

APTITUDE OF GOMAL UNIVERSITY STUDENT TOWARD SELF-EMPLOYMENT

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ABSTRACT

The problem under study was to investigate the aptitude of Gomal university students towards the self-employment. The study also tries to see the difference between the aptitude of male and female students. Due to lack of resources and un-employment in the country the development of self-employment culture is necessary at the university level. The research hypothesis that Students of Gomal University have -ve aptitude towards the self-employment and there is no significant difference between the aptitude of the Male and Female students toward the self-employment were tested. The sample of the study consists of 180 (male and female) students selected from 18 departments of Gomal University Dera Ismail Khan. The 10 students (5 Male and 5 Female) from each department/institute were selected on random basis. A questionnaire measuring aptitude towards self-employment was used for data collection. The Mean, Standard Deviation, and t-statistic were used for analysis of data. The result shows that the aptitude of the university students is positive and there is no significant difference between the aptitude of male and female.

Keywords: Aptitude, University students, un-employment, self-employment.

INTRODUCTION

This is the era of free and compulsory education. Everyone weather male and female is compelled from their family member to achieve education. Therefore the school, colleges and university became overcrowded. Thousands of people are taking their degree at the college and University level. These bulks of people are increasing the sea of unemployment. On one side we need skillful person in different fields of life. But those required persons are not available. On the other side there is overcrowded in different fields which have no market value. This mismatch between the education and the market creation creates lot of unemployment. In line with a rising labor force contribution rate (from 50.4 percent in 1999-2000 to 52.5 percent in 2006-2007 and 53.4 percent in 2010-2011), the employment to population ratio has gradually increased over the last ten years (from 46.8 percent in 1999-2000 to 50.4 percent in 2010-2011), especially for women, (from 13.7 percent in 1999-2000 to 22.2 percent in 2010-2011) reflecting the Government's efforts to create more employment opportunities for all (Fareeha, 2012). Unemployment is one of the biggest problems of Pakistan. A person, who has ability to do work and is willing to do work, is unable to get job opportunity. In the current situation more than 30 lac people are unemployed in Pakistan (Malik et al., 2011).

Self-employment is working for one's self. Self-employment people can also be referred to as a person who works for him/herself instead of an employer. But drawing income from a trade or business that they operate personally, to be self-employed is not necessarily the same as

being a business owner. Many self-employed people conduct the day to day operations of the business, either as a manager as line worker or both. Pakistan Muslim League-Nawaz (PML-N) President, Mian Nawaz Sharif has asked the Punjab Government to ensure availability of necessary funds for "Self Employment Scheme" in the budget 2012-13 so that maximum people could avail the scheme for leading a respectable living (Imaduddin, 2012).

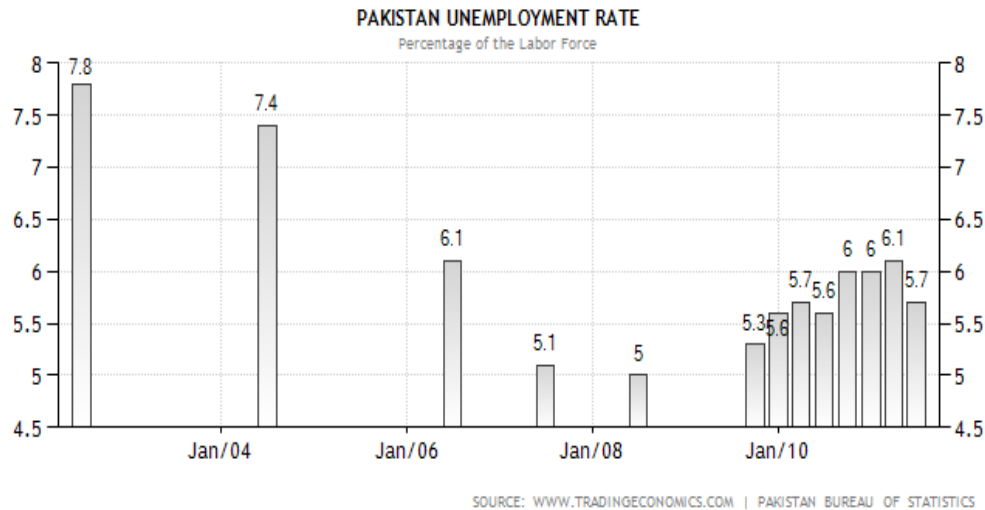


Fig. 1. The unemployment rate in Pakistan from January 2004 to January 2010 is depicted in the above diagram (tradi.ngeconomics.com)

Dera Ismail Khan is a very big city in term of size and population. The employment rate is very low. The most students belong to middle or lower middle class. The family economic status is not so strong that they carry their education on the support of their homes. The student's life expenditure is increasing day by day. This creates a lot of problems in students' learning process.

At University level the students need to be self-employed because of their educational expenditure as well as the family demand, because most of the families are over populated. The employed persons are less than the unemployed persons. The expenditure is more than their income. This creates the problems for the children for having education. In our city the education is not given the high priority, therefore the dropout rate at each level is very high. In my research thesis I studied the aptitude of university students toward the self-employment to see whether they are willing to be self-employed. The study provided the motivation for the students to be self-employed. The study also investigates the differences between the aptitude of male and female for self-employment.

STATEMENT OF THE PROBLEM

In the present era the education has become universal and the standards of education are falling day by day. The students with degrees are also increasing the sea of unemployment. It is a fact that in the developing countries not all qualified students are adjusted but they face many challenges. Therefore there is a need to change the pressure of these degree holders towards the positive direction and where they can utilize their potentials effectively. Therefore there is a need and this study tries to investigate the aptitude of Gomal University Student toward self-employment.

OBJECTIVES OF THE STUDY

The main objectives of the study were:

1. To investigate the aptitude of male and female students toward self-employment.
2. To compare the aptitude of male and female students towards self-employment.

Significance of the Study

This study is significant because it tells us about the aptitude of male and female university students towards the self-employment. As there is a lack of resources and employment opportunities in public as well as in private sector to accommodate every graduate the need is to explore the aptitude of the students toward self-employment. This creates the self-employment culture in our country. This type of culture and awareness will be very useful and beneficial for the unemployed persons. The study is not only helpful for students but also for the parents of the students and the administrators because keeping in view the results they can make necessary arrangements.

HYPOTHESIS

1. Ho1: Students of Gomal University have -ve aptitude towards the self-employment
2. Ho2: There is no significant difference between the aptitude of the Male and Female students toward the self-employment

REVIEW OF RELATED LITERATURE

Self-Employment

Self-employment is the process of actively earning income directly from one's own business, trade, or profession. Self-employment may include income from a trade or business, hobby, commercial boarding house, rental property, or other income producing property.

Aptitude

Acquired or natural ability (usually measurable with aptitude tests), for learning and proficiency in a specific area or discipline. Aptitude is expressed in interest, and is reflected in current performance which is expected to improve over time with training. Your aptitude is your inherent capacity, talent or ability to do something. Having a high aptitude for something means you are good at doing that something.

Evan Davis, a presenter of BBC's Dragons Den suggests that the personal qualities a typical entrepreneur would possess are:

- a. Confidence
- b. Initiative
- c. determination
- d. Teamwork
- e. Willingness to take risks
- f. Hard work.
- g. Resilience

Before starting the business one must consider that will my personality and circumstances help or hinder my success, What is the demand for the type of business I want to offer, Do I have business sense as well as the ideas, How much money do I need to start up, What other

resources will I need, How can I market myself and the business, and Who will take care of the finances and administration. <http://www.open.ac.uk/careers/self-employment.php>

ADVANTAGES OF SELF-EMPLOYMENT

Independence, Control and Freedom from Routine

Companies or individuals you work for are your clients, not your employers. As clients, they can state what results are expected from you, but they do not direct your work. Of course, you want to satisfy your clients if you want to receive more work, favorable referrals or better rates. But you are your own boss, you decide when, where and how to work to get the job done.

Financial Rewards

A business may become very profitable. Companies are willing to pay more to independent contractors because they don't have the expensive, long-term commitments that they do with permanent employees, such as benefits, unemployment compensation and pensions. Independent contractors may also deduct business expenses from their taxes, which may increase their net pay. Many successful businesses in Canada are run by newcomers or immigrants.

The British Council (BC) and YES Network Pakistan have jointly launched "Youth Enterprise Generator Project" in order to inspire and equip young people to become agents of positive change through their involvement in civil society, economic development and their communities.

A statement issued here Saturday said the purpose of the project would be to provide social entrepreneurship education, infrastructure, skills orientation, access to interest-free credit, business management skills, local and international exposures and peer networks.

The British Council and YES Network Pakistan have been working together for the last four years to promote youth social entrepreneurship and self-employment by engaging them in the technical and vocational training colleges.

Now, British Council and YES Network Pakistan have geared up to build local capacity to provide social entrepreneurship education and services by setting up "Youth Enterprise Generator" in universities and technical education institutions in Pakistan (Staff Report, 2011)

FACTORS WHICH EFFECT SELF-EMPLOYMENT

There are positive earning differentials between self-employment and wage-employment. Potential profits are one obvious reason to set up shop or to shift from wage-employment to self-employment. Individuals may be hypothesized to compare expected profits and wages when weighing the attractiveness of self-employment versus wage-employment. This income choice model of self-employment dates back as far as at least (Frank Knight, 1921). More recent theoretical attention for a relationship between earning differentials and the allocation of talent across business ownership and wage-employment can be found in (Murphy et al., 1991). Furthermore Acemoglu (1995) provides a theoretical model of the impact of both pecuniary and non-pecuniary reward structures on occupational choices. The potential of high profits as a pull factor for entering self-employment finds some empirical support in Evans and Leighton (1990) and Foti & Vivarelli (1994).

The relationship between unemployment and the propensity of an individual to enter self-employment is less straightforward. Unemployment (or the threat of it) primarily acts as a

push factor for self-employment (Evans & Leighton, 1990; Acs et al. 1994; Foti & Vivarelli: 1994; and Audretsch & Thurik, 1998). Since the opportunity costs for unemployed persons to become self-employed are relatively low, they will make their choice for self-employment sooner. On the other hand, high unemployment may be connected with an economic depression, which makes prospects for setting up a new business very bleak and may cause disillusionment (Storey, 1991).

The relationship between self-employment rates and the level of prosperity is observed in various studies that the self-employment rate tends to decrease as economies become more developed (Kuznetz, 1966; Schultz, 1990; Bregger, 1996). A low level of prosperity usually coincides with a low wage level, implying little pressure to increase efficiency or the average scale of enterprise.

Based on the limited empirical literature, we find that empirical evidence on the role of self-employment in intergenerational economic mobility is mixed and differs by subpopulation.

- I. Self-employed men on average have lower initial earnings and earnings growth than their wage/salary counterparts (Hamilton, 2000).
- II. Self-employment leads to an increase in the earnings distribution for low-income individuals but a decrease for high-income individuals (Holtz-Eakin, Rosen, and Weathers 2000). Self-employed less-educated young men and women experience faster earnings growth on average than their wage/salary counterparts after a few initial years of slower growth (Fairlie, 2004a).
- III. Self-employed young men from disadvantaged families earn more than their wage/salary counterparts but self-employed young women from disadvantaged families earn less (Fairlie, 2004b).

METHODOLOGY

Population

All the students of Gomal University enrolled in all the departments of four faculties, in one year programs session 2010-2011 and two years program session 2010-2012 constitute population for this study.

Sample

The sample of the study consists of 180 (male and female) students selected from 18 departments/institutes of Gomal University Dera Ismail Khan. The 10 students (5 Male and 5 Female) from each department / institute were selected on random basis.

Instrument

A questionnaire measuring aptitude towards self-employment containing 28 items was developed by the researcher for data collection. This questionnaire was likert type containing Strongly Agree, Agree, Undecided, Disagree, and Strongly Disagree Options. These choices were given the weightage from 5 to 1 respectively. The negative questions were weighted in reverse order. The reliability of the instrument was found to be 0.92 through SPSS (version 16).

Procedure

The final version of the questionnaire was distributed among the sample (180) male and female students of the Gomal University. The instructions for filling-up the questionnaire were clear. Some students returned the questionnaire immediately after filled them up and

some took from one day to one week time in returning the questionnaires. The responses of the students were arranged in data matrix in SPSS (version 16).

Statistical Analysis

The Mean, Standard Deviation, and t-statistic were used for analysis of data.

Presentation and Analysis of Data

Presentation and analysis of data is as under:

Table 1. Mean difference of positive and Negative Aptitude of Students

| <i>Aptitude</i> | <i>N</i> | <i>Mean</i> | <i>Std. Deviation</i> | <i>df</i> | <i>t-calculated</i> | <i>P-value.</i> |
|-----------------|----------|-------------|-----------------------|-----------|---------------------|-----------------|
| Yes | 112 | 60.20 | 12.258 | 110 | 19.042 | .000 |
| No | 68 | 18.29 | 11.000 | | | |

P value Significant at 0.05

Testing of hypothesis Ho1: Students of Gomal University have -ve aptitude towards the self-employment

Table 1 illustrates that $t(110) = 19.042$, $p < 0.05$ which means that the research hypothesis stating students of Gomal University have -ve aptitude towards the self-employment is rejected. This means that students have positive attitude towards the self-employment.

Table 2. Mean difference of the Aptitude of Male and Female Students

| <i>Aptitude</i> | <i>N</i> | <i>Mean</i> | <i>Std. Deviation</i> | <i>df</i> | <i>t-calculated</i> | <i>P-value.</i> |
|-----------------|----------|-------------|-----------------------|-----------|---------------------|-----------------|
| Male | 90 | 40 | 12.64 | 110 | 1.31 | 0.96 |
| Female | 90 | 38.49 | 13.25 | | | |

Testing of hypothesis Ho2: There is no significant difference between the aptitude of the Male and Female students toward the self-employment

Table 2 illustrates that $t(110) = 1.13$, $p > 0.05$ which means that the research hypothesis stating there is no significant difference between the aptitude of the Male and Female students toward the self-employment is accepted.

FINDINGS

Following were the major findings of study:

1. Table: 1 illustrates that $t(110) = 19.042$, $p < 0.05$ which means that the students of Gomal University have positive attitude towards the self-employment.
2. Table: 2 illustrates that $t(110) = 1.13$, $p > 0.05$ which means that there is no significant difference between the aptitude of the Male and Female students toward the self-employment.

CONCLUSION

1. Students of Gomal University have positive attitude towards the self-employment; therefore the null Hypothesis H01 is rejected
2. There is no significant difference between the aptitude of the Male and Female students toward the self-employment, therefore the null Hypothesis H02 is accepted

RECOMMENDATIONS

On the basis of findings the researcher made the following recommendations:

1. The government should provide loans, tools/equipment for self-employed.
2. The government should provide proper guidance for self-employment to all the students.
3. The findings of the study may be sent to higher authorities for the betterment of state's economy.
4. Female students feel difficulty in self-employment so proper arrangement may be made in this aspect.
5. This study may be replicated in other provinces and Universities of Pakistan

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