Pearson Correlation	.295**	-.088	.055	1
	Sig. (2-tailed)	.000	.051	.225	
	N	488	488	488	488

*. Correlation is significant at the 0.05 level (2-tailed).

** . Correlation is significant at the 0.01 level (2-tailed).

9. Conclusion

In nutshell, the study finds out a significant relationship between Internal Locus of Control and Entrepreneurial Orientation in the sample of students taken from Punjab. The results is well in consonance with the earlier studies who have shown similar results. The findings also reveal that gender has no significant relationship with Locus of Control but this is an important variable in case of Entrepreneurial orientation.

Overall, the findings of the study reveal personality of the students as an important factor leading to their Entrepreneurial Orientation of which Locus of Control is an important part. The education system should consider the personality development as an important predictor of Entrepreneurship in the area and thus the government policies should work positively for that.

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