Research on the Contents and Structure of Two-Dimension’s Entrepreneurial Initiative for a College Student in Chinese Transitional Environment

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Abstract: The aim in this study was to further analyze the construct of entrepreneurial initiative in a sample of Chinese college students. This paper held a semi-structural interview to nineteen private entrepreneurs in different industries from different areas. Then, this paper analyzed the contents of the interview records and designs a questionnaire to survey the entrepreneurial initiative for entrepreneurial students based on literatures and interviews. Finally, this paper made a statistical analysis of one hundred and fifty two forecasting data and two hundred and fifty nine effective measurement data. The research revealed the two-factor structural mode of entrepreneurial initiative. Here, the two dimensions referred to initiative on task involvement and initiative on relationship construction.

Keywords: entrepreneurship; personal initiative college students; confirmatory factor analysis

1 Preface

One always complains the survival environment. In fact, the reason is not the environment itself. Those who seeks the expected world hardly when he gets up is very good survival. If they can’t find their wanted thing, they will create for it.

----- George Bernard Shaw, 1983[1]

There are three kinds of people in the world. They are those who is on the fence, those who is curious of occurred things and those who make things happen.

----- Mary Kay Ash, 1995[2]

Nobody can live with escaping stress. It is not realization without stress. Entrepreneur experienced unimaginable stress and burnout. Why? Firstly, that is the reason of entrepreneurial practice in transitional environment. Most of entrepreneur’s new venture creation had failed in spite of our economic status were entrepreneurial orientation and the successful entrepreneur had superior position. The entrepreneurship in China faced up the status of owing many entrepreneurial opportunity, strong entrepreneurial spirit and inferior entrepreneurial capacity. New economic, internationalization and transitional time are the challenge that private entrepreneur in China had to face up to. The economic processed through the creative breaking. Some of the large scale firm had been broken up by new venture creation. The risk firm’ new mode made the origin large scale firm’s competition loss (Shane,2005)[1].The transitional environment in the new economic promote entrepreneur to reflect and practice his own ability to overcome entrepreneurial challenge. The entrepreneur must learn to coping with stress. Secondly, the entrepreneur had to face up psychological problem during the process of entrepreneurial action. Zhang(2005) finished a survey on entrepreneur and indicated that 87.4 percent of private entrepreneurs experienced serious stress and inferior status on mental health. In recent years, people called entrepreneur as “beggar”[2]. Chinese entrepreneur’s mental health was apprehensive. Finally, the coping theory on entrepreneur is focused on in this paper. By reviewing on coping theory, relieving stress is still the main clue. However, the entrepreneur’s stress coping is on the unexplored field. There exited transitional phase at present in China. The marketing economic developed unevenly in that the rapid variation appeared. The entrepreneur played an important role in this complex economic environment. Therefore, coping with the opposite effect of coping stress, overcoming the international challenge and keeping up with flourish and entrepreneurial spirit are the entrepreneur had to accept an important task.

What are the characteristics of the entrepreneurial stressor for entrepreneurs on earth? Boyd (1983)[3] put forward the integrated structure of four-factor entrepreneurial stressor, namely, loneliness, involved career, relationship and the need for achievement. Adebowale(1994) [4] investigated entrepreneur on small and middle firm and found the similar result. Chay(1993[5]) found the significant difference between entrepreneur and general staff on working mode and...
characteristic. However, there was not significant difference on general stress. Vasumathi(2003) put forward the role stressor of entrepreneur was composed of need of achievement, need of power, need for growing and belonging. And the paper found there was not significant difference between the various entrepreneur on entrepreneurial background. Williams and Cooper (1998) found seven work stressor on staff. There were workload, relationship, growing career, responsibility of management, personal responsibility, conflict between work and family, trivialities.

In China, it needs to be further analyzed and discussed which measurement is better for analyzing the structural characteristics of entrepreneurial stressor for entrepreneurs and whether it is necessary to make a double check under Chinese cultural background. In addition, the dimension of entrepreneurial stressor obtained by the entrepreneur group must be modified and verified. Therefore, this paper adopts the structural equation modeling and other high statistical analysis methods study the dimensional structure of entrepreneurial stressor for entrepreneurs in an empirical research, hoping to supply theoretical basis and practical guidance for researches on new venture creation.

2 Method
2.1 Participants

One hundred and fifty two predicting samples and two hundred and fifty nine effective samples participated anonymously in the study. The first group of samples is questionnaires filled out by One hundred and fifty two samples (including the vice presidents and the entrepreneurs who hold more than 10% of stocks. This paper takes them as effective samples). Researchers provide two hundred and forty questionnaires and one hundred and seventy samples are returned. The return ratio is 70.8%. Delete eighteen ineffective samples. The effective samples are one hundred and fifty two. The ratio of effective return is 63%. The collected data will be used for a probing factor analysis of entrepreneurial initiative for the sample on entrepreneurial process. The second group of samples consists of questionnaires filled out by two hundred and fifty nine samples. Researchers provide three hundred and eighty seven questionnaires and two hundred and eighty one samples are returned. The return ratio is 72.6%. twenty one ineffective questionnaires are deleted. The effective questionnaires are two hundred and fifty nine. The ratio effective return is 66.9%. The collected data will be used for a testing factor analysis of entrepreneurial initiative. In the aspect of responders’ conditions, male (67.3%) and female (32.7%); junior college (43.5%), college and master or above (56.5%); in the aspect of enterprise background, computer software industry (47.2%), service industry (52.8%); they all belonged to small and middle firms in the aspect of enterprise size.

2.2 Instruments

The paper applied Semi-structural interview and questionnaire design.

Firstly, based on the semi-structural interview of nineteen samples on college student on the process of entrepreneurship and the questionnaire of Entrepreneurial initiative of Frese (1996) and Xue (2009), the paper designed and worked out the original twenty seven items on entrepreneurial initiative. Then, the questionnaire is designed by interviewing samples with different backgrounds and taking references from literatures related with new venture creation. Basing on the interview data of nineteen entrepreneurs, the paper carried out coding on the interview data. The interview data had been verified and adapt. The result indicated that eleven items should be deleted because of lower loading. Besides, four items of multiple loading had been deleted too. This paper focused on two dimensions of entrepreneurial initiative, including initiative on task involvement and initiative on relationship establishment. Finally, according to the questionnaire, the subjects of the research are mainly college student on the process of entrepreneurship in two industries (computer industry and service industry) in Beijing, Shanghai, Hangzhou, Wenzhou, Ningbo, Quzhou, Xuzhou, Nanjing, Wuxi, and Changchun. By means of testing, we further examine the quality of questionnaire in representation, differentiation, simplification, and exactness. Then, we accept five experts’ suggestions and complete the final formal questionnaire by amending the initial questionnaire and deleting some questions. The final questionnaire is composed of ten items. The questionnaire adopts Likert Scale, from one to five respectively standing for full non-accordance to full accordance.

2.3 Procedure and data analysis

The questionnaires are administered in an anonymous form, both in individually and in a small group in the forum. This paper adopts SPSS13.0 and structural equation modeling software AMOS4.0 to make data analysis. The statistical analysis methods include probing factor analysis and testing factor analysis.

3 Results

Concerning the existence of two dimensions of entrepreneurial initiative, the probing factor analysis and confirming factor analysis were analyzed. Table 1 reports the results of two dimensions of entrepreneurial initiative.
Table 1. The factor analysis result of personal initiative of entrepreneur on a sample of college student

<table>
<thead>
<tr>
<th>Measurement item</th>
<th>factor1</th>
<th>factor2</th>
</tr>
</thead>
<tbody>
<tr>
<td>factor 1: initiative on task involvement</td>
<td>α=.886</td>
<td></td>
</tr>
<tr>
<td>- I use opportunities quickly in order to attain my goals</td>
<td>.861</td>
<td>.194</td>
</tr>
<tr>
<td>- I take initiative immediately even when others don’t</td>
<td>.792</td>
<td>.111</td>
</tr>
<tr>
<td>- In the process of entrepreneurship, whenever something happens, I search for a solution immediately</td>
<td>.697</td>
<td>.027</td>
</tr>
<tr>
<td>- whenever there is a chance to get actively involved, I take it</td>
<td>.654</td>
<td>.142</td>
</tr>
<tr>
<td>- whenever something goes wrong, I search for a solution immediately</td>
<td>.649</td>
<td>.037</td>
</tr>
<tr>
<td>- On client, I usually do more than I am asked to do</td>
<td>.623</td>
<td>.256</td>
</tr>
<tr>
<td>factor 2: initiative on relationship establishment</td>
<td>α=.846</td>
<td></td>
</tr>
<tr>
<td>- I can grasp chance to establish commercial relationship immediately</td>
<td>.264</td>
<td>.867</td>
</tr>
<tr>
<td>- I am good at cultivating commercial relationship</td>
<td>.258</td>
<td>.824</td>
</tr>
<tr>
<td>- I am seeking for improvement on commercial relationship</td>
<td>.053</td>
<td>.635</td>
</tr>
<tr>
<td>- I can grasp it as soon as there is the chance to associate commercial partner</td>
<td>.170</td>
<td>.530</td>
</tr>
</tbody>
</table>

37.56%  
27.01%

Cumulative Variance  
66.57%

Note: N=152.

By item variation and sample testing, the efficiency of samples and the Bartlett’s test of sphericity indicate that we can adopt factor analysis for samples and items in this research (Bartlett’s test of sphericity: Approx. Chi-Square =764.794, df =45; KMO =.899***). The scree plot displays that factors between two and three will be the best. The probing factor analysis shows that we can refine two factors from the 14 questions of 27 items after tests. Four double-factor-loading items are deleted at the same time. Ten items on personal initiative are preserved. Six questions are initiative on task involvement (six items). And four questions are initiative on relationship establishment (four items). All items have a factor loading larger than .30. The scope is from 0.530 to 0.861. Data show that the four factors explain the connotation of entrepreneurial stressor for new venture creation to a comprehensive degree. The explainable variance variations of two factors are respectively between 37.56% and 27.01%. In accumulation it can explain 66.57% of variation. The Cronbach’s Alpha coefficient is between 0.846 and 0.886. The general Cronbach’s Alpha coefficient is .920. (Table 1)

Figure 1 shows the results of the confirming factor analysis of the two-dimension entrepreneurial initiative.

In this research, we use the second group of samples to make testing factor analysis of entrepreneurial initiative for a sample of college student. The model diagram and the fit index are showed in Figure 1. It rightly verifies the two-dimension model derived from the probing factor analysis. (1) The path coefficients between each factor and its observation index are relatively higher (0.60 above), what proves that these factors have stronger representation and abstractness. (2) The path coefficients between factors are at a medium level or above, what proves that there are certain differentiation and close association between factors. As for the fit index, except AGFI is relatively lower, others reach the significant standard GFI=0.97 AGFI =0.92 NFI=0.90 CFI=0.93 IFI=0.92 ), RMR=0.076, χ²/df<3 (21.447/8 = 2.68).

4 Discussion

By means of probing factor analysis and testing factor analysis, This research concludes the two dimensional model of entrepreneurial initiative for new venture creation, including (1)initiative on task involvement (2) initiative on relationship establishment.
Initiative on task involvement, as one of structural dimension of entrepreneurial initiative for venture creation in transitional environment, is one of the most important dimensions. It means entrepreneurs actively deals with difficulties. They will be self-starting and proactive and has a goal-directed and action-oriented.

The eight kinds of entrepreneurial stressor are mutually independent. On the entrepreneurial stressor of Chinese private entrepreneurs, there is limited study. This paper verified the eight-dimension entrepreneurial stressor model based on theory and empirical study. New entrepreneurial stressor questionnaire has better reliability and validity. And the questionnaire enriches the past result and obtained proper structure. In transitional background on China, exploring entrepreneurial stressor is meaningful and valuable.

References