

Entrepreneurial Intention: An Empirical Study of Post Graduate Students in Arts and Science Colleges

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Abstract

Due to increase in unemployment rate, the economy of our country is fluctuating. In this regard, focusing on the promotion of entrepreneurial intention (EI) among college students to empower themselves and not rely on others for their financial needs. To be an entrepreneur, students do not rely on anyone for their financial needs; it instills a sense of responsibility in them and contributes well to the progress of our nation and country, thereby helping to improve our country's economy (Tech Baji, 2022). Entrepreneurship is a sustainable development tool that helps to alleviate poverty and unemployment. This study examines the nature of relationship among predictor variables (perceived behavioral control, Subjective norm, Innovation & entrepreneurship awareness, Exposure to Entrepreneurship activities, Social valuation, Entrepreneurship attitude and Barriers) on dependent variable (Entrepreneurial Intention). It has been concluded that there is a significant relationship between predictor variables and dependent variables.

Keywords: Poverty, Unemployment, Entrepreneurial Intention, Entrepreneur, Sustainable Development and Financial needs.

Introduction

Entrepreneurship has emerged as an important skill for young students to grasp. As job opportunities become more limited as a result of technological advancements and population growth, entrepreneurship may be viewed as a viable career option among the current generation. Entrepreneurship not only contributes significantly to economic growth, but it also creates numerous job opportunities. As a result, it has always been encouraged by intellectuals to inspire young minds to start their own businesses. To make students aware of the potential benefits of being an entrepreneur, a basic entrepreneurship program should be included as a

mandatory subject in the regular curriculum. This fundamental education will not only assist them in snatching any upcoming opportunities to become entrepreneurs, but it will also assist them in successfully overcoming adversities in the future (SthitaprajnyaPanigrahi).

Education is related to sustainable development, and several institutions are now implementing it into their curriculum design. Individual entrepreneurial practices are the step-by-step process of moving from idea to practice, or from intention to action. With the introduction of new technologies, many industries have become more complex, requiring increasingly diverse capabilities. Entrepreneurship is difficult in this global innovation environment. Competition is becoming increasingly fierce for college students, and navigating the challenges of entrepreneurship has become more difficult. Thus, in order to better equip college students to start businesses and develop entrepreneurial talents, the academic community must intensify the practice of entrepreneurial skill by promoting entrepreneurial intention (Yangjiehuang, Lanyijie an, Jing wand et al, 2021).

Conceptual Framework and Literature Review

Both developed and developing nations, entrepreneurship is a major driver of economic growth. The anticipation of students to launch and expand a new business venture is referred to as entrepreneurial intention. Ajzen, (1987) exhibits that personal interest's play a role in shaping entrepreneurial intentions. Several studies had been conducted at this pivotal moment utilizing diverse models to identify the main contributing aspects of entrepreneurial intentions. Conversely, two distinguishing models such as Ajzen theory of planned behavior and Shapero model of entrepreneurial event (Krueger, Reilly and Carsrud, 2000) were developed. The former theory focuses on Ajzen individual's attitudes and emphasizes that it constitute the important influencing factors of their entrepreneurial intentions (Krueger et al. 2000). Ajzen found three main variables that have a significant impact on entrepreneurial intentions are personal attitude, subjective norms and perceived behavioral control.

Xuan Zhang and Lin Wang (2022) stress the essential to explore the significance of innovation and entrepreneurship. The organization and operation mechanism of innovation and entrepreneurship education (IEE) is studied according to the current situation. So that innovation and entrepreneurship awareness among students is important indicator for determining the entrepreneurial intentions.

As per Z.A.L. Pihie and A. Bagheri (2013), Entrepreneurial regulation is the phrase that has recently been used to describe the motivation and capacity to focus one's knowledge, cognition, and behavior on achieving entrepreneurial goals and activities. Students that are exposed to entrepreneurship activities grow to be entrepreneurs. Ajzen, 2002, The theory explains human decision to adopt a behavior such as new venture creation as a function of the interactions between three main motivational and enabling factors including control over behavior, attitude toward behavior and subjective and social norms/valuation. According to Z.A.L. Pihie and A. Bagheri (2013), significant social norms/valuation as the generally accepted rules and determine such norms impacts peoples' intention to establish their own businesses.

Cuong Nguyen (2017) stated that attitude toward entrepreneurship and perceived behavior controls are positively related to entrepreneurial intention. RichmellBaabaAmanamah, Emmanuel Kofi Owusu and Augustine Acheampong (2018) describe about barriers to entrepreneurial intention are factors that discourage or hinder a potential entrepreneur from launching an entrepreneurial venture. Individuals' entrepreneurial intentions can be influenced

by their perceptions of business start-up barriers, cultural values, and the environment. One of the factors used to assess students' entrepreneurial intent is the barrier.

Table 1- Indicators (predictor variables)

Indicators (predictor variables)	Reference Authors
Perceived behavioral control	Ajzen, (1987) , Nadia NazirAwan Nawaz Ahmad, (2017), Cuong Nguyen (2017)
Subjective norm	Ajzen, (1987) , Nadia NazirAwan Nawaz Ahmad (2017), Cuong Nguyen (2017)
Innovation and entrepreneurship awareness	Xuanzhang and Jin wang (2022)
Exposure to Entrepreneurship activities	Z.A.L. Pihie and A. Bagheri, (2013)
Social valuation	Z.A.L. Pihie and A. Bagheri (2013)
Entrepreneurship attitude	Cuong Nguyen (2017)
Barriers	RichmellBaabaAmanamah, Emmanuel Kofi Owusu and Augustine Acheampong (2018)

Source: *Primary*

Objectives

- The primary goal of this research is to add value to entrepreneurship research by analyzing students' intentions to start a new business. This study also aims to identify the main factors that influence students' decision to become entrepreneurs.
- This study examines the nature of relationship among predictor variables (perceived behavioral control, Subjective norm, Innovation& entrepreneurship awareness, Exposure to Entrepreneurship activities, Social valuation, Entrepreneurship attitude and Barriers) on dependent variable (Entrepreneurial Intention).

Research Questions

The major question of this research work has to identify the factors that influence the entrepreneurial intentions among arts and science students in Coimbatore. The following specific questions have also been addressed on the basis of the main question to explore the entrepreneurial intentions:

1. What are the predictor variables that affect the entrepreneurial intentions?
2. Is there any relationship among the predictor variables on entrepreneurial intentions?

Hypothesis

The following null hypotheses have been framed for the study.

Ho: The predictor variables do not have a significant variation on entrepreneurial intentions among arts and science college students.

Methodology

The study was mainly based on primary data. This study was conducted on arts and science college students in Coimbatore city. The inclusion criteria were the students studying at Post graduate level (Regular/Full Time) in the age group of between 20 to 23 years. For

primary data, survey was conducted based on the questionnaire. Out of 110 questionnaires distributed only 104 questionnaires were returned and there were 4 questionnaires incomplete so that the number of respondents as many as 100 samples. The study was quantitative and based on the principles of purposive sampling techniques. Validity of the questionnaire has been made by the experts in the field of entrepreneurship. Cronbach's Alpha test has been used to analyze the reliability.

Table 2 - Reliability test of Indicators/Predictor variables

Indicators/Predictor variables	Cronbach's Alpha	No of items
Exposure to Entrepreneurship activities	.816	4
Innovation and entrepreneurship awareness	.917	5
Entrepreneurship attitude	.909	5
Subjective norm	.866	3
Perceived behavioral control	.982	9
Social valuation	.947	6
Entrepreneurship Intension	.985	9
Barriers	.834	4

Source: *Computed*

The table 2 shows Cronbach's alpha values of all construct. It is basically a measure of internal consistency and shows how strongly the items are related. Cronbach's Alpha has been well above 0.80 for the entire variables which can be considered as reliable.

Results and Discussion

Percentage Analysis

Table 3 - Student Profile

Student Profile		Frequency	Per cent
Gender	Male	63	63.0
	Female	37	37.0
Sibling Order of birth	First born	54	54.0
	Second Born	43	43.0
	ThirdBorn	3	3.0
	20,000-40,000	49	49.0
Monthly Income of the Family	40,001-60,000	9	9.0
	60,001- 80,000	6	6.0
	80,001-1,00,000	20	20.0
	1,00,001-3,00,000	16	16.0
Total		100	100.0

Source: *Primary data*

Gender of the respondents

Gender plays a significant role in deciding the entrepreneurial intention. The table 3 shows that 63 per cent of the respondents are male and 37 per cent of the respondents are female. Hence, most (63 per cent) of the respondents are male.

Sibling Order of birth

Out of 100 respondents, 54 per cent of them are first born, 43 per cent of them are second born and remaining 3 per cent of them are third born. Sibling order of the respondents is one of the variables that influence the students to become an entrepreneur.

Family Monthly Income

Entrepreneurial intention is highly influenced by monthly income of the family. It is inferred from the table 3, 49 per cent of the respondents have a family monthly income of Rs. 20,000-40,000, 20 per cent of the respondents have a family monthly income of Rs 80,001-1,00,000, 16 per cent of the respondents have a family monthly income of Rs 1,00,001-3,00,000, 9 per cent of the respondents have a family monthly income of between Rs. 40,001-60,000 and 6 per cent of the respondents have a monthly income of Rs 60,001-80,000. Hence, it is cleared that maximum of the respondents have a family monthly income of Rs. 20,000-40,000.

Regression Analysis of Entrepreneurial Intention among Arts & Science College Students

The regression analysis has been applied to study the nature of relationship. It provides estimates of values of the dependent variable from values of independent variable with the regression equation.

Entrepreneurial Intention has been influenced by various predictor variables (independent variables) has been explained by Multiple Regression analysis. The Entrepreneurial Intention score has considered as the dependent variable, 5 variables (independent variables) have been identified as pointer to influence the level of Entrepreneurial Intention among students. Stepwise Multiple Regression Analysis has been used to find the appropriate variables to be included in the model.

- Perceived behavioral control
- Entrepreneurship Attitude
- Problems
- Social Valuation
- Subjective Norms

The general Multiple Regression equation is in the form,

$$Y = a_0 + a_1X_1 + a_2X_2 + \dots + a_nX_n$$

Where Y, the dependent variable

a_0 , constant

a_1, a_2, \dots, a_n - regression coefficients of dependent variables.

X_1, X_2, \dots, X_n - regression coefficients of independent variables.

The regression analysis estimates the regression coefficients and the constant. Initially the equation starts with no predictor (independent) variables, then at first step the variable having maximum correlation with the dependent variable is selected first and included in the regression model. The variable once included in the equation is again considered for removal to avoid multi co-linearity (correlation between independent variables) problems.

Once the variable enters and remains in the equation, the next variable with highest positive/negative partial correlation is selected and considered for entry and if satisfied, the variable is added to the equation. This process of entry and removal is continued until all the variables satisfy the entry and removal criteria. Finally, either all the independent variables selected for the analysis have been included in the model or the variables selected based on the selection criteria alone have been included in the model.

Table 4 - Stepwise Regression Analysis for Entrepreneurial Intention

	Regression Coefficients (B)	Std. Error	Beta	T	Sig.
(Constant)	.410	.199			
Perceived behavioral control	.419	.070	.421	5.949	**
Entrepreneurship Attitude	.548	.081	.476	6.769	**
Barriers	-.082	.023	-.242	-3.575	**
Social valuation	.232	.071	.215	3.242	**
Subjective norms	.056	.028	.125	2.032	*
R Value	R Square	F		Sig.	
.918	.842	100.104		**	

Source: Computed * - Significant at 5% level ** - Significant at 1 % level

Dependent Variable: Entrepreneurial Intention

However, all the variables identified for the analysis have not been included in the equation. Out of 7 variables, 5 variables have been included in the equation. The variables which have not met the selection criteria (the variable whose F-value is 3.84 and the associated probability for F-test is less than or equal to 0.05 is considered for inclusion in the equation. Similarly once the variable entered, removal criterion is F-value less than 2.71 associated with a probability of 0.10 or more) have been kept out of the equation.

Multiple R given in the table 4 has been the multiple correlation coefficient of dependent variable with the set of independent variables which have been included in the regression equation. The R value (0.918) has indicated that there has been a good level of correlation between the dependent variable (Entrepreneurial Intention) and the set of independent variables. However, the F-value (100.104) has shown that the R value is significant. The R square value obtained when multiplied by 100 has given the percentage of variation in the dependent variable explained by the group of independent variables in the regression equation. 84.2 per cent of the variation in the Entrepreneurial Intention score has been due to the 5 predictor variables included in the equation.

From the regression table, it is found that all the 5 predictor variables have a significant impact on Entrepreneurial Intention score either at 5 per cent or 1 per cent level. Individually, Perceived Behavioral Control, Entrepreneurship Attitude, Social Valuation and Subjective Norms have a positive influence on the dependent variable (Entrepreneurial Intention). The higher values on these set of variables have also scored higher on Entrepreneurial Intention. The other variable included in the equation, 'Barriers' have a negative effect on Entrepreneurial Intention.

The t-test statistic calculated for the regression coefficients shows that all the variables which have finally included in the model have significantly influence the Entrepreneurial Intention score of the respondents either at 1 per cent level or at 5 per cent level.

Standardized regression coefficients (Beta) have been calculated to find the relative contribution of each variable to the dependent variable. Since the variables included in the regression model, have different units of measurements, their respective regression coefficients cannot be compared directly. These variables have converted into standardized values which are free from units of measurements and hence the corresponding regression coefficients (Beta) are comparable. The regression table 4 shows the standardized regression coefficients for each variable included in the model. It is seen that, in absolute terms, the contribution of the variable

'Entrepreneurship Attitude' is high when compared to other variables with a highest beta value of 0.476, and the next highest contributing variable is 'Perceived behavioral control' with a beta value of 0.421 followed by other variables, namely barriers, social valuation and subjective norms have contributed lesser to the Entrepreneurial Intention when compared to other variables.

Practical Implications

Barriers have a negative effect on Entrepreneurial Intention. It means increase in barriers impacts on decrease in Entrepreneurial Intention and vice versa. Therefore it is mandatory to take steps to eradicate the barriers by providing real time knowledge to the students, ensuring the guidance and innovative entrepreneurial experience from college. Educating the image of entrepreneurship as a credible career option could affect students' intentions towards entrepreneurship. The government, schools and colleges should promote entrepreneurship through entrepreneur and business role models to draw a positive image of entrepreneurship and to motivate students to pursue their projects. It is important to facilitate interaction between experienced entrepreneurs and the students.

Study course should meet the student's expectation and intention to start a business. This can be achieved by implementing innovation and entrepreneurship courses and makes the students to do project activity to enhance their Entrepreneurial intention through entrepreneur and business role models. Government, society, schools, families and other aspects also influence the Entrepreneurial Intention among students. In order to reduce the unemployment, Awareness program may be created by government to the society, schools, colleges', families etc., about the incentives, schemes, opportunities and importance of entrepreneurship.

Conclusion

This research has been made to identify the main factors that influence students' decision to become entrepreneurs and the nature of relationship among predictor variables on dependent variable (Entrepreneurial Intention). Based on the literature review, seven variables have been chosen for the study namely, perceived behavioral control, Subjective norm, Innovation & entrepreneurship awareness, Exposure to Entrepreneurship activities, Social valuation, Entrepreneurship attitude and Barriers to predict the Entrepreneurial Intention. Out of these 7 variables, 5 variables (perceived behavioral control, Subjective norm, Social valuation, Entrepreneurship attitude and Barriers) have a significant relationship with the dependent variable (Entrepreneurial Intention).

In a nutshell, 'Entrepreneurship Attitude' contributes high to the Entrepreneurial Intention when compared to other variables with a highest beta value of 0.476 followed by 'Perceived behavioral control' with a beta value of 0.421, barriers, social valuation and subjective norms have contributed lesser to the Entrepreneurial Intention when compared to other variables. Perceived Behavioral Control, Entrepreneurship Attitude, Social Valuation and Subjective Norms have a positive relationship with the dependent variable (Entrepreneurial Intention). On the other hand, barriers have a negative relationship with the Entrepreneurial Intention. It shows that there is a significant relationship between predictor variables and dependent variables. Hence, the null hypothesis has been rejected at 1 per cent and 5 per cent level of significance.

Limitation and further research

This study has three main limitations that offer opportunities for further research. Firstly, the target of this research only focuses on the intention. There could be a gap between

graduate's perception and actual action. Entrepreneurial intention of the students may or may not change at certain point of time. This assumption may suggest that further research should provide more insights on entrepreneurial intention along with internal and external factors of students. A survey study can be made between perception and actual entrepreneurship behavior.

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Links

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