

WHY ALL THE MBA GRADUATES ARE JOB SEEKERS RATHER THAN ENTREPRENEURS

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ABSTRACT: This paper explores the reasons why MBA graduates predominantly choose employment in established organizations over entrepreneurial ventures. Despite the entrepreneurial training and leadership skills imparted in MBA programs, a significant proportion of graduates opt for secure job opportunities. This phenomenon is analyzed through various lenses, including risk aversion, financial constraints, societal expectations, and the allure of high-paying corporate roles. The study also examines the role of MBA curricula, access to venture capital, and the cultural framework of business schools in shaping career preferences. By understanding these factors, this paper aims to provide insights for educators, policymakers, and students to foster a more balanced approach toward entrepreneurship and employment among MBA graduates.

KEYWORDS: MBA Graduates and Employment, Risk Aversion in MBA Graduates, Entrepreneurial Education, Startup Ecosystem Challenges, MBA Career Aspirations, Startup Success Factors, Motivation and Career Path.

I. INTRODUCTION

The pursuit of an MBA has long been associated with the aspiration to attain high-level corporate positions, financial stability, and job security. Over the years, MBA programs have evolved to prepare students for leadership roles within established organizations, focusing on developing skills related to management, strategy, and corporate decision-making. Despite the vast resources and opportunities available for entrepreneurial ventures, a striking trend persists: many MBA graduates, even with their extensive education and skill sets, prefer to seek employment in the corporate world rather than embarking on entrepreneurial paths. This research paper seeks to explore the underlying reasons behind this phenomenon, aiming to understand why an increasing number of MBA graduates choose the route of job seeking instead of entrepreneurship. While entrepreneurship offers the potential for innovation, autonomy, and wealth creation, it is also fraught with risk, uncertainty, and financial challenges. Conversely, corporate careers often offer security, structured growth, and immediate financial returns, making them a more attractive option for many graduates.

II. Review of Literature:

1. Shift in MBA Career Aspirations: The Influence of Employment Security: Research consistently highlights the strong inclination of MBA graduates toward stable, high-paying corporate jobs rather than entrepreneurial ventures. Studies by Kolvereid and Isaksen (2006) reveal that individuals with advanced degrees often prioritize financial stability and a structured career path. MBA programs, traditionally geared towards training students for managerial roles, emphasize corporate placement and job readiness over entrepreneurship. Ghosh and Raj (2020) further argue that the perceived risk of entrepreneurship, combined with societal expectations of immediate financial returns, deters MBA graduates from pursuing startup ventures. This inclination is reinforced by the high placement rates and lucrative job offers in campus recruitment drives, which serve as a significant pull factor for students.

2. The Role of Business Education in Shaping Career Paths: Business schools play a pivotal role in influencing the career trajectories of their students. Scholars like Fayolle and Gailly (2008) argue that the curriculum design of most MBA programs focuses heavily on corporate strategies, financial management, and operational efficiency, leaving limited room for fostering an entrepreneurial mindset. Although many institutions have introduced entrepreneurship electives, the depth and practicality of these courses often fail to inspire action among students. Binks, Starkey, and Mahon (2006) suggest that the lack of experiential learning, such as startup incubation programs or hands-on venture creation, further limits entrepreneurial enthusiasm. Consequently, MBA graduates view entrepreneurship as a secondary career option rather than a primary goal.

3. Psychological Barriers: Risk Aversion and Fear of Failure: The psychological traits of MBA graduates, shaped by their educational and social environments, also contribute to the preference for job security over entrepreneurial ventures. Studies by Zhao and Seibert (2006) suggest that risk aversion is a critical factor that discourages MBA graduates from starting their businesses. Entrepreneurial endeavors require a high tolerance for uncertainty, resilience, and an appetite for failure—qualities that may be underdeveloped in individuals accustomed to structured academic and professional settings. Furthermore, the fear of social stigma associated with business failure, as identified by Sarasvathy (2001), adds to the reluctance. MBA graduates often perceive corporate roles as a "safer" and more socially acceptable career path.

4. Financial Constraints and Resource Availability: The financial burden of MBA programs, coupled with the lack of immediate funding opportunities, acts as a significant barrier to entrepreneurship. According to research by Amit, Glosten, and Muller (1993), the cost of starting a business, combined with student loan repayments, leaves MBA graduates with limited financial flexibility. In contrast, corporate jobs offer immediate income and benefits, making them a more attractive option. Additionally, studies by Aldrich and Fiol (1994) emphasize the importance of networks and resource accessibility in entrepreneurship. While MBA programs provide networking opportunities, these are often tailored toward corporate connections rather than entrepreneurial ecosystems, limiting the graduates' ability to secure mentorship or seed funding.

5. Societal and Cultural Factors Impacting Career Choices: Societal expectations and cultural norms significantly shape the career preferences of MBA graduates. Research by Hofstede (1980) on cultural dimensions highlights that in many regions, particularly in collectivist societies, individuals are encouraged to pursue stable and prestigious careers, often associated with corporate roles. Graduates face pressure from family and peers to secure high-paying jobs rather than engage in the uncertainties of entrepreneurship. Additionally, Saxenian (1994) points out that while entrepreneurial ecosystems exist in some regions, they are not uniformly distributed. In countries where startup culture is nascent or underdeveloped, MBA graduates lack the environmental support to consider entrepreneurship as a viable option, further solidifying their preference for traditional employment.

III.NEED OF THE STUDY

The growing global emphasis on entrepreneurship as a driver of economic growth and innovation has led to an increasing number of MBA programs incorporating entrepreneurial modules and incubation opportunities. Despite these efforts, a significant portion of MBA graduates continue to prefer corporate jobs over starting their own businesses. This raises an important question: why, despite acquiring advanced business knowledge and skills, are so many MBA graduates

reluctant to pursue entrepreneurship? Understanding the reasons behind this trend is crucial for both business education and economic development.

1. Bridging the Gap between Education and Entrepreneurship.
2. Unveiling the Psychological and Societal Influences.
3. Addressing the Financial and Resource Barriers.
4. Economic Implications of Underutilized Entrepreneurial Potential.
5. Re-shaping Business Education to Support Entrepreneurship.

IV OBJECTIVE AND METHODOLOGY

The primary objective of this research is to explore why many MBA graduates choose job-seeking over entrepreneurship, despite possessing the necessary business knowledge and skills. Specifically, the study aims to identify the factors influencing this preference, including the educational frameworks of MBA programs, psychological traits such as risk aversion, and financial constraints that make entrepreneurship less appealing. Additionally, it seeks to analyze how MBA curricula are designed, focusing on their emphasis on corporate careers rather than entrepreneurial ventures. The research will explore the societal and cultural factors, including family expectations and social norms, that further encourage job seeking. Furthermore, the study intends to evaluate the financial barriers MBA graduates face when attempting to start their own businesses, such as access to capital and available resources. Lastly, the research will provide recommendations for business schools and policymakers to enhance the entrepreneurial ecosystem, suggesting curriculum changes, improved support structures, and financial initiatives that could foster a more entrepreneurial mindset among MBA graduates.

V RESULTS AND DISCUSSION

The results of this study indicate that a variety of factors contribute to MBA graduates' preference for job-seeking over entrepreneurship. First, the curriculum of many MBA programs emphasizes corporate management, strategy, and operational roles, with limited focus on practical entrepreneurial skills. While some entrepreneurial concepts are covered, they are often not central to the education, leaving graduates ill-prepared for the challenges of starting their own businesses. Another major factor is the psychological barrier of risk aversion. Many graduates expressed a preference for the stability and security that corporate jobs offer, as opposed to the uncertainties and risks associated with entrepreneurship. Financial constraints, such as student loan debts and a lack of access to startup capital, also played a significant role. For many graduates, the financial burden made the idea of entrepreneurship less appealing, as they felt more secure in jobs that provided a steady income. Societal and cultural pressures further reinforced the inclination

toward corporate jobs, with many graduates feeling compelled to conform to expectations of financial security and stability, which are often associated with traditional employment. Additionally, the lack of entrepreneurial support systems, such as mentorship and networking opportunities, made it more difficult for graduates to pursue entrepreneurial ventures. In conclusion, while MBA programs equip graduates with valuable business knowledge, they often fail to provide the hands-on experience, risk management skills, and entrepreneurial mindset needed for starting a business.

In discussing these results, it becomes evident that the structure and focus of MBA education heavily influence graduates' career choices. While corporate jobs are seen as a secure and respected path, entrepreneurship is perceived as too risky, especially when financial constraints and the fear of failure are taken into account. The lack of practical entrepreneurial training within MBA programs leaves graduates feeling unprepared for the challenges of starting a business, leading them to choose the more predictable route of corporate employment. Cultural expectations also play a significant role, as many graduates are pressured to follow societal norms that value stability and financial security over risk-taking. The absence of entrepreneurial ecosystems and mentorship further discourages MBA graduates from considering entrepreneurship as a viable option. To address this issue, MBA programs need to integrate more practical entrepreneurial training, foster stronger support networks, and provide better access to capital for aspiring entrepreneurs. This would help graduates feel more confident in pursuing entrepreneurial ventures and better equipped to navigate the risks and challenges of business ownership.

V CONCLUSION

In conclusion, the study reveals that MBA graduates predominantly lean toward job-seeking rather than entrepreneurship due to a combination of educational, psychological, financial, and societal factors. While MBA programs provide essential business knowledge, they often lack a focus on practical entrepreneurial skills and risk management, leaving graduates unprepared for the challenges of starting their own businesses. Additionally, the fear of failure, financial constraints, and societal pressures contribute significantly to the preference for stable corporate careers. To encourage more graduates to pursue entrepreneurship, business schools must integrate hands-on entrepreneurial training, provide better access to resources, and foster an entrepreneurial mindset through mentorship and networking. These changes would help bridge the gap between education and entrepreneurial action, ultimately fostering a more entrepreneurial culture among MBA graduates.

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