A Study on Level Evaluation of Entrepreneurial Activities, Initiative and Inquiry in Korea

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I. Introduction

The necessity and importance of entrepreneurship have been emphasized in an effort to effectively overcome continuous global economic recessions. Despite mounting interest in entrepreneurship from all sectors of the global society, there is little information that can help accurately understand the current state of entrepreneurship. Besides, most research or information on entrepreneurship is focused on 'startups', they are concentrated on business founders, venture business operators, specialized managers and office workers, it is difficult to illustrate how ordinary people from all walks of life think of the entrepreneurship. As to research on entrepreneurship, selection of subjects, inquiry items and established research system are not recognized at the moment. Accordingly, it is considered to be necessary to closely examine the current state of entrepreneurship, and survey methodology that can be used as statistical data in the future. The study needs to be focused on examining the current state and level of entrepreneurship found in many different spheres instead of being preoccupied with research on the entrepreneurship confined to startups.

Against this backdrop, Korea Entrepreneurship Foundation suggested a framework of level diagnosis on the entrepreneurship with an aim to systematically diagnose the current state of entrepreneurship at individual and organizational levels in 2014.[1] The framework suggested the objective level of achievement of entrepreneurial activities and initiatives at individual and organizational levels while offering indicators and questionnaires that can provide main results for the purpose of measuring and comparing the level of the entrepreneurship. It also aimed to comprehensively examine the current state of entrepreneurship at home and use them as objective data so that they can contribute to establishing policy and strategy related to the entrepreneurship.

II. Review on preceding studies: Domestic trends of research on the entrepreneurship and related contents

Although previous index including GEM or OECD are shown quantitatively comparing between countries or organizations, the index is only focused on economic or business stand points. As a result, you have been limited to figure out the present level or situation about entrepreneurship with this index. Therefore, we researched many references regarding of the definition and features of entrepreneurship to diagnose or understand the current situation how various entrepreneurs who do not have any entrepreneurship knowledge, experience or activities exist. Based on our research, we selected some important features of entrepreneurship and apply to another index of evaluation. The preceding researches what we have reflected on our research are below.

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[1] Korea Entrepreneurship Foundation (2014). 'Development of Entrepreneurship Level Diagnosis Model'. Korea

Researcher	Value & philosophy	characteristics	Individual competence
Hisrich(1992)		Entrepreneurial Skills	Technical Skills
Covin & Slevin (1991)	Strategic Variables		
Gartner(1985)		Individual(s)	
Deniz & Arzu (2013)	Top Management Leadership, Shared Value		
Pickle & Abrahamson (1990)		Drive, Mental Ability	Human Resources Ability, Technical/Knowledge
katz(1974)		Human Skill	technical Skill
Chrisman et al. (1998)	Value & beliefs	Personality Characteristics	Skills
Reynolds (1992)		Individual tendency	
Kim Jin Soo et al. (2009)		Individual characteristics	
Rhee Jae-Hoon, Yang Hyun-Joo(2011)		Initiative, innovative, Tendency to take risks	Marketing, Technical, Network Skills
Kwi-Hee Bae(2011)	Social purpose	Initiative, innovative, Tendency to take risks	
Yeongsu Song(2010)		Innovation, Leadership, Responsibility	
Choi Jong-Yeol, Jeong Hae-Joo(2008)		Inner control, Tendency to take risks, Innovation, Developmental	
So Youn Park(2010)	Social Responsibility	Entrepreneurial Skills	Problem-solving

III. Methodology

1. Diagnose the current state of the entrepreneurship

In an effort to systematically evaluate and continuously manage and advance the level of the entrepreneurship and its current state, diagnosis on the entrepreneurship was conducted through the use of 14 evaluative indicators in three sectors at an individual level. The three evaluative sectors include 'value and philosophy,' 'characteristics' and 'individual competence.' 'Value and philosophy' refers to vision that individuals desire to pursue and achieve through the entrepreneurship. This sector evaluates motivation to introduce and drive the entrepreneurship. 'Characteristics' refers to individual propensity to apply entrepreneurship for practice and can be defined as fundamental characteristics that form entrepreneurial mindset featuring attitude toward risks, a spirit of challenge, innovative will and autonomy. 'Individual competence' refers to individual capacity and it leads to continuous and autonomous pursuit of entrepreneurship and achievement.

The three evaluative sectors have 14 evaluative indicators based on preceding research. Indicators in each sector and example questionnaires as follows. All presented questionnaires use Likert-type scale, but it can be presented using rating scale as question.

Evaluation Sector	Evaluation Indicator	Example
Value and philosophy	Perception &attitude	I feel entrepreneur enjoy a high level of status and respect in the society.
	Motive &purpose	I have a fixed purpose to drive entrepreneurship.
	Values	Success is the result of working hard, regardless of fortune.
	Social objectives	I pursue to achieve socially desirable purpose in my goal.
Characteristics	Innovation	I enjoy to perform challenging things about making something new.
	Tendency to take risks	I like to start interest tasks though there are no assurance about time and money.
	Initiative	I always challenge with confidence and fearlessness.
	Autonomy	I think I am autonomous and independent person.
	Desire for achievement	I think every tasks' outcome can be difference as the effort myself.
Skills	Communication	I can communicate well with inside/outside organization.
	Technical skills	I can solve the complex and complicate problem creatively.
	Management skills	I can make a plan to prepare in advance based on exhaustive and systematic analysis.
	Relation management skills	I can respond rapidly to new market and customer information.
	Financial skills	I can attract capital and investment autonomously.

2. A method of survey

The survey was conducted as experimental survey for the purpose of supplementation and improvement of level diagnosis models of the entrepreneurship. Population was the general public residing in Korea, and samples were extracted for the purpose of the current state of the entrepreneurship and level diagnosis in terms of diversified properties (gender, age, educational background, occupation and etc.) It is a valid sample of 1,229 persons, and quota sampling was conducted based on allocated variables such as age, occupation, gender and educational background of the subjects in order to allocate adolescents, college students and business people on a preferential basis. As to each variable, at least 100 persons or more became subject to quota sampling for the purpose of statistical analysis on occupation. Various methods of survey including individual interviews, fax and email were used to raise convenience and the rate of response. The survey was conducted for ten days from December 9 to December 19 2014. Collected data were computerized with SAS (Statistical Analytic System) through editing, coding and punching. Processed data went through reliability analysis on questionnaires by evaluation indicator, and Cronbach's α coefficient was generated. In addition, frequency analysis, difference analysis (t-test, variance analysis) and correlation analysis were conducted to figure out characteristics of results and generate uniqueness in distribution.

IV. Analytical results

1. Basis analysis for survey

Respondents have following characteristics.

Characteristics	Frequency (Persons)	Rate (%)
Gender		
Male	669	54.4
Femail	560	45.6
Age		
Teenagers	162	13.2
20s	308	25.1
30s	189	15.4
40s	177	14.4
50s	258	21.0
60s or older	135	11.0
Area		
Seoul&Gyeonggi	786	64.0
Others	443	36.0
Education		
Primary/Middle/High School	545	44.3
University	543	44.2
Graduate School(Master's degree&doctorate)	141	11.5
Occupation		
Independent businessmen, CEO	139	11.3
Workers in large companies	106	8.6
Workers in small-and medium sized venture companies	102	8.3
Workers in public institutions	110	9.0
Professionals	101	8.2
Employees of research centers and universities	109	8.9
Farmers and fishermen	101	8.2
The jobless	101	8.2
Students	255	20.7
Others(Artiest, athletes etc.)	105	8.5
Total	1,229	100.0

The largest number of respondents (58.4%) cited 'economic profit (pursuit of profit)' as a reason for being entrepreneurs, and it was followed by 'self-realization (19.7%)' and 'creation of a new opportunity (15.3%).' Business was founded for the purpose of maintenance of livelihood (67.0%) and seizure of opportunities (33.0%), and it can be related to the high percentage of the economic profit that was cited as a reason for wanting to become entrepreneurs.

2. Evaluation of the level of the entrepreneurship

As a result of classification of the level of the entrepreneurship into 'value and philosophy,' 'characteristics' and 'skills,' the level of Koreans' entrepreneurship turned out to be 'average (5~6). It recorded the highest score (6.16) in skills and the lowest score (5.98) in value and philosophy, but there is little difference. As a result of analysis by class, it turned out that males, the capital

area and those with higher education showed higher perception and that farmers and fishermen showed lower perception.

Evaluation Sector	Evaluation Indicator	Average	
Entrepreneurial value and philosophy	Perception & attitude	***5.44***	5.98
	Motive & purpose	5.92	
	Values	5.89	
	Social objectives	**6.68**	
Entrepreneurial characteristics	Innovation	6.07	6.06
	Tendency to take risks	***5.38***	
	Initiative	6.14	
	Autonomy	6.10	
	Desire for achievement	**6.72**	
Entrepreneurial skills	Communication	**6.48**	6.16
	Technical skills	6.13	
	Management skills	6.14	
	Relation management skills	6.43	
	Financial skills	***5.72***	

※ Bold underline: The highest score by item / Bold inclination: The lowest by item

(1) Entrepreneurial value & philosophy

Social objectives received the highest score (6.68) in 'value and philosophy.' It indicates that perception on pursuit of social objectives was relatively higher than other indicators in addition to pursuit of individual and organizational profits. On the other hand, the lowest indicator was perception and attitude (5.44) and perception on entrepreneurial status, desire to become an entrepreneur in connection to job selection and interest in start-ups and entrepreneurship was lower than other indicators.

By gender, males showed higher perception than females in all evaluative indicators except for social objectives. By age, differences were indicated in all evaluative indicators, and perception on value and philosophy among adolescents and college students in their teens and 20s turned out to be lower. By occupation, businessmen's perception (independent businessmen, CEO, workers in large companies and professionals) was higher, and perception was lower among farmers, fishermen and others (athletes, artists and etc.).

(2) Characteristics of entrepreneurship

As to 'characteristics,' desire for achievement received the highest score (6.72) whereas 'tendency to take risks' received the lowest score (5.38). It indicates that many pursue stability instead of business operation through creativity and innovation even though it requires risk-taking on the part of entrepreneurs.

By gender, perceptional differences were found between men and women in terms of 'innovation' and 'tendency to take risks,' and men tended to have higher perception than women. As to characteristics by age, those in their 20s to 40s, perception was higher, and those in their 20s displayed higher perception on creative and innovative entrepreneurship aimed at innovation, risk-taking and initiative. Those in their 40s indicated higher perception on autonomy, desire for achievement, independence and confidence as entrepreneurs. By occupation, perception on characteristics of workers in large companies and employees of public institutions, research centers and universities was higher. What is noteworthy is that risk-taking tendency on the part of independent businessmen and CEOs was lower than average, which indicates higher tendency to pursue stability on the part of business people.

(3) Entrepreneurial skills

As to 'skills,' communication and relationship management received 6.48 and 6.43, respectively. Of them, perception on communication and relationship management was higher than other indicators. Financial skills (5.72) received the lowest score, and perception on economic compensation for success, ability to raise funds or induce investments and management of business and achievement through financial activities appears lower.

According to results by gender, men got ahead of women in all skills except for communication skills. By age, perception was higher among those in their 40s to 60s than their teens to 20s. In particular, as to management skills, it turned out that the older, the higher perception, and similar tendency was displayed in terms of relationship management skills and financial skills. By occupation, occupational characteristics were reflected, and workers in large companies showed higher perception on communication skills, technical skills and financial skills. As to management skills and relationship management skills, employees of public institutions and independent businessmen/CEOs displayed higher perception, respectively.

V. Conclusion

Existing studies on entrepreneurship were confined to specific subjects such as startups and businessmen, but few efforts have been made to diagnose the current state of the entrepreneurship. KEF suggested 'Entrepreneurship Level Diagnosis Model' to examine entrepreneurship closely in terms of mindset. Along with structural approach, survey was conducted based on the model to evaluate the general level of the entrepreneurship. Moreover, 1,229 valid sample data helps to improve the accuracy of the model.

Consequently, it turned out that women, teenagers and millenials, had lower perception on the entrepreneurship. It indicates that startup education programs need to be developed and implemented with aims to strengthen and spread the entrepreneurship in specific class. In addition, research needs to be conducted of those with better understanding about the entrepreneurship (men, residents in the capital area, the higher educated and etc.) in order to enhance efficiency in policy.

In order to make survey on the current state of the entrepreneurship and results of level diagnosis significant, continuous studies need to be conducted instead of one-off research. At the same time, systematic and continuous researches are expected to contribute to strengthening and expanding the entrepreneurship in the entire social group.

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