Attitudes of the Youth towards Entrepreneurs and Entrepreneurship: A Cross-Cultural Comparison of India and China

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Abstract

This study argues that social support is an important enabler in entrepreneurial activity in a country or a region. One untested assumption in policy making has been that all regions are equally desirous of entrepreneurial activity and one policy could address issues in all regions. It was argued that attitudes towards entrepreneurs and entrepreneurship are important determinants for future entrepreneurial activity. These attitudes would be impacted by the family background of an individual and entrepreneurial development of the region which he/she comes from. It was hypothesized that more positive attitude would be seen in (i) people form entrepreneurial backgrounds, and (ii) entrepreneurially more developed regions.

These hypotheses were tested on more than 5,000 respondents in India and China. The results for family background's influence on attitudes found strong support in both India and China. Regional development showed stronger influence on attitude in India than in China. The findings, issues around measurement of attitudes in cross-cultural study, and implications for policy making are discussed.

Keywords: ATTITUDE, ENTREPRENEURSHIP, YOUTH, INDIA, CHINA, CROSS-CULTURAL

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Introduction

Entrepreneurs and entrepreneurship are arguably the pillars on which economic health of societies was built. Their role has been highlighted in opportunity creation through new ventures and maintenance of existing ones (Evans, 1942; Leibenstein, 1968). Entrepreneurship has been identified as the fourth factor of production that helps discover new frontiers leading to all round economic growth (Harper, 1991; Leff, 1979), and a resource that needs to be tapped by developing countries to enable them to compete in a globalizing market economy (Kanungo, 1998; Khandwalla, 1998). More recently, The Commission of European Communities (2005) reported that entrepreneurship is very important for further social development through increased job opportunities and consequent economic prosperity. Several developing countries have identified promotion of entrepreneurship as a focus area for governments, financial institutions, and academic institutions.

The importance of entrepreneurial ventures in creating new job opportunities is highlighted well in Indian Information Technology (IT) sector. In Indian IT sector alone, Small and Medium Enterprises (SMEs) in aggregate turned out to be largest employers in the country in the last 10 years ("SMEs largest employers: Skoch," 2002). Similarly in China, in 2002, SMEs were responsible for about 60% of China's industrial output and employed about 75% of the workforce in cities and towns (China's small and medium enterprises: room to grow with WTO, http://www.usembassy-china.org.cn/econ/smes2002.html). High entrepreneurial activity is clearly the driving force behind the growth in India and China, both countries with large young employable population.

Global Entrepreneurship Monitor (GEM) carried out studies to measure entrepreneurial activities, their drivers and impact in several countries. It reported that India and China have consistently registered high entrepreneurial activities though the two countries had different patterns of support and investments in entrepreneurship (*GEM Hong Kong and Shenzhen Report, 2003;* Manimala, 2002). Despite differences in terms of government structure and political contexts in India and China (Malenraum, 1959), there are many similarities. Both countries have billion plus populations, rich cultural heritage of their

own, large natural resource base, and are fast growing economies. Given that culturally they are quite similar (Hofstede, 1980) it would be interesting to study as to how entrepreneurs and entrepreneurship are perceived by youth in these two similar looking yet different societies.

Promoting entrepreneurship in India and China

The government in India has attempted to create conducive environment for entrepreneurs and make the proposition for entrepreneurship attractive by providing support in three formats; (i) government policies favoring promotion of entrepreneurial activity; (ii) making financial support available; and, (iii) setting up of academic or institutional support for imparting entrepreneurial and business skills. Similarly, in China multi-pronged strategies for promoting SMEs have been formulated by the government. Such strategies have been supported by academicians and researchers' insights and advise (Gnyawali & Fogel, 1994).

First, at the macro level the government policies shifted from the promotion of state owned enterprises and a strict license regime for private partners in industrial activity to encouraging private ownership of business in early 1990s. Reported experiences from the earlier regime suggested that difficulties in starting up businesses and handling the pressures of entrepreneurship in the initial phases deterred people from taking up entrepreneurship as means for livelihood. The grant of licenses, controls and taxations had been cited as one of the major hurdles in the setting up and running of new businesses (Awasthi & Sebastian, 1996; Gautam, 1979; Mokry, 1988; Sadhak, 1989; Singh, 1985). However, since liberalization of the Indian economy in the early 1990s, entrepreneurship had been encouraged in India by systematic attempts at removal of state imposed structural and regulatory roadblocks. More progressive governments had tried to make it easy for entrepreneurs to set up businesses. The growth of Bangalore and Hyderabad as hubs for organizations engaged in Information Technology business were direct outcomes of government's support in form of tax holidays to start-ups and other sector-region specific concessions to start new ventures.

Second, there were attempts to make finances available to businesses. In the earlier banking paradigm it was not so easy to get loans for starting new ventures or expanding

current businesses. The Reserve Bank of India changed its outlook and urged banks to consider easier lending to small and new businesses ("Banking not equipped to promote SMEs: RBI," 2002). The Government of India also increased efforts in this direction. Small Enterprise Development Bill of 2003 included guidelines for banks and other government agencies to ensure easy disbursement of loans to new ventures (Gopalakrishnan, 2004). Subsequently, lowering of borrowing rates from the banks also made it easy for entrepreneurs to run profitable business.

The third form of support and development of entrepreneurial talent by various institutions came in the form of setting up training institutions for entrepreneurs. Setting up of national institutions such as the Enterpreneurship Development Institute at Ahmedabad is indicative of such thinking at the government level in India. Technical and management institutions such as the IITs and IIMs have set up special centers to support 'technopreneurs' and other innovators. These institutions provide basic technological and management know how and understanding of how to start and run a business, and also incubate new businesses till they are able to sustain themselves.

China has witnessed an economic history very similar to India in a broad sense though it has advanced much further than India (World Development Indicators, 2002). There has been a shift in Chinese government's philosophy of the state from being the sole care-taker of its people to becoming a partner and resource provider to the businesses by investing in the education of its youth and help in starting enterprises. The efforts got a further boost with a five-pronged strategy to promote SMEs in China under provisions of the Small and Medium Enterprise Promotion Law of 2003. The support came in the form of incubation support by government and its nodal agencies, directive to banks to provide easier lending to start-ups, easier funding from a new SME development fund, market development by networking of SME with large firms, transfer of new technologies to SME on a favorable basis, and provision of information services to SME by government agencies.

Societal influence on attitude

At the heart of all these attempts of governments in the two countries there is an assumption that entrepreneurship is good and society, families and individuals at large

view entrepreneurship as beneficial, and given the right incentives people would engage in entrepreneurship. This assumption, however, remains largely untested. There is little work on studying the influence of societal attitude as an *a priori* factor on attitude towards entrepreneurs and entrepreneurship (Autio, 2005).

It is known that attitudes of people are precursors to their behaviors (Ajzen & Fishbein, 1980). Past work in development of attitude has indicated that exogenous factors like social milieu have an impact on attitude and intentions of individuals (Ajzen, 1991; Kanungo, 1990; Kiggundu, Jorgenson, & Hafsi, 1983; Krueger, 1993). Negative attitude of people towards government policies have resulted in failure of attempts to promote entrepreneurship (Gnyawali & Fogel, 1994). This linkage between attitude and subsequent behaviors has been established in entrepreneurial behaviors as well (Krueger & Carsurd, 1993; Lee, Chua, & Chen, 2004). This study argues that it is possible that if the family and society at large views entrepreneurship as valuable and positive, youth will be encouraged to opt for entrepreneurship as a career.

As most policy making attempts are based on anecdotes, success stories and prescriptions documented elsewhere (Thomas & Mueller, 2000), a better understanding of societal attitudes would give insights for policy making towards promotion of entrepreneurship. In case, there is a positive attitude towards entrepreneurs and entrepreneurship it would be easier for policy makers to encourage entrepreneurship. They only need to offer programs that would encourage entrepreneurial activity in the society. On the other hand if the attitude is negative, policies would only be successful once the society is willing to accept entrepreneurial activity as something that is positive. In such cases wide-spread attitude change programs would have to be initiated.

Effect of family's occupational background

It has been found that socialization impacts an individual's attitude towards entrepreneurship (Brockhaus & Horwitz, 1986; Jackson & Rodkey, 1994). An individual's socialization takes place at home, at the place of education, and in other spheres of interaction. Socialization includes messages about what is good and positive, what lends status, what is valued by others etc. Family background and parental role-modeling has been found to be the most prominent factor that affects early socialization

and hence formation of attitude towards entrepreneurship (Matthews & Moser, 1995; Scott & Twomey, 1988). Early communication received and imbibed by an individual from the family would impact career choices by inducing individuals to choose a career in which they are viewed positively by society. In Singapore, Lee and Wong (2003a, b) found that those showing more interest during programs on entrepreneurship were more likely to engage in entrepreneurial activity. The desire to study in entrepreneurship programs was, in turn, found to be higher in people coming from business family background. Together, these suggest that family's occupational background is likely to impact the preferences of individuals towards entrepreneurs and entrepreneurship. It is therefore hypothesized that

H1A: Family background of an individual will have an impact on individual's attitude towards entrepreneurs and entrepreneurship. Therefore, individuals coming from business or entrepreneurial background will be more positive towards entrepreneurs and entrepreneurship.

Given that the two countries are culturally similar (Hofstede, 1980),

H1B: It is hypothesized that there will be no difference in the influence of family background on individual's attitude towards entrepreneurs and entrepreneurship in China and India.

Effect of regional growth imbalance

The extent of economic activity could also impact availability of resources necessary for entrepreneurship. The regional development has also been posited to affect occupational choices (Parker, 2005) and formation of societal attitude towards entrepreneurship. For example, while studying failure of alliances in Russia, different regions were found to have different preference levels for strategic alliances (Shpil'ko, 1991). Both India and China have regional imbalances in the economic growth leading to increase in regional divergence (Chaudhuri & Ravllion, 2007; Jian, Sacks, & Warner, 1996; Kanbur & Zhang, 1999; Sun & Dutta, 1997). Table-1A summarizes regional activity and contribution to India's GDP for different regions. The western and southern regions in India are entrepreneurially more active and economically more advanced; the eastern region is least

active (see Figure -1A). Table-1B and Figure 1-B present the regional economic activity in China. East China is the biggest contributor to Chinese GDP followed by South, North, West, Central regions respectively.

Table 1A India - Region's GDP Share (%) for 1993-94 to 2002-03

	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03
North	23.26	23.09	22.76	23.23	22.81	22.46	22.47	22.88	22.36	21.65
South	24.91	25.14	25.10	24.75	24.57	25.38	25.31	26.51	25.81	26.33
East	19.94	19.68	19.15	18.82	19.27	19.17	18.86	19.55	19.70	20.13
West	31.88	32.09	32.99	33.19	33.35	33.00	33.36	31.06	32.12	31.89

Source: Central Statistical Organisation

Figure 1A India - Regions' % GDP share (1993-94 to 2002-03)

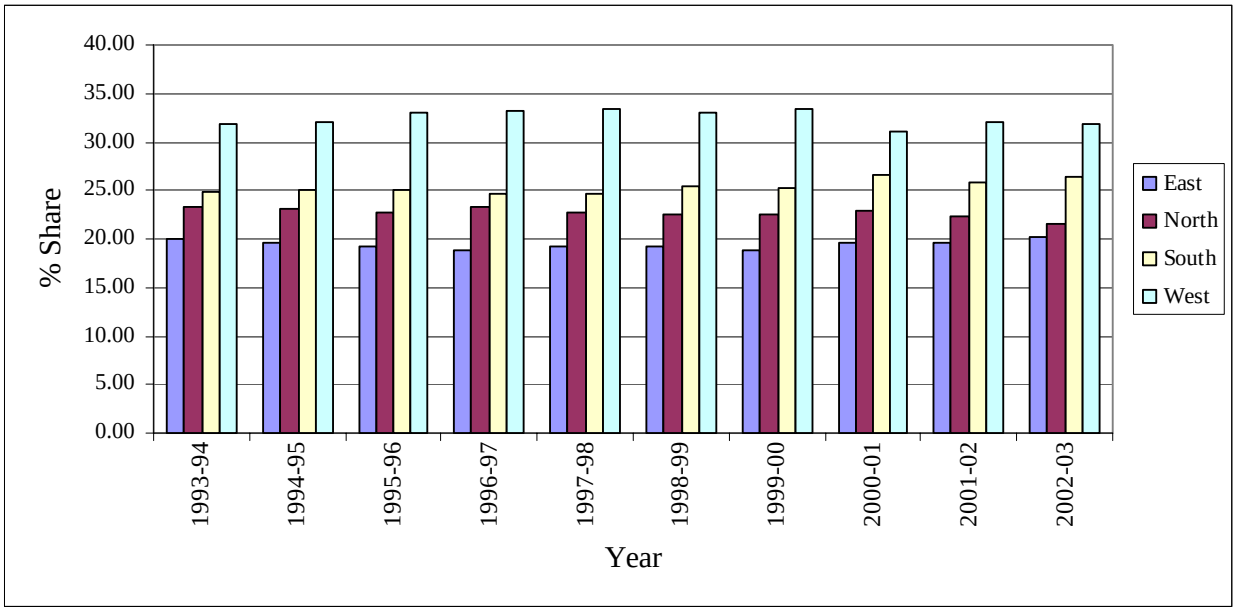
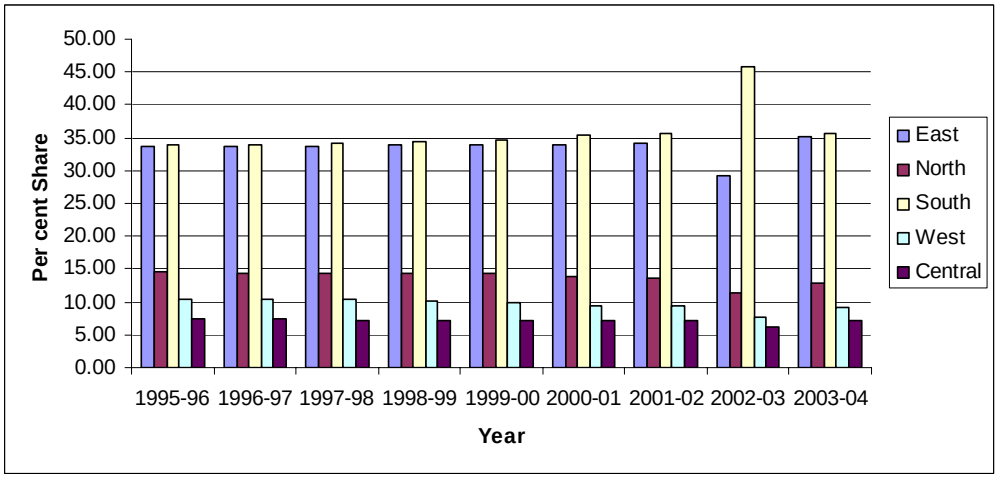


Table 1B China – Region's GDP Share (%) for 1995-96 to 2003-2004

	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
North	14.63	14.48	14.47	14.38	14.39	13.95	13.67	11.28	12.93
South	33.86	34.03	34.10	34.29	34.54	35.35	35.62	45.75	35.73
East	33.67	33.68	33.70	33.88	34.01	33.92	34.10	29.16	35.06
West	10.46	10.42	10.44	10.18	9.96	9.53	9.36	7.73	9.09
Central	7.38	7.39	7.29	7.27	7.09	7.25	7.25	6.07	7.19

Source: China Statistical Bureau

Figure 1B China - Regions' % GDP share (1995-96 to 2003-04)



These regions also have different growth rates depending on the levels of economic activity in them. Table-2A presents average annual growth rates in per capita state income for India at 1993-94 prices for the period of 1993-94 to 2000-01. The southern region has shown highest average increase in income, followed by western region. The eastern India shows the least growth.

Table 2A India- Region wise % growth in income (1993-94 to 2000-01)

Region	Annual Growth Rates* (%)
North	5.25
South	6.2
East	4.025
West	5.275
India	6.3

*At Constant (1993-94) Prices

Source: Economic Survey of Maharashtra 2002-03, Directorate of Economics & Statistics, Planning Department, Govt. of Maharashtra.

Table 2-B presents the annual growth rate for per capita income in different regions in China. The trends of growth are similar to those of contributions to country's GDP. The biggest contributor, East China region is also the fastest growing region in the country, whereas the smallest contributor (West region) is the slowest growing region within China.

Table 2B China- Region wise % growth in income (1995-96 to 2003-04)

Region	Annual Growth Rates* (%)
North	9.80
South	10.0
East	11.5
West	9.80
Central	9
China	8.9

Source: China Statistical Bureau

The divergence also impacts the resource availability for setting up and running new businesses. For example, in India there is divergence in entrepreneurial and economic activity. Consequently, the regional imbalances in GDP share and growth were also evident in the number of registered companies in a region (Table 3) lending support to the argument that more developed regions are also entrepreneurially more active. In India, for example, the western region had the highest number of registered companies in the country and the eastern region has the least number of registered companies. Similar data was not available for China.

Table 3 India – Regionwise breakup of registered companies (2000)

Region	N	%
North	128410	27.40
South	100257	21.40
East	76625	16.35
West	163280	34.85
TOTAL	**468572**	**100.00**

Source: Indiastat.com

Past research has argued that regional growth disparity influences the culture of regions (Alexander & Kumaran, 1992; Atal, 1991). Here, the combined trends indicate that regional imbalances in economic activity are growing and quite likely to grow over the next few years. It is likely that regions having greater entrepreneurial activity would have more success stories, have presence of informal networks to support entrepreneurship, exhibit more resilience in case of failure, benefit from informal learning from social channels of communication, and give impetus to entrepreneurial activity in these regions. Together, they give rise to a positive spiral in favor of promoting entrepreneurship and

entrepreneurial activity, thereby making the attitude towards entrepreneurs and entrepreneurship more positive in more developed regions. On the other hand, in less developed regions, there is lack of evidence of entrepreneurial success and therefore lesser examples from where one can learn about entrepreneurs and entrepreneurship. Together they result in a negative spiral that may lead to negative attitude towards entrepreneurs and entrepreneurship in lesser developed regions. Therefore, one can expect that the attitude towards entrepreneurs and entrepreneurship would be more positive compared to lesser developed regions.

Given the regional development and growth scenarios the attitude was expected to be most positive for West region and least positive for Eastern region in India. The North and South India were expected to fall in middle with not many differences. For China, Eastern China was expected to be the most positive in its attitude towards entrepreneurship followed by South and North regions. The Central and West China regions were the least developed and were expected to be least positive in their attitude within China. It is therefore hypothesized that

H2A: Within a country, regions with higher entrepreneurial activity would have more positive attitude towards entrepreneurs and entrepreneurship when compared to lesser developed regions.

Given that China and India both have regional imbalances in GDP and entrepreneurial development it is hypothesized that,

H2b: The trend will be similar in China and India.

Method

Operational definition of entrepreneur and entrepreneurship

Despite the interest in the characteristics and phenomenon, there is little clarity on who is an entrepreneur and what is entrepreneurship (Cunningham & Lischeron, 1991; Kuratko & Hodgetts, 2004)? An entrepreneur has been characterized as a leader manager (McClelland, 1961), innovator (Schumpeter, 1934), a risk taker (Brockhaus & Horwitz, 1986), an initiator and creative thinker (Hisrich, 1989, 1990) having internal locus of

control (Rotter, 1966; as in Brockhaus & Horwitz, 1986), and different from managers (Penrose, 1995). It is still difficult to answer the question looming large for more than six decades now – who an entrepreneur really is (Evans, 1942)? It has been suggested that the definition of entrepreneur and entrepreneurship has to be conceptualized beyond setting up of new businesses (Shane & Venkataraman, 2000). Moreover, in developing countries, the boundary between small business owners and entrepreneurs is often blurred (Thomas & Mueller, 2000).

Therefore, a workable definition that spans across levels of success, size of activity, or social stratum in which such activity takes place was developed and used in this study. An entrepreneur is *an individual who establishes and manages a business for profit and growth. The business is the primary source of income and it consumes majority of the time and resources of the entrepreneur*.

Consequently, *the activity of establishing and managing a business for profit and growth is called entrepreneurship.*

Instrument preparation

A questionnaire was developed to assess attitudes of college youth towards entrepreneurs and entrepreneurship. Sixty four items were generated on the basis of past studies by GEM and discussion with entrepreneurs about their perceptions of people's reactions towards them. A 5-point Likert scale was used to measure the level of agreement. It was administered to 35 volunteers in a city in western India. These volunteers were asked to mark their agreement and also report difficulties in answering any of the items. Based on these responses twenty eight items were dropped because of the difficulties reported by the respondents in understanding the items or the inability of the items to yield differentiated responses. Also, respondents reported that they were more comfortable choosing the neutral mid-point option because it did not require them to commit to either side of the scale. The scale was therefore changed to a four-point one with strongly disagree, disagree, agree, and strong agree as the four anchor points in the next phase. Reflecting on the findings from discussions with entrepreneurs in the initial phase and failure to obtain important aspects of attitude in Likert type of items, the questionnaire was modified to include semi-projective items (Puhan, 1982). The modified questionnaire

had 36 statements to measure attitudes on a five-point scale, two items for ranking various career choices to represent preference in a portfolio of careers (Henderson & Robertson, 1999), and three semi-projective items that required participants to choose one or more options as were found suitable to the situation.

The modified questionnaire was pilot tested on 80 undergraduate students in a city in west India, and to 120 undergraduate students in an East Indian city. Analysis of these responses resulted in dropping of 27 attitude measurement statements and minor modifications in the remaining nine statements. One negative item was reverse coded at the time of analysis. Out of three semi-projective items in the pilot questionnaire, one was dropped after the pilot test. The use of a 4-point scale was also tested and it showed that it made the respondents to show their agreement or disagreement with the item and they did not seem unduly pressured in choosing one of the four options. Thus it was decided to retain a four-point scale to allow better measurement of attitudes towards a particular item/statement. These nine items were presented in the final questionnaire as Part A. The two items that required participants to rank order career choices and perception of corruption among professions were retained with minor editing in the final questionnaire as Part B.

Part C had two semi-projective items. The first semi-projective question was about evaluation of an individual who chose to leave a well-paying job to become an entrepreneur. In the second question participants were asked to mark their reasons for entrepreneurs being rich. Participants were asked to choose more than one reason if they felt the need for doing so. The choices included had positive and negative valences. Thus, if a respondent viewed entrepreneurs/entrepreneurship negatively, the instrument would be able to record such responses. Finally, Part D had items related to demographic information of the participant. The demographic information asked for information about the degree program the participant was in, parents' highest educational qualification, major occupation(s) in their families, socio-economic status, and geographical region where the respondent had spent most of his/her life. The questionnaire had another section with some items for studying a different construct.

The questionnaire was developed and extensively tested in India. The final version of the Indian questionnaire was translated to Chinese and then back translated following the

procedure suggested by Brislin (1986) to English by two independent Chinese Professors of English in Tianjin University. One of the items was found ambiguous and it was subsequently dropped.

Sampling Procedure and Administration

The most probable source of future entrepreneurs is the youth of a country. They are the product of the society and reflect the prevalent attitudes (Scott & Twomey, 1988; Veciana, Aponte, & Urbano, 2005). Therefore it was decided to study the youth studying in colleges. This was also more practical as students in colleges are more accessible and with the help of colleagues in other colleges similar testing environment could be assured (Thomas & Mueller, 2000). All participant students in this study were volunteers. Participants were administered the questionnaire in a group setting both in India and China. The participants were told that it would take about 10 minutes to fill in the questionnaire. The administrator also read out the definition of entrepreneurship given in the questionnaire after handing out the questionnaire to the participants and clarified any doubts about the definition. They were assured of their anonymity and were requested to give spontaneous and candid responses.

Undergraduate students studying humanities, languages, and pure sciences in various colleges participated in this study. Students pursuing undergraduate degree in commerce streams and professional courses such as medicine, engineering, computer sciences were not included in this study. It was assumed that students in professional courses and commerce streams may be more favorably inclined to entrepreneurship because of their own readiness to become an entrepreneur after receiving a relevant degree. Thus their responses may be biased favorably towards entrepreneurs and entrepreneurship and may not be representative of general population.

In India responses were collected from five non-metro cities each in the north, south, east, and west regions of the country by one of the authors or faculty colleagues in respective colleges. The cities were selected from RKSwmayBBDO database classified on the basis of living standards, facilities, and buying power of the city. The profiles of the cities were similar and representative of urban centers in the region. These cities were also study hubs for those who desired to opt for higher studies within the region. Various colleges

were contacted in each city, and the questionnaire was administered to volunteer participants in classroom settings. Therefore, the sample presented here is representative of the educated urban youth in India. A total of 3,208 responses were collected in India.

The selection process to higher education in China ensures that students from all regions are represented in a single university. A nationwide entrance test is held and for every program in all national Chinese universities students are awarded a seat based on their rank and ranking of the university in the desired field of study. Participants in the selected disciplines (humanities, languages, and pure sciences) at four universities in Tianjin city of China were administered the questionnaire by a faculty member in a classroom setting. 3,000 responses in all were collected in China. The instructions and method of collecting data was similar in both countries.

Data Analysis

The occupations were initially divided into four categories of agriculture, business, service, and more than one occupation. If a participant spent most of his/her life in a region other than the region of data collection the response was dropped. Similarly, if a participant had left three or more responses blank the data was dropped. The data cleaning exercise resulted in 2,625 usable responses from India and 2,577 responses from China. The breakup of responses is shown in Table 4.

Table 4 Respondent profile breakup for China and India

	China		**India**	
	%	N	%	N
TOTAL	**100**	**2577**	**100**	**2625**
Males	41.95	1081	46.84	1229
Females	51.34	1323	52.02	1365
Did not report	6.71	173	1.14	31
More than One Occupation	10.21	263	5.74	151
Business	7.02	181	26.74	702
Agriculture	18.24	470	12.11	318
Service	59.80	1541	54.17	1422
North	17.35	447	22.13	581
South	16.84	434	34.02	893
East	43.77	1128	19.43	510
West	8.65	223	24.42	641
Central	13.39	345	NA	NA

For respondents choosing "more than one occupation" for the family, several combinations were possible. Analysis of such responses became very complicated in respective occupation categories. Therefore, such responses were used for analyses only at aggregate and regional levels. These were excluded from analysis of occupational background. 263 Chinese and 151 Indian responses were therefore lost for this category for analysis of family occupation. Given the large sample size this did not influence analysis and interpretation. Agreement of respondents was measured for each statement in Section A in both China and India. The agreement reported here is a combination of "strongly agree" and "agree" choices. Similarly disagreement was calculated by combining "strongly disagree" and "disagree" options.

Results

Table 5 presents the results at aggregate and regional level for agreement with nine statements in first section about attitudes towards entrepreneurs and entrepreneurship.

Table 5 Agreement with statements about entrepreneurs and entrepreneurship for the entire country and regional classification

Description & Classification basis		China		India		Significance
		%	N	%	N	
Entrepreneurship is better than working for others		**66.97**	1,717	**75.90**	1,946	*t* stat=5.470***
	North	**65.77**	292	**70.82**	398	
	South	**70.97**	308	**77.36**	687	
	East	**63.85**	717	**80.84**	405	China $\chi^2 = 44.179^{***}$
	West	**70.72**	157	**74.39**	456	India $\chi^2 = 45.470^{***}$
	Central	**71.26**	243	NA	NA	
Entrepreneurs are popular among my friends and my family members		**35.60**	910	**64.10**	1,630	*t* stat=19.319***
	North	**34.55**	152	**66.73**	373	
	South	**39.49**	171	**64.74**	571	
	East	**37.35**	418	**57.54**	290	China $\chi^2 = 34.543^{***}$
	West	**34.84**	77	**66.22**	396	India $\chi^2 = 31.445^{***}$
	Central	**26.82**	92	NA	NA	

When looking for a life partner for my sister/ cousin sister (myself) we would prefer an entrepreneur over a person who has a job		**52.22**	1,338	**53.98**	1,378	*t* stat=0.576
	North	**50.56**	224	**50.45**	282	China $\chi^2 = 14.721$
	South	**50.92**	221	**58.60**	518	India
	East	**52.63**	590	**47.33**	239	$\chi^2 = 32.293***$
	West	**57.40**	128	**56.03**	282	
	Central	**51.32**	175	NA	NA	
Entrepreneurs have good family life		**43.75**	1,121	**64.95**	1,664	*t* stat=14.232***
	North	**44.14**	196	**64.35**	361	
	South	**46.77**	203	**65.88**	587	China $\chi^2 = 28.102^{**}$
	East	**43.25**	484	**63.13**	315	India $\chi^2 = 15.582$
	West	**37.22**	83	**65.63**	401	
	Central	**45.32**	155	NA	NA	
Rewards from entrepreneurship are more in comparison to the hard work required		**44.93**	1,151	**58.78**	1,480	*t* stat=9.367***
	North	**42.50**	187	**57.14**	312	
	South	**46.31**	201	**70.43**	612	China $\chi^2 = 31.447^{**}$
	East	**43.01**	483	**46.59**	232	India $\chi^2 = 100.560^{***}$
	West	**44.14**	98	**53.55**	324	
	Central	**53.06**	182	NA	NA	
Entrepreneurship is respected in my society		**82.85**	2,125	**79.42**	2,015	*t* stat=0.504
	North	**80.22**	357	**80.72**	448	
	South	**83.64**	363	**84.79**	747	China $\chi^2 = 20.604$
	East	**83.13**	931	**70.22**	349	India $\chi^2 = 88.617^{***}$
	West	**82.96**	185	**77.98**	471	
	Central	**84.26**	289	NA	NA	
Entrepreneurs pay their employees well		**62.71**	1,608	**60.35**	1,519	*t* stat=0.153
	North	**59.95**	265	**57.30**	314	China $\chi^2 = 11.926$
	South	**62.36**	270	**66.29**	582	India $\chi^2 = 34.144^{***}$

	East	**63.79**	717	**55.42**	276	
	West	**65.77**	146	**58.52**	347	
	Central	**61.22**	210	NA	NA	
My friends and I need to become entrepreneurs to make India (China) prosperous		**67.34**	1,722	**72.26**	1,831	*t* stat=6.627***
	North	**65.53**	289	**70.81**	393	China $\chi^2 = 32.760^{***}$ India $\chi^2 = 25.529^{**}$
	South	**68.82**	298	**75.42**	666	
	East	**64.11**	718	**72.60**	363	
	West	**74.21**	164	**68.62**	409	
	Central	**73.98**	253	NA	NA	
Entrepreneurs are rich		**50.94**	1,304	**64.69**	1,656	*t* stat=9.408***
	North	**51.58**	228	**76.07**	426	China $\chi^2 = 19.674$ India $\chi^2 = 76.121^{***}$
	South	**49.31**	214	**58.20**	518	
	East	**48.39**	542	**59.96**	301	
	West	**59.64**	133	**67.60**	411	
	Central	**54.84**	187	NA	NA	

** Significant at $p<.01$; ***Significant at $p<.001$

Overall, the results for Indians show a significantly more positive attitude than the Chinese for majority of the items. The difference in attitude of youth from different regions was significant in India for eight of the nine items. For two of the items – entrepreneurship is better than working for others, and we must become entrepreneurs to make our country prosperous, the youth from lesser developed eastern region were more positive. In China the differences according to region were significant for five of the nine items. Of these five significantly different items, for three of them (better than working for others, popularity among friends and family and need to become entrepreneurs for our country), the youth from the poorest West and Central regions were more positive.

Thus, both in India and China the hypothesis that attitudes would be influenced by the region was only partially supported. Also the prediction of more developed regions being more positive got limited support.

Table 6 shows item wise results for the statements related to attitudes towards entrepreneurs and entrepreneurship classified by major family occupation in China and India.

Table 6 Agreement (in %) with statements about entrepreneurs and entrepreneurship for different occupations in China and India

Description / Classification basis	China		India		Significance
	%	N	%	N	
Entrepreneurship is better than working for others					China $\chi^2 = 15.738$
Business	**70.00**	126	**78.02**	536	India $\chi^2 = 16.311$
Agriculture	**65.64**	447	**77.64**	243	
Service	**67.39**	775	**75.40**	1045	
Entrepreneurs are popular among my friends and my family members					China $\chi^2 = 116.908^{***}$
Business	**63.54**	115	68.84	**464**	India $\chi^2 = 20.096^{*}$
Agriculture	**26.87**	183	62.50	**195**	
Service	**34.53**	395	62.07	**856**	
When looking for a life partner for my sister/ cousin sister (myself) we would prefer an entrepreneur over a person who has a job					China $\chi^2 = 10.530$
Business	**60.77**	110	**63.61**	430	India $\chi^2 = 48.534^{***}$
Agriculture	**49.78**	339	**58.44**	180	
Service	**52.35**	601	**48.31**	672	
Entrepreneurs have good family life					China $\chi^2 = 17.871^{*}$
Business	**51.67**	93	**67.69**	461	India $\chi^2 = 17.006^{*}$
Agriculture	**43.40**	296	**68.69**	215	
Service	**43.61**	502	**63.19**	879	
Rewards from entrepreneurship are more in comparison to the hard work required					China $\chi^2 = 17.961^{*}$
Business	**51.38**	93	**63.16**	420	India $\chi^2 = 23.510^{**}$
Agriculture	**44.12**	300	**60.77**	189	
Service	**45.60**	521	**56.88**	777	
Entrepreneurship is respected in my society					China $\chi^2 = 19.067^{*}$
Business	**85.64**	155	**82.39**	552	India $\chi^2 = 16.467$
Agriculture	**81.50**	555	**81.15**	254	
Service	**82.28**	947	**77.69**	1069	
Entrepreneurs pay their employees well					China $\chi^2 = 18.791^{*}$
Business	**64.09**	116	**65.20**	429	India $\chi^2 = 21.342^{**}$
Agriculture	**62.81**	429	**55.70**	171	
Service	**60.96**	701	**58.71**	809	
My friends and I need to become entrepreneurs to make India (China) prosperous					China $\chi^2 = 11.557$
Business	**66.30**	120	**76.97**	518	India $\chi^2 = 27.444^{***}$
Agriculture	**66.52**	451	**73.55**	228	
Service	**68.55**	787	**70.45**	968	
Entrepreneurs are rich					China $\chi^2 = 14.741$
Business	**53.89**	97	**65.49**	444	India $\chi^2 = 7.568$
Agriculture	**49.05**	334	**63.14**	197	
Service	**52.26**	600	**64.94**	904	

* Significant at $p<.05$; ** Significant at $p<.01$; ***Significant at $p<.001$

For China, those from business background were more positive in their attitude on all items except for the need to become entrepreneur to make China prosperous. The differences between various categories were, however, not significant in China (p = .05) for items on entrepreneurship being better than working for others, need to become an entrepreneur, preference to an entrepreneur as a life partner and viewing entrepreneurs as rich. Indian results showed youth from business class to be more positive in attitude than the service class for all items. The differences between the three occupational classes were significant at p = .05 or lower for seven of the nine statements. The hypothesis that occupational background would influence attitudes towards entrepreneurs and entrepreneurship was supported both in China and India.

In the second section the country level preferences for taking up entrepreneurship as a career were slightly different. Table 7 shows career preference ranking for various professions in China and India.

Table 7 Career preference ranking (1= Most preferred)

	China							India						
	MNC	Large Domestic Company	Small Firm	Bank	Government	Business	Academics	MNC	Large Domestic Company	Small Firm	Bank	Government	Business	Academics
Aggregate	**1**	**2**	**7**	**4**	**5**	**3**	**6**	**1**	**5**	**7**	**3**	**2**	**4**	**6**
Occupation														
Business	1	2	6	4	5	3	7	1	5	7	4	3	2	6
Agriculture	1	2	7	4	5	3	6	2	5	7	4	1	3	6
Service	1	2	7	3	5	4	6	1	4	7	3	2	5	6
Region														
North	1	2	7	4	5	3	6	1	5	7	3	2	4	6
South	1	2	7	3	5	4	6	1	5	7	4	2	3	6
East	1	2	7	3	5	4	6	1	3	7	4	2	5	6
West	1	2	7	4	5	3	6	1	5	7	4	2	3	6
Central	1	2	7	4	5	3	6	NA	NA	NA	NA	NA	NA	NA

Kruskal-Wallis test showed that all differences at occupational and regional levels are significant at p<.001.

Both Chinese and Indians showed strongest preference towards working in an MNC. The second ranking career preference was to work with a large domestic firm in China and to

have a government job in India. Business was the third preferred option for the Chinese and ranked fourth for the Indians, who preferred working in a bank over owning a business.

There were no major differences in people's career preference ranking for various professions in China and India when analyzed according to region. In India, the more developed West and South India regions showed entrepreneurship or starting up an own business as the third most preferred option, whereas the North Indians ranked it fourth and the East Indians ranked entrepreneurial career preference in the fifth place. This trend for India was as expected in the hypotheses about regional differences in attitude towards entrepreneurs and entrepreneurship.

Classification of responses on occupational background basis suggested that youth from business occupational background preferred being an entrepreneur compared to a person from service background in both countries. Chinese from a business background rated entrepreneurship as the third most preferred career choice and those from service background preferred it at the fourth place. Indian youth from business families preferred entrepreneurship in the third spot and those from service background preferred entrepreneurship fifth in their career choice. The results for career preference supported the alternate hypothesis that family's occupational background influences the attitude towards entrepreneurs and entrepreneurship in both India and China.

Table 8 presents the results for semi-projective item on the evaluation of the decision of a well qualified individual who leaves a well paying job to become an entrepreneur.

Table 8 Evaluation of choice of becoming an entrepreneur (Agreement figures in %)

	Good		Bad		Realize potential		Become independent		More Money		Family Not served	
	China %	India %	China %	India %	China %	India %	China %	India %	China %	India%	China%	India%
Aggregate	51.96	35.81	6.25	15.12	82.23	42.51	68.10	40.38	50.76	35.31	5.08	5.87
Occupation												
Business	57.46	43.45	5.52	12.39	73.48	44.73	62.98	37.04	46.41	32.48	5.52	5.56
Agriculture	51.32	37.11	4.97	12.58	83.92	38.05	68.57	41.19	50.15	32.39	4.24	6.29
Service	48.79	31.15	7.17	16.60	82.90	41.63	67.10	40.79	48.70	35.51	4.92	5.27
Region												
North	52.13	32.19	6.49	19.62	79.64	42.51	67.79	46.13	48.32	39.76	5.15	3.10
South	51.38	38.19	5.07	13.10	82.72	48.49	65.44	40.20	47.47	31.58	6.22	5.94
East	51.51	28.82	7.09	15.10	81.74	41.96	68.71	43.53	51.42	40.00	5.14	8.82
West	57.85	41.34	4.04	13.88	80.72	34.63	69.51	32.92	56.50	32.76	4.93	5.93
Central	50.14	NA	6.09	NA	87.54	NA	68.99	NA	52.17	NA	3.48	NA

All background and regional differences for positive items were significant (*p<.01)*

At an aggregate level both the Chinese and the Indian respondents have consistently agreed that the decision to become an entrepreneur was a good decision rather than a bad decision. Both the Chinese and Indian youth see becoming an entrepreneur primarily as a means to realize potential (82.23%; 42.51%), becoming independent (68.1%; 40.38%), and as an opportunity to earn more money (50.76%; 35.31%). The differences in choices about entrepreneurship are spread across regions and it is difficult to clearly decipher a trend in the attitude across regions in China. For India, the most developed west region was also most positive about viewing the decision to take up entrepreneurship with 41.34% respondents saying that it was a good decision. Only 28.82% respondents from least developed East Indian region marked this to be a good decision. Similarly the East Indian respondents turned out to be more negative than the western region respondent for the negative option of family not being served with such an action. Thus the hypothesis of regional development affecting attitude towards entrepreneurs and entrepreneurship in the region for Indian sample was supported.

Youth from business occupational background in both China (57.46%) and India (43.45%) agreed that the action to become an entrepreneur after leaving a well paying job was a good decision as compared to those from service background. The negative choices of entrepreneurial action being a bad decision and this action leading to dis-service to the family were rated lower by business background respondents than those from service background.

The second semi-projective item was based on respondent's attribution of reasons for entrepreneurs being rich. Table 9 presents the results for the item.

Table 9 Percentage agreement for attributions of reasons for entrepreneurs being rich

	Hard Work		Capable		Family		Exploit	
	China %	India %	China %	India %	China %	India %	China %	India%
Aggregate	76.06	67.28	80.17	43.92	18.16	27.70	18.43	14.10
Occupation								
Business	74.59	71.94	77.90	45.87	16.57	25.64	13.26	13.25
Agriculture	75.58	66.67	80.99	41.19	16.96	25.47	18.27	13.52
Service	74.96	64.35	78.15	42.41	18.91	28.62	19.34	12.87
Region								
North	73.38	65.92	77.85	35.97	18.34	30.81	18.12	14.29
South	79.26	74.24	82.49	49.72	17.05	21.50	16.82	14.00
East	73.58	67.45	77.75	44.51	19.95	27.45	20.39	11.76
West	84.75	58.66	87.00	42.59	13.45	33.70	13.45	15.91
Central	77.97	NA	83.77	NA	16.52	NA	17.68	NA

χ^2 values were significant for first three differences between business and service class backgrounds for India ($p<.01$).

Attribution to internal factors such as hard work and capability would indicate positive attitude toward entrepreneurship and attribution to external factors such as exploitation of employees and family background would reveal negative attitudes (Weiner, 1974, 1980). At the aggregate level most Chinese (80.17%) attributed the richness of entrepreneurs to their capability followed closely by hard work put in by entrepreneurs (76.06%). Attribution to hard work was favored response in India (67.28

Analysis of youth responses based on region and occupation did not yield any significant trend for China. However, there were some differences between regions in India. The west region showed less attribution to hard work and more attribution to capability and family compared to any other region indicating a strong influence of family background within the region.

On family background basis, those from business background showed an agreement of 71.94% as against service class' agreement of 64.35% for richness to be attributed to hard work and capability (45.87% versus 42.41%). This internal attribution was also reflected in lesser people from business occupational background (25.64%) attributing richness to family than those from service occupational background (28.62%). Together, these indicated that those coming from business class background were more positive about entrepreneurship than those from service background. Therefore the hypothesis that family background would influence attitude was supported for this item in India but rejected for China.

Table 10 shows the results for the item on perception of corruption levels in various professions.

Table 10 Ranking based on perception of corruption levels in various professions (1=Most Corrupt)

	China						India					
	Doctors	Government Officers	Managers in Corporations	Entrepreneurs	Bank Managers	Academicians	Doctors	Government Officers	Managers in Corporations	Entrepreneurs	Bank Managers	Academicians
Aggregate	**3**	**1**	**4**	**5**	**2**	**6**	**3**	**1**	**2**	**5**	**4**	**6**
Occupation												
Business	2	1	4	5	3	6	3	1	2	5	4	6
Agriculture	3	1	4	5	2	6	3	1	2	5	4	6
Service	3	1	4	5	2	6	3	1	2	5	4	6
Region												
North	3	1	4	5	2	6	3	1	2	5	4	6
South	3	1	4	5	2	6	3	1	2	5	4	6
East	3	1	4	5	2	6	3	1	2	5	4	6
West	4	1	3	5	2	6	3	1	2	5	4	6
Central	3	1	4	5	2	6	NA	NA	NA	NA	NA	NA

All differences at occupational and regional levels are significant at $p<.001$

In China as well as in India, government officials were perceived to be the most corrupt and the academicians were perceived to be the least corrupt of all professions. Entrepreneurs were considered to be the second least corrupt indicating a positive attitude compared to other professions. The results showed no differences in preferences across regions or occupational backgrounds.

Discussion

There is no data available from the past to be able to compare the attitudes of youth now to the past when the economies of both countries were in different stages of development tobe able to make a referent comparison of how development has affected attitudes. This study reveals that by and large there is a positive attitude among the youth towards entrepreneurship both in China and India. The youth perceived entrepreneurship to be respected, rewarding, and a desirable profession for contributing to the country's development. However, from the rankings it emerged that entrepreneurship was preferred career only after jobs with multinational companies, government, banks etc.

It is evident from data analysis that as the questions became more specific to individual's actions and indirect in measurement of attitudes; the positive ratings were not as high as in the case of the items that directly measured overall evaluation of entrepreneurship. This

possibly means that the youth find it good when someone chooses to be an entrepreneur and that entrepreneurs are good people, they will have a good life and will be able to realize their potential and try something independently. However, when it comes to their own actions they would prefer to possibly choose not become an entrepreneur and they may not even wish to work for a small enterprise. In the survey there were two sets of questions. One set of items were *proximal* to the self or extended self with items like entrepreneurship being better than working for others, popularity among friends and family members, and choosing an entrepreneur as a life partner, ranking the career preference, and one semi-projective item about evaluating the action of taking up entrepreneurship. The results show that the proximal items were better able to draw out differences between the two countries and occupational bases. The youth showed overall positive but cautious agreement with proximal items.

The second set comprised of *distal* items, i.e. items beyond self or extended self and related to understanding about entrepreneurs or entrepreneurship such as associating with a good family life, more rewarding, drawing respect, non-exploitative, and riches, the item about corruption levels in various professions, and one semi-projective item on the reasons for entrepreneurs to be rich. The results suggest that distal items were comparatively less effective in bringing about differences between the two countries at aggregate level, between regions and among occupational classes. They also were responded to more positively than the proximal items.

Influence of family background

The findings of this study suggest that in both China and India those coming from a business family have a positive attitude towards entrepreneurial activity. In both countries all measures of attitude towards entrepreneurs and entrepreneurship those coming from business families were found to be more positive. Even in career choices and their understanding of why entrepreneurs are rich, those from business families chose positive options more often. In developing countries especially like India the family or clan that an entrepreneur belongs to may influence success in entrepreneurial attempts by way of greater familiarity with entrepreneurs and better access to resources to start and run an enterprise (Sharma & Manikutty, 2005; Khanna & Palepu, 1997). This knowledge and resource advantage positively predisposes the youth towards entrepreneurship.

Greater knowledge of entrepreneurship may also be the reason for the trend in the semi-projective item of evaluating the action of an individual who left a well-paying job to start own business (Table 8). Those from business background agreed lesser than service background people to options such as greater entrepreneurial action leading to greater independence, as a means to realize potential or make more money. However, they were most positive about the decision to become an entrepreneur. It is possible that people from business background have a better exposure to entrepreneurial efforts and do not romanticize it. They may be aware of the challenges of starting their own enterprise. For service background people, on the other hand the knowledge is second hand and therefore their perception is likely to be based on success stories published about entrepreneurs. These results clearly point to the influence of early exposure to entrepreneurship. In setting up programs and designing intervention to encourage entrepreneurship it may be best to provide inputs at higher secondary school level rather than after the person has completed professional/graduate level education or when the person has failed to get a job, which is unfortunately the target of most entrepreneurship development institutions.

The *macro* level results about regional growth differences leading to difference in entrepreneurial activity found little support in China, but moderate support in India. There could be several reasons the weak support for regional development hypothesis. *First,* historical trends did not turn out to be a good enough variable given the intensity of high activity and growth typically in South India and West China at the time of data collection for this study (year 2005). The youth from both these regions were positive in attitude beyond expected trends. This could be indicative of regional "mood" of development and economic activity.

Secondly, since China has been on a growth and high entrepreneurial activity path for almost three decades now, the high entrepreneurial activity and attendant success in some economically more active regions of China may be inspiring people in less active regions to also view entrepreneurship as positive. Thus youth who grew up in the much lesser developed West China area showed positive attitude towards entrepreneurship.

Thirdly, the Chinese data was collected in a university in China that is located in the North East region. Though the students were from different parts of the country, the fact

that the students from the west had been living close to Beijing in Northern China may also have influenced the positive responses. That is, even though their own region was less developed they viewed entrepreneurship as a positive driver to growth of their region having witnessed the economic development of Northern China.

Mere economic activity in geographic region may have been a poor measure of exposure to entrepreneurship. Thus in future research better measures may be used. For example, in India collecting data separately from communities who had been traditionally been engaged in enterprise (e.g., *Marwaris* of Rajasthan, *Kumutis* of Andhra Pradesh, *Patels* of Gujarat) may be a better basis for the study of influence of region in attitude towards entrepreneurship.

Issues around measurement of attitudes

The results bring out two important factors in the measurement of attitudes. Firstly, there is support for the classic argument about triangulation of measures of the independent variable (Bickman & Rog, 1998; Cook & Selltiz, 1967) in the case of measurement of attitudes. The results show that for measurement of attitudes it is best not to rely solely on few direct items using the Likert scale to measure attitudes. Such measures are susceptible to social desirability. Instead, attitude measurement must use various types of measures and ask the question directly as well as indirectly. If the study had used only the first nine used in Section A, we would have concluded that the attitudes of Chinese and Indian youth were extremely positive towards entrepreneurs and entrepreneurship. However, the ranking order and projective items revealed that entrepreneurship was good for others but is not necessarily good if one were to take it up himself or herself.

Secondly, the value of asking the respondents to express their opinions when assuming various roles is established. For example, asking the respondent to evaluate the other group as an observer, think of different facets of the life of the other group as an actor and get them to express willingness to be part of the other group as a participant. In each of the roles there is a different degree of intimacy and distance between the evaluated group and the evaluator. Thus, as the intimacy progresses the true nature of attitude is revealed (Singer, 1980) and one can get a clear picture of the actual nature of attitudes of the respondents.

Issues in cross-cultural study

The study also offered several interesting insights to authors in doing cross-cultural survery. Collecting of quantitative data on economic parameters in China posed challenges on several dimensions. The data on economic activity was easily available on public websites for India with different parameters carefully identified in the databases. The available economic data on China was not easily interpretable. Similarly, dividing India on regional basis was easy because of the commonly held categorization among researchers and practitioners about how regions are divided. However, it was difficult to obtain the same data for China. There are several existing conventions among Chinese economists and scholars of dividing the country into regions. The administrative and geographic divisions are drastically different. It required intense discussions with the Chinese author to arrive at a defensible geographical/regional categorization.

There were also challenges in collecting data across countries where language of the respondents and the authors was different. The authors from India were fluent in English but did not understand a word of Chinese. The author from China was fluent in English but when it came to expressing some of the technical concepts she would find it difficult to explain them to the Indian authors. The team had to depend completely on her judgment to accept the final version of the translated questionnaire. In addition to translation which was done using the procedure suggested by Brislin (1986), there was the issue of the items being relevant and meaningful in both cultures. For example, there was an item that the Indian researchers had found to be relevant in India -"When looking for a life partner for my sister/ cousin sister we would prefer an entrepreneur over a person who has a job". In India this item was relevant because the practice of entire family choosing a partner and arranging the marriage is prevalent in India. In China the youth marry out of their choice and the family has a smaller role in the choice of the partner. This item would not be relevant in China thus it was changed to mean, "I would choose an entrepreneur as my life partner over a person who has a job".

Another issue in terms of questionnaire design was related to the responses towards negatively worded items. From the pattern of responses received both in India and China it was clear that the respondents had difficulty in interpreting the negatively worded items. Such difficulties in responding to negatively worded items by non-native language

speakers have been found in other studies as well (e.g., Cordery & Sevastos, 1993; Peterson, Speers, & Hughey, 2006).

In spite of accepting a template for data entry there were several mistakes and misunderstandings in data entry itself. In the interpretation of the trends each country group had to solely depend on the other group for the respective country's data interpretation. Having three researchers from one country meant they could argue and discuss among themselves about the meaning of the data from India but the Chinese author did not have that luxury. In both countries there was very little country-specific literature to refer to validate the interpretations. Thus, it had to be either validated using studies from other countries or intuitive understanding of researchers within each country and context.

As highlighted above, great care was taken to explain the issues and the finer nuances, but like most cross-cultural research, this project too is not "etic-error" free. This study was designed and developed by the Indian team who could understand the social milieu in India. Like their Chinese counterparts they had little or no idea about the exact picture of regional development in China and how it could impact attitudes of the youth. Though the design was explained to the Chinese side in detail, there is still a possibility that the regional classification was imposed on China and thus it found support in India and not in China.

Policy Implications

The results of this study will help strengthen the argument that entrepreneurship is influenced by the past activities in the target region. Simple announcement of concessions and other policies may not lead to entrepreneurial activity unless people are convinced about the benefits of becoming entrepreneurs. The comfort level with entrepreneurship comes from exposure, presence of role models, a vibrant economy which is able to absorb risks and encourage risk-taking etc. Therefore, existing entrepreneurs and tacit knowledge about running enterprises would be a good source of motivation and information for people who would be interested in entrepreneurial activity.

One common finding in India and China was preference of a stable well paying job over a riskier profession like entrepreneurship. The risk associated with entrepreneurship could be brought down with proper policy interventions designed to address relevant problems in the support structure in a particular region. This would require an all-round support from various stakeholders including government, planning agencies, supportive families, and willing would be entrepreneurs. Though entrepreneurship is seen as risky, this study shows that larger section of society is positive about it. Given the right boost and appropriate climate we may see more entrepreneurial activity.

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