

<<Institutional and Policy Aspects of Promoting Entrepreneurship as A Career Goal among Youth>>

D. W. C. P. Dambugolla, Research Officer,

Ministry of Foreign Affairs,

<< dambugolladw@yahoo.com>>

1. Abstract

Include abstract with maximum of 300 words

English: Times New Roman, 12pt.

Many countries around the world both developed and developing are trying to promote entrepreneurship in order to boost rural economy. However, there has been no systematic attempt to look at it from a youth angle as their career goal. The main objective of this study was to examine the entrepreneurship development policy and institutional support dimensions towards the entrepreneurial expectations for choose entrepreneurship as their career goal referring to youth segment. For this study, 70 registered youth entrepreneurs from 10 different sectors of the VIDATHA program of Ministry of Technology and Research (MTR) during the year 2012 were identified. The primary data was collected directly from a youth through questionnaire. Regression model was utilized for predicting the level of youth entrepreneurs' expectation as a dependent Variable and the independent variables categorized using entrepreneurship policy criteria (policy relevance, efficiency, effectiveness, sustainability) and Institutional support criteria (entrepreneurial culture, education, business development support and access to finance). The results of the study advocated that **promotion of entrepreneurial culture** and **business development support services** were the **significant contributors** for the youth entrepreneurs' expectations towards Institutional Support and the **efficiency of the policy** is the **significant unique contributor** to the prediction of youth entrepreneurs' expectation towards entrepreneurship policy. The major challenge faced by youth entrepreneurs is to transform their enterprises into commercially viable, competitive business. Also entrepreneurship development projects have different goals and objectives, in terms of target group, political agenda and types of interventions. Further, there is no single policy model for encouragement and promotion of entrepreneurial activity among youth. Therefore, it is recommend establishing single institutional framework for promotion of entrepreneurial activity among youth and suggesting for formulating single policy model for encouragement and promotion of entrepreneurial activity among youth and key promoting agency with the combination of all sectors.

Keywords: Career Option, Entrepreneurship Development, Entrepreneurship Policy, Institutional Support, Youth Entrepreneurship.

2. **Introduction and research problem/issue** Include introduction with maximum of 300 words English: Times New Roman, 12pt.

Sri Lanka's population is little over 20 million of which young men and women in Sri Lanka account for 18.5 % of the population and the total population is expected to increase up to 22 million during the next 10 years. Labour force is about 8 million while the unemployment rate of the country at present is 4% and of which youth unemployment between ages 15-19 is 18.9% and 20-29 is 11.3% totaling 30.2%. Sri Lanka for decades is facing major challenges in providing employment and meeting aspirations of the youth. In recent years, the promotion of entrepreneurship as a possible source of job creation, empowerment and economic dynamism in a rapidly globalizing world has attracted increasing policy and scholarly attention. General entrepreneurship policy (including enabling environment), awareness and network building, access to finance, entrepreneurship education and skills, R & D and technology transfer and regulatory environment are the six components that should be consider when promoting entrepreneurship.

Therefore, promotion of youth entrepreneurship is important and Sri Lanka has taken different activities to identify how key institutions can support entrepreneurship development in Sri Lanka. In this backdrop and complement to the "Gama Neguma" national program, the Ministry of Science and Technology conceptualized the VIDATHA program (**Vidya Dana Thakshana**) to take Technology to Village and launched it in 2005. VIDATHA program is expected to significantly reduce the unemployment, rural poverty and raise the entrepreneurship and quality of life at village level. Therefore, the main objective of this study is to analyze the impact of institutional and policy support for choosing entrepreneurship as youth's career option. This research addressed the question, how architecture of institutional and policy support affect to youth entrepreneur's expectations to choose entrepreneurship as their career option and predict the youth entrepreneur expectations using the dimensions of institutional support.

3. **Research Methodology**

Include research methodology with maximum of 200 words
English: Times New Roman, 12pt.

For this study registered youth entrepreneurs of the VIDATHA program of Ministry of Technology and Research (MTR) during the year 2012 were identified as a sample. A list of registered business operators was obtained from the MTR which consisted of 135 youth business operators from 10 different industries. Sample was stratified based on industry and the probability proportionate to size. 52% of the population is covered the sample which amounts to a sample of 70 business operators.

Data analysis done through regression model, correlation and descriptive statistical methods. The conceptual model has been developed using two separate set of independent variables; institutional support and Entrepreneurship Policy dimensions for a common dependent variable.

$YEE_i = a + b_1RP_1 + b_2EyP_2 + b_3EsP_3 + b_4SP_4 + b_5PEC_5 + b_6EET_6 + b_7AFE_7 + b_8BDS_8$ Where:

Y = Youth Entrepreneur's Expectation (YEE)

a = Constant

b_j = Slope of variable X_j ; $j = 1, 2, 3, 4, 5, 6, 7, 8$

RP_1 = Relevance of Policy (RP)

EyP_2 = Efficiency of Policy (EyP)

EsP_3 = Effectiveness of Policy (EsP)

SP_4 = Sustainability of Policy (SP)

PEC_5 = Promotion of Entrepreneurial Culture (PEC)

EET_6 = Entrepreneurship Education & Training (EET)

AFT_7 = Access to Finance for Entrepreneurs (AFE)

BDS_8 = Business Development Support (BDS)

4. Results and findings

Include results and discussion with maximum of 500 words English: Times New Roman, 12pt.

Cronbach's alpha of 0.981 values suggests very good internal consistency reliability for the scale with this study. Inter-Item Correlation Matrix was observed and none of the output were negative. None of the **Tolerance values** are **less than 0.10** and all **VIF value are less than 10** indicates that there is no collinearity exists satisfying the multicollinearity requirement. In the **Scatter plot** of the standardized residuals (the second plot displayed) ideal situation is that the residuals will be roughly rectangularly distributed, with most of the scores concentrated in the centre (along the 0 point). The calculated Mahal Distance is less than 21.012 and hence it proves that there are no outliers. 61.5% of Youth entrepreneurs' career expectation is explained by the model. Furthermore, as per the **Coefficient the Beta value** says that the **Business Development Support** has strongest contribution (1.493) towards describing the Youth Entrepreneurs' Expectation while **promotion of entrepreneurial culture** is the next strongest contributor with negative value (-0.607). Furthermore, the **Entrepreneurship policy's efficiency** and the **promotion of entrepreneurial culture** are significant at 0.1 levels with corresponding significant value 0.099 and 0.061 respectively. Coefficients of these independent variables are **Entrepreneurship policy's efficiency** (0.589) and **promotion of entrepreneurial culture** (-0.607) and are the significant unique contributors to the prediction of Youth Entrepreneurs' Expectation.

Regression model is fitted to predict the Youth Entrepreneurs' Expectation using the policy dimensions of Entrepreneurship Policy (Relevance, Efficiency, Effectiveness and Sustainability). This tests the null hypothesis

that multiple R in the population equals 0. The model in this example reaches statistical significance (Sig. = .000; this really means $p < .0005$). That means the regression model fit is significant at 0.0005 levels.

As per the comparisons with national policy (Mahinda Chintana), it is obvious that “VIDATHA” is a good program but the promotions of its services were ineffective and the service is taken by **617** youths but only created **135** entrepreneurs (**21.88%**). As the corresponding policy aspects have not been effectively implemented the service of “VIDATHA” programs due to relevance were not identified (none of the policy aspects related to entrepreneurial development were sufficiently implemented) Though the Ministry spent sufficient funds (**LKR650, 000/-** in 2014), the return of investment is low (**22** training per 2014 and **135** entrepreneurs so far) due to lack of improvement of other policy aspects. Overall effectiveness is not what the YE expected as they are not in a position to use the services that “VIDATHA” gives. “VIDATHA” will sustain as a separate program which has been established as policy decision but the less supportive for sustainability of other policy aspect due to their failures.

“VIDATHA” provides educational services for entrepreneurs (**22** trainings in 2014), innovations not so far, technology transfers, promoting entrepreneurial culture, facilitates the development and support service and assist the financial service but as per the sample studied only **promoting the entrepreneurial culture** and **support services** were the significant contributors. This means the financial assistance is not youth entrepreneurs’ expectation.

Conclusions, implications and significance Include conclusion with maximum of 100 words

English: Times New Roman, 12pt.

To conclude, no doubt youth are willing to choose entrepreneurship as their career goal. In that scenario institutional support and entrepreneurship development policy play major contribution and youth career option is highly depend on these aspects. Survey result showed that **Business Development Support, Promotion of Entrepreneurial Culture** and the **Efficiency of Entrepreneurship Policy** are the **strongest contributors** for youth to choose entrepreneurship as their career. According to the survey results youth expect more practical business support services, particular business management training and access to working capital from the Institutes. The major challenge facing youth entrepreneurs is to transform their enterprises into commercially viable and competitive small businesses. Also youth entrepreneurs said that the policies are made without the understanding and communication with the youth entrepreneurs. Enterprise promotion projects have different goals and objectives, in terms of clients, aspirations and types of interventions. It has a political motive than the national policy. The young entrepreneurs are expecting specific supports and ideas pertaining to some industries which are not addressed in these policies. There is no single policy model and single institutional framework for the encouragement and promotion of entrepreneurial activity among youth in Sri Lanka. Key issues that on youth entrepreneurship policies are: There are no proper policy/programme linkages, Youth policies are not properly integrated with key macroeconomic policies, Youth policies are not properly integrated with key sectorial policies, the policies lack effective implementation mechanisms.

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*Corresponding Author, [Tel:0718243200/0771111923](tel:0718243200/0771111923), Fax: 0000-00-0000000

E-mail Address: dambugolladw@yahoo.com