

# Impact of the Educational Factors on Youth's Job Preferences: A study in North-east India

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## Abstract

The mindset of young people aspiring to become entrepreneurs is a crucial driver of economic development in any state or country. Young entrepreneurs bring fresh perspectives, innovation, and energy that contribute significantly to both local and global economies. As they embark on their entrepreneurial journeys, their mindset can shape their ability to overcome challenges, create jobs, and drive progress within industries. This study examines the selected educational factors that influence youths' job preference, focusing on the choice between government/private sector jobs and entrepreneurship. The results find that the experimental/practical approach adopted in the higher education system significantly influencing job preference and fostering entrepreneurship among youths.

**Key words:** entrepreneur, economic development, youth, job preferences

## Introduction

Entrepreneurial activities play a crucial role in reducing unemployment and fostering economic development within a region. As a key driver of job creation and economic growth, youth entrepreneurship has become a focal point for nations around the world. Entrepreneurship serves as a primary catalyst for economic progress, encompassing not just the operation of one's own business but also the embodiment of initiative, innovative thinking, and the creation of social and economic systems that transform human and natural resources into tangible outcomes. This group faces numerous challenges when making career decisions, particularly when it comes to choosing between government or private sector jobs and exploring business or entrepreneurial ventures. As governments around the world seek to reduce unemployment and encourage economic growth, fostering entrepreneurial attitudes among the youth has become a key policy focus. However, understanding the educational factors that influence youths' job preferences is crucial to designing effective educational and policy interventions.

This research explores the role of several key factors in shaping youths' job preferences, with a particular focus on whether they are more likely to prefer government/private sector jobs or pursue business/entrepreneurial activities. The study employs logistic regression analysis to assess the impact of various independent variables relating to educational institutes, including knowledge on entrepreneurship, entrepreneurial skills, managerial skills and motivation, innovation and creativity, and the experimental/practical approach.

## Literature Review

The literature on career preferences and entrepreneurial intentions among youths reveals multiple factors that shape job choices. These factors can be broadly classified into personal characteristics skills, external influences etc. Several studies have explored the various predictors that influence whether youths prefer traditional employment in the government or private sectors, or whether they opt for entrepreneurship.

Entrepreneurship has attracted significant academic attention since the 1980s due to its profound impact on socioeconomic development. Numerous studies emphasize the vital role of youth entrepreneurship as a driving force for economic growth, providing young people with opportunities to create jobs, generate income, and contribute to both local and national economies. Atef and Balushi (2015) argue that entrepreneurship holds great potential for individuals and economies by reducing the number of job seekers. The fundamental traits of entrepreneurship—innovation, risk-taking, and proactivity—are key areas of focus in its study, as highlighted by Covin and Slevin (1990).

According to Kolvereid (1996), youths with greater awareness of entrepreneurship are more likely to be inclined towards starting a business. Ajzen (1991) emphasized the role of individual attitudes and perceived behavioural control in entrepreneurial intentions, indicating that a higher skill level in entrepreneurship enhances an individual's readiness to start a business. Fayolle et al. (2006) further highlighted that while entrepreneurial skills like creativity and adaptability are important, their development is highly dependent on prior education and experience. Mueller and Thomas (2001) found that strong managerial skills can significantly reduce the risks associated with entrepreneurship, making it a more attractive career option. Shane (2003) argued that successful entrepreneurs often leverage their creativity to identify opportunities in the marketplace. Similarly, Ramsden (2010) noted that young people, particularly in developing countries, are increasingly turning towards entrepreneurship as a way to combat high unemployment rates and achieve greater economic independence.

However, despite a good amount of literature, there is dearth of studies in the north-eastern region within the context of youths' job preferences between government/private jobs and entrepreneurs

## Research Methodology

To achieve the specific objectives, primary data has been collected through a questionnaire from 500 randomly selected respondents, representing various educational backgrounds studying in Assam and Tripura. A binary logistic regression model is employed to predict the Impact of the Educational Factors on Youths' Job Preferences on the independent variables.

## Data Analysis

The dependent variable is the youths' job preference, categorized into two groups-Government/private sector jobs and Business/entrepreneurship. The independent variables include:

1. Knowledge on Entrepreneurship: This variable represents the level of knowledge a person has about entrepreneurship;
2. Entrepreneurial Skills: skills specific to entrepreneurship, e.g., risk-taking, opportunity identification, resource management;

3. Managerial Skills and Motivation: This variable combines an individual's ability to manage and lead (managerial skills) and their level of motivation;
4. Innovation and Creativity: This measures a person's ability to think creatively and come up with innovative solutions;
5. Experimental/Practical Approach: This refers to an individual's tendency to take a hands-on, experimental approach.

The survey (Exhibit-1) shows that 89 % of the respondents prefer to join Government/ Private Job and the rest 11% wants to be involved with business/ entrepreneurial activities.

**Exhibit-1: Job preference of the youths**

Preference	Respondents	In percentage	Cumulative Percent
Preference towards Government/ Private Job	445	89.0	89.0
Preference towards Business/ Entrepreneurship	55	11.0	100.0
Total	500	100.0	

**Source:** Author ‘s Calculation from Primary Data (2024)

**Exhibit-2**

**Omnibus Tests of Model Coefficients**

	Chi-square	df	Sig.	
Step	5.729	5	.047	Step
Block	5.729	5	.047	Block
Model	5.729	5	.047	Model

**Source:** Author’s Calculation from Primary Data (2024)

The Omnibus Tests of Model Coefficients provide a general test of the overall significance of the model, assessing whether the predictors as a whole significantly contribute to explaining the variation in the dependent variable. Chi-square (5.729) represents the test statistic used to evaluate the significance of the model. A higher Chi-square value indicates that the predictors are likely to be significantly related to the outcome variable. This p-value indicates the level of significance for the test. Since the p-value is less than 0.05, it suggests that the model is statistically significant and the predictors included in the model do have a significant relationship with the dependent variable.

**Exhibit-3**

**Summary of the model**

Step	-2 Log likelihood	Cox & Snell R Square	Nagelkerke R Square
1	340.786 <sup>a</sup>	.011	.023

**Source:** Author’s Calculation from Primary Data (2024)

The model summary (exhibit-3) demonstrates that the model can explain between 1% and 2% of the variation in the dependent variable. While your model is statistically significant (as per the Chi-square results), the low R-

squared values (both Cox & Snell and Nagelkerke) indicate that the model does not explain much of the variation in the preference for entrepreneurship vs. a government/private job.

**Exhibit-4**

Hosmer and Lemeshow Test

Step	Chi-square	df	Sig.
1	5.901	8	.658

**Source:** Author’s Calculation from Primary Data (2024)

Since the p-value (0.080) is greater than 0.05, we fail to reject the null hypothesis. This suggests that there is no significant difference between the observed and expected frequencies, indicating that the model fits the data well.

This output appears to be from a logistic regression analysis, where the dependent variable is "Job preference of the youths." In logistic regression, the goal is to predict the probability of a binary outcome (in this case, job preference) based on the independent variables. The interpretation of each coefficient (B) indicates how the predictor affects the odds of the outcome.

**Exhibit-5**

**Variables in the Equation**

Factors	B	S.E.	Wald	Df	Sig.	Exp(B)
knowledge on entrepreneurship	.011	.136	.006	1	.938	1.011
Entrepreneurial skills	-.065	.138	.218	1	.641	.937
Managerial skills and motivation.	.123	.154	.640	1	.424	1.131
Innovation and creativity.	.175	.135	1.680	1	.195	1.192
Experimental/practical approach	-.260	.126	4.252	1	.039	.771
Constant	-2.130	.856	6.187	1	.013	.119

**Source:** Author’s Calculation from Primary Data (2024)

The display (Exhibit-5) shows that if there is a significant relationship between the dependent variable and three independent factors. Although the model includes various factors like knowledge, skills, motivation, and creativity, only the experimental/practical approach has a significant effect on the likelihood of preferring entrepreneurship. The other factors do not significantly affect job preference in this analysis.

## Conclusion

This study aims to explore the educational factors influencing youths' preference for government/private jobs versus entrepreneurship. The study finds that only experimental/practical approach significantly affects the likelihood of youths preferring entrepreneurship. Other factors, such as knowledge on entrepreneurship, entrepreneurial skills, managerial skills, motivation, and creativity, were found to be statistically insignificant in determining job preference. However, it must be mentioned that the perceptions have been collected from the students who have obtained their education before implementation of course curriculum under NEP-2020. Thus, further research can be conducted to find the improvement of the results regarding their inclination the job preferences.

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