

A Study on the Entrepreneurial Mindset of the Generation Z

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ABSTRACT

This paper aims to investigate the mindset essential to entrepreneurial success of the young students towards entrepreneurship, who are yet to enter the field of work (Generation Z). Generation Z are those born between 1996 to 2000 (Mark & Sniderman, 2018). The factors associated with the entrepreneurial mindset are inclination to take risks, venturing into new fields, innovation & creativity. In this paper an empirical study has been done wherein a survey was conducted on 148 students who are pursuing their graduation/post-graduation degrees in various fields (Management, Hospitality, Law, Design, Information Technology, Family Managed Business, Liberal Arts and Journalism) to test how the demographic profiles play a vital role in affecting the factors like willingness towards taking risk, innovation, working out of their comfort zone, facing challenging situations and uncertainty, few of the key factors associated with entrepreneurship. This study contributes to the body of the literature of entrepreneurial mindset with insights that there is relationship between the demographics of the students, their cultural background and their mindset towards entrepreneurship. The tests used to identify the relationship are One-way ANOVA test, Chi-Square and Cross-Tabulations.

Key- Words: Entrepreneurial Mindset, Generation Z, Risk-Taking, Innovative, Uncertainty, Demographic, Comfort-Zone & Student

I INTRODUCTION

The need to become an entrepreneur over the ages have always been spurred by micro and macro factors, in recent times events like the great recession has accelerated the number of people choosing to be entrepreneurs. Industry 4.0, globalisation and immense support system for start-ups has led to the next wave of generating entrepreneurs. Interestingly a huge impetus is given to youngsters, fresh out of college to take their creative innovations and make businesses that can add value to the society. In the current age of technology India is on the path to become the youngest country in the world, with a median age of 29 by 2020, has 46% of its workforce below the age of 36. With a keen understanding of technology, ability to reach for their dreams and a can do attitude of the youth, they are bound to transform the economy of the country. The focus however has now shifted from the millennials to a generation post millennials who are still pursuing their degrees, who have still not entered the workspace as a full-time wage earners contributing to the daily household income. This generation is more popularly termed as generation Z, those born in the time period 1996-2010. Generation Z is an internet friendly generation, brought up in the midst of technology, when there was never a time-period where any major calamity (natural/artificial) existed. They are well versed with the technological advancements, are better networked, have a higher degree of awareness and are keen to develop their own creations. (Reeves & Oh, 2007) The initiatives by the government of India like Start-up India, Make-In India, a start-up ecosystem in the cities, Incubation Cells in colleges to even tinkering labs in schools, etc have served as a bedrock in paving a way of creating budding

entrepreneurs even before their graduating ceremonies.

This study deals with the generation Z in the age group of (18-23) who are still pursuing their graduation/post-graduation degrees. The study aims to investigate their demographic backgrounds in relationship with entrepreneurial mindset in terms of willingness to innovate and risk taking ability. The second part of the paper deals with Literature Review on Generation Z and Entrepreneurial Mindset contributing to the objectives of the study. The third and fourth section of the paper deals with the methodology applied in data analysis and interpretation of the data analysed. The paper is summarised with the findings and conclusions towards the end.

II LITERATURE REVIEW & OBJECTIVES OF THE STUDY

- (a) **Generation Z-** Earlier identified as the post-millennial generation has now been termed commonly as Generation Z. By 2018, it became substantial to create a cutoff between Millennials and Generation Z. While there are multiple studies categorizing Generation Z and Millennials in different time periods a recent survey by PEW research center states that those born between the time period of 1996-2010 are classified as the Generation Z¹. They are the first globally most technologically literate and socially empowered generation. They are techno-savvy almost by birth. Technology is not an added advantage but serves as a routine tool for them. They are highly dependent on technology serving even as their first language. (Reeves & Oh, 2007). Compared to previous generations, they are virtually more aware, have

efficient network skills, driven by higher exposure to digital media and they tend to spend significantly more time on online social networks as compared to the earlier generations (A.P.Singh & Dangmei, 2016)

(b) **Entrepreneurial Mindset-** The term entrepreneurial mindset is not synonymous to entrepreneurship however plays a vital role in entrepreneurial success. There are various studies that introduce EM indicators to identify personality variables that might have a significant impact on entrepreneurial variables. The indicators are categorized into Personality traits (such as Self- Confidence, Action Orientation, Risk Acceptance, Need to Achieve, Readiness for venture) and skills (such as Persistence, thinking/looking from a Higher Order, Idea Generation, Originality, Execution, User oriented thinking) (Ashourizadeh, Chavoushi, Z, & Schott, T., 2014), (Ngek, 2015). The accumulation of the entrepreneurial mindset indicators is defined to be taught to promote entrepreneurial discipline. (Davis, Hall, J.A, & Mayer, P.S, 2016)The term entrepreneurial mindset has been coined as “the inclination to discover, evaluate and exploit opportunities” (Bosman & Fernhabe,S, 2018).

(c) **Objectives of the study**

- (i) To study the relationship of demographic background of respondents to their willingness to become an entrepreneur.
- (ii) To study the willingness of innovation of respondent.
- (iii) To identify the risk-taking abilities of respondents

III METHODOLOGY

Descriptive and Causal Research design were used in the research. The descriptive research was done in order to describe the respondents i.e. Generation Z and the casual research was conducted to analyze the association of various demographic variables with entrepreneurial mindset variable such as willingness towards taking risk, innovation, working out of their comfort zone, facing challenging situations and uncertainty. The data has been collected from both primary and secondary sources. The primary data was collected through a self-administered questionnaire. Non-probability sampling method was used as the questionnaire was distributed online as per the convenience of the researcher. A total of 148 respondents were surveyed in the city of Surat who are pursuing their graduation/post-graduation degrees in various fields (Management, Hospitality, Law, Design, Information Technology, Family Managed Business, Liberal Arts and Journalism). This study contributes to the body of the literature of entrepreneurial mindset with insights that there is relationship between the demographics of the students, their cultural background and their mindset towards entrepreneurship. The various statistical tools used were tests One-way Anova test, Chi-Square and Cross-Tabulations through SPSS.

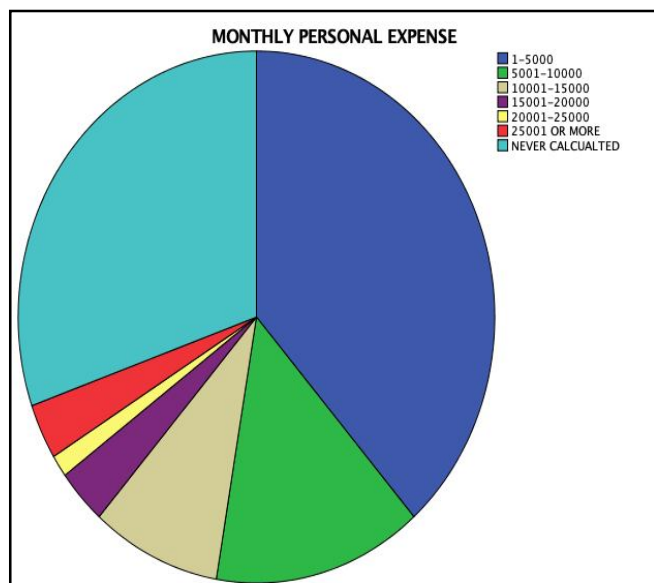
IV DATA ANALYSIS

A set of frequency tables were generated to study the descriptive statistics of the sample.

Willingness amongst the respondents towards entrepreneurship

Figure: - 1 Pie chart for Monthly Personal Expenses

Table: -1
Frequency table for Monthly personal Expenses



Monthly Personal Expenses	Frequency	Percent
1-5000	57	38.5
5001-10000	21	14.2
10001-15000	13	8.8
15001-20000	5	3.4
20001-25000	2	1.4
25001 OR MORE	5	3.4
NEVER CALCUALTED	45	30.4
Total	148	100.0

From the Fig: -1 and Table: - 1 we can observe that the Respondents in the sample comprising of Generation Z largely the age bracket of 18 years to 23 years had their monthly personal expenses in large two groups, 39% belonged to the category wherein they personal expenditure was below 5000 and the second largest category was of 30.4% who never calculated and spent as and when required.

Also, from the Figure: - 2 we can clearly observe that the respondents belonging from the business background 34% of them never calculated their monthly expenditure and 30.40% in the entire sample of Gen z irrespective of belonging to any family occupation also never calculated their monthly expenditure

Figure: - 2 Bar chart of Monthly personal expense of respondents and their family occupation.

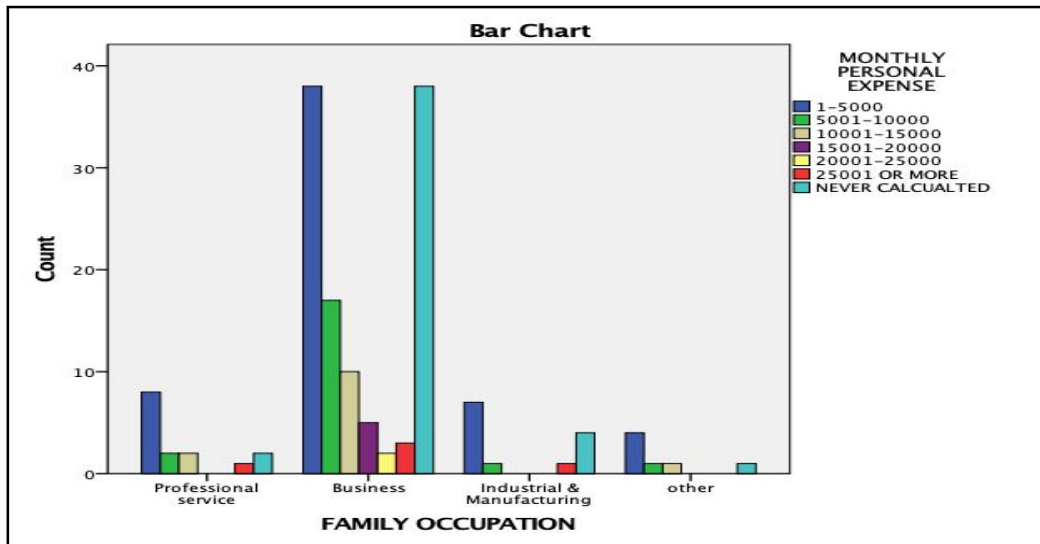
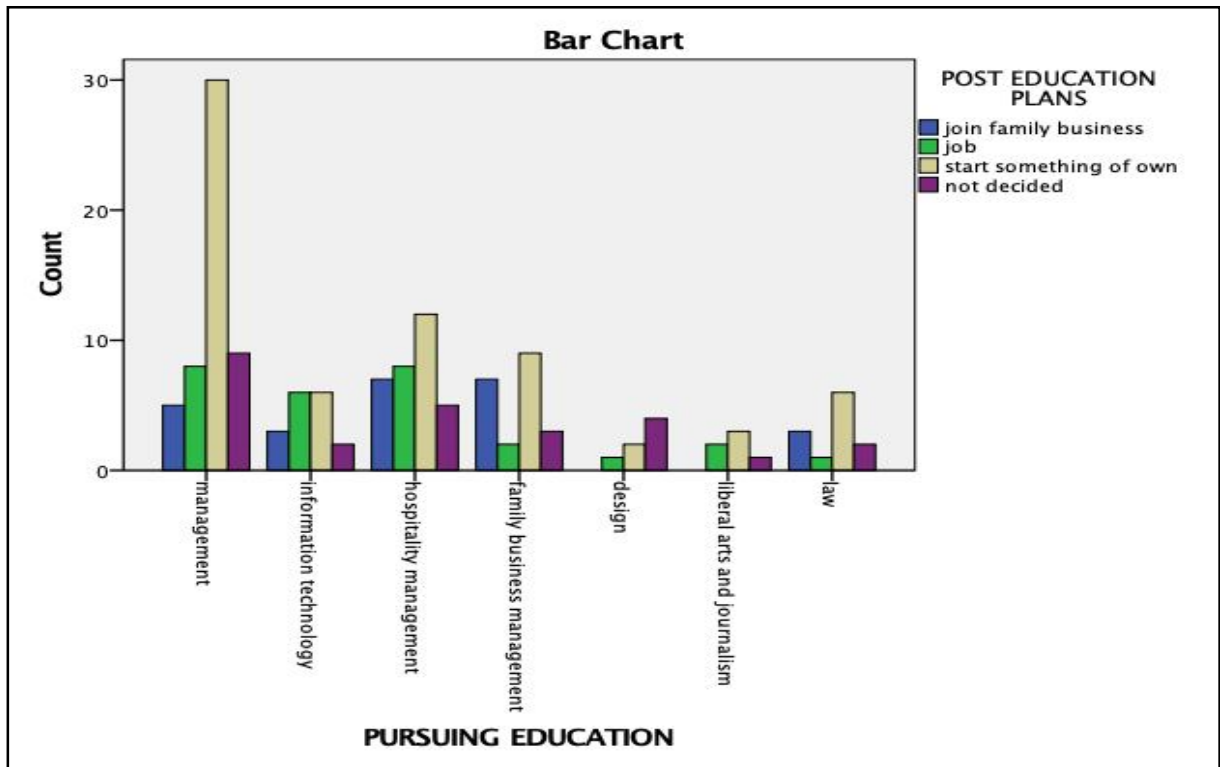


Table:- 2
Cross tabulation with frequency between the respondents Family occupation and their Monthly personal expenditure

		MONTHLY PERSONAL EXPENSE							Total
		1-5000	5001-10000	10001-15000	15001-20000	20001-25000	25001 OR MORE	NEVER CALCULATED	
FAMILY OCCUPATION	Professional services	8	2	2	0	0	1	2	15
		53.30%	13.30%	13.30%	0.00%	0.00%	6.70%	13.30%	100.00%
	Business	38	17	10	5	2	3	38	113
		33.60%	15.00%	8.80%	4.40%	1.80%	2.70%	33.60%	100.00%
	Industrial & Manufacturing	7	1	0	0	0	1	4	13
		53.80%	7.70%	0.00%	0.00%	0.00%	7.70%	30.80%	100.00%
Other	4	1	1	0	0	0	1	7	
	57.10%	14.30%	14.30%	0.00%	0.00%	0.00%	14.30%	100.00%	
Total		57	21	13	5	2	5	45	148
		38.50%	14.20%	8.80%	3.40%	1.40%	3.40%	30.40%	100.00%

Fig. 3 Respondents from various educational fields and their plans post their education



Source:- Primary Data

- (a) **Interpretation:-** Gen Z pursuing management have obvious choice to start something of their own and they are highest in numbers. The next following them were respondents from the field of hospitality field.

Table:- 3

Cross tabulation:- Percentage frequency distribution of respondents post education plans with respect to their major reasons for their respective choices

		THE REASON TO CHOOSE POST EDUCATION PLANS														
		MONEY		T ot al	AUTON OMY		T ot al	FLEXIBLE TIMINGS		T ot al	SCOPE FOR INNNOVATIO N		T ot al	CONTR OL		T ot al
		yes	no		yes	no		yes	no		yes	no		yes	no	
POST EDUCATION PLANS	JOIN FAMI LY BUSI NESS	16	9	25	7	18	25	11	14	25	17	8	25	4	21	25
	JOB	14	14	28	6	22	28	7	21	28	12	16	28	6	22	28
	STAR TUP	47	22	69	14	55	69	24	45	69	46	23	69	20	49	69
	UNDE CID E	11	15	26	2	24	26	4	22	26	7	19	26	9	17	26
Total Count	88	60	148	29	119	148	46	102	148	82	66	148	39	109	148	
% reason wise	59.50%	40.50%		19.60%	80.40%		31.10%	68.90%		55.40%	44.60%		26.40%	73.60%		

Source:- Primary data

(b) **Interpretation:** - The major reason to select their choice of career post their education is Money with 59.50% Yes and the second most top reason is innovation with 55.40%. The

respondents who have chosen Startup or Entrepreneurship as their future plan basically were the ones whose scores were highest for the reasons Money & Innovations.

Table 4
Chi Square test to test the association of Post education plans of the respondents with the major reasons to choose their careers.

Sr no	Null Hypothesis	Chi- Square Test			Result
		Value	df	p-Value	
H ₀₁	There is no association (relation) between respondents Post education plan and the reason of Money for their respective choice	6.571 ^a	3	.087	Cannot Reject Null Hypothesis
H ₀₂	There is no association (relation) between respondents Post education plan and the reason of Autonomy for their respective choice	3.540 ^a	3	.316	Cannot Reject Null Hypothesis
H ₀₃	There is no association (relation) between respondents Post education plan and the reason of Flexibility for their respective choice	5.863 ^a	3	.118	Cannot Reject Null Hypothesis
H ₀₄	There is no association (relation) between respondents Post education plan and the reason of Innovation for their respective choice	15.468 ^a	3	.001	Reject Null Hypothesis
H ₀₆	There is no association (relation) between respondents Post education plan and the reason of Control for their respective choice	2.892 ^a	3	.409	Cannot Reject Null Hypothesis

Source:- Primary Data

The Null Hypothesis H₀₄ was rejected as the association between Respondents post educational plan and Innovation was established, with the p (.001) which is P value <0.05. This indicated that there was a relationship established between respondents plans after

education and the reason for the same being innovation

H₀₇:- There is no association (relation) between respondent's gender and their opinion that female entrepreneurs have different struggle from their male counterparts

Table:- 5
Cross Tabulation and Frequency table between Gender and Opinion about Female Entrepreneurs facing struggle different then Male counterparts.

		Opinion about female entrepreneurs facing struggles different then male entrepreneurs		Total
		yes	no	
GENDER	Female	32	40	72
	% within GENDER	44.40%	55.60%	100.00%
	Male	46	30	76
	% within GENDER	60.50%	39.50%	100.00%
Total		78	70	148

Chi Square:- value – 3.836^a, df – 1, p-value – 0.050

V RESULT

We reject Null Hypothesis H_{07} . There is an association between gender and the opinion on believing that the female entrepreneurs' struggles are different than male entrepreneurs. From the

cross tabulations it is clearly indicative that the Men are of a stronger opinion than women about the female entrepreneur's struggles being different by 60.5%. Also, in total score also both genders believe that female entrepreneurs have different struggle than men.

Table:- 6
One way ANOVA test for Age and Willingness to take risk for greater rewards and Decision making in situation of uncertainty

	N	Mean	Standard Deviation	F	p-value
H_{08} There is no significant difference between Age and Willingness to take risk for greater rewards	148	3.95	.894	3.047	.012
H_{09} There is no significant difference between Age and Decision making in situations of uncertainty	148	3.30	1.069	2.668	.025

(c) **Interpretations:** - Null hypothesis H_{08} & H_{09} were rejected, A one-way ANOVA between subjects was conducted to compare the effect of age of respondents on the willingness to take risk for rewards and decision-making in situations of uncertainty. The result was significant effect at **F(3.047) , p=.012 & F(3.20) , p=.025 at p-value < 0.05 level** . The age of the respondents was the independent variable and the willingness to take risk for rewards and Decision-making in uncertainty was the dependent variables. It was established that the impact of age was significant on both the dependent variables.

the men. The men were strong believers of this fact. It would be a scope of future study to investigate the major reasons of this belief.

Willingness to Risk taking for greater rewards was established within this age segment (generation Z). Taking Risk has been considered one of the critical factors for entrepreneur's mindset. Our study reveals that the generation Z is very open in taking up risks for greater returns. In the end this study has established strong connections in respect of demographic influences, willingness for innovation and risk taking amongst its respondents (gen Z).

VI FINDINGS AND CONCLUSION

After conducting the various statistical tests certain major findings were established in this study on Generation Z and their entrepreneurial mindset. The demographic variables such as age , gender , family occupation , their monthly expenditure played as very important role in their entrepreneurial mindset . It was observed in the study that the generation Z is a carefree generation as they largely did not keep account of their expenses made, especially those who belonged from the business background. Mostly the respondents wanted to start something of their own and those who belonged from the field of management were the highest in their entrepreneur drive and closely followed were the one from the hospitality field. The major influencing factor for the students to start their own start-up was Money and drive for innovation. The generation Z in this study realizes the importance of money and also is driven largely by innovations and these are the reasons that this generation wants to start on their own. A relationship between innovation and post education plans was identified. This brings us to the conclusion that the generation Z is of high entrepreneurial mindset as innovation is highly important for them.

The Generation Z still suffers from the mindset of gender bias as the study revealed an association between the Gender and the opinion that female entrepreneur journey is more difficult as compared to

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