

A STUDY ON THE ENTREPRENEURIAL INTENTION AMONG EDUCATING YOUTH

Author

DR. ANAND CHAUDHARY

Faculty of Marketing
Dr. Sarojini Devi Maha Vidhyalay, Bindi.

ABSTRACT

This paper aims to measure and identify determinants of entrepreneurial intention among the final year professional course students pursuing Engineering, Management, and Computer Application in various Professional Universities in Jaipur city. The empirical base is formed by survey among these students by taking a sample size of 550 students from the various technical universities of Chennai. The Personal factors include self-efficacy, family background, influence of role models and institution environment of research base projects and its conversion, entrepreneurial education, faculty influence etc.

Keywords: Entrepreneurial intention, personal factors, demographic factors, situational, education institution environment.

1.0 INTRODUCTION

Most policymakers and academics agree that entrepreneurship is critical to the development and well-being of society. Entrepreneurs create jobs. They drive and shape innovation, speeding up structural changes in the economy. By introducing new competition, they contribute indirectly to productivity. Entrepreneurship is thus a catalyst for economic growth and national competitiveness. An economy's entrepreneurial capacity requires individuals with the ability and motivation to start businesses, and requires positive societal perceptions about entrepreneurship. Entrepreneurial attitudes convey the general feelings of a population toward entrepreneurs and entrepreneurship. A society can benefit from people who are able to recognize valuable business opportunities, and who perceive they have the required skills to exploit them. Moreover, if the economy in general has positive attitudes toward entrepreneurship, this will generate cultural support, financial resources, networking benefits and various other forms of assistance to current and potential entrepreneurs. Different demographic groups may make distinct judgments about opportunities and capabilities; these may be embedded in historical, socio-economic or cultural factors. At the same time, policy makers may seek to stimulate these attitudes. Policy programs may explicitly target groups exhibiting low perceived or actual capabilities. Thus, particular sets of national conditions may affect perceived capabilities, both directly and indirectly of an economy's entrepreneurial capacity. It requires individuals with the ability and motivations to start businesses. These entrepreneurs, however, will need to rely on a wide variety of personal and professional support mechanisms: families, advisors, government officials, creditors and investors, suppliers and customers and so forth.

1.1 Nature and Meaning of Entrepreneurship

Entrepreneurship is a wide term with many connotations. However the conceptual clarity in defining the term 'entrepreneur' and 'entrepreneurial behavior' is still to be attained. From the epic

vision of entrepreneur by Schumpeter (1934), Peter Drucker's (1964) proposal of entrepreneurship as a practice, Low and Mac Millan (1988) defined it as 'creation of new enterprise' to William Bygrave (2006) at Babson School talks about entrepreneurship not only in terms of businesses but also as the presence of 'initiative, imagination, flexibility, creativity, a willingness to think conceptually, and the capacity to see change as an opportunity. 'National Knowledge Commission (India), 2008 defines entrepreneurship as: 'Entrepreneurship is the professional application of knowledge, skills and competencies and / or of monetizing a new idea, by an individual or set of people by launching an enterprise de novo or diversifying from an existing one (distinct from seeking employment as a profession or trade), thus to pursue growth while generating wealth, employment and social good.'

1.2 ENTREPRENEURIAL INTENTION

Entrepreneurship is defined as the process of organizational emergence (Gartner , 1992). Entrepreneurial intentions are crucial to this process, forming the first in a series of actions to organizational founding (Bird, 1988). Moreover, intentions toward a behavior can be strong indicators of that behavior (Fishbein and Ajzen, 1975). Our understanding of entrepreneurial intentions is guided by two models: Ajzen's (1991) theory of planned behavior (TPB), and Shapero and Sokol's (1982) model of the entrepreneurial event (SEE). TPB was developed to explain how individual attitudes towards an act, the subjective norm, and perceived behavioral control are antecedents of intentions. Entrepreneurial intent has proven to be a primary predictor of future entrepreneurial behavior (Katz, 1988; Reynolds, 1995; Krueger , 2000). Therefore, investigating what factors determine the entrepreneurial intent is a crucial issue in entrepreneurship research. In general, intent can be defined as "a state of mind directing a person's attention toward a specific object or a path in order to achieve something" (Vesalainen and Pihkala, 1999,).

A central question that arises is what factors determine entrepreneurial intent among students. The objective of the paper is to examine key factors influencing professional students' entrepreneurial intention. Based on previous research, we incorporate both internal and external influence factors. In particular, we investigate the affect of individuals' attitudes on their choice of entrepreneurial carrier. In this paper the sample size includes students pursuing their final year of professional course like Engineering (graduates and post graduates), Management, Computer applications from different technical universities in the Jaipur city. The total sample size being 650 includes 452 male and 198 female students. Random sampling method was used for sample selection. The survey was conducted by administering an instrument including the demographic details in the part A. Which was followed with a set of statements in Part B measures the entrepreneurial intention among the students on Likert 5 point scale (5=strongly agree to 1=strongly disagree. Further statements in the same measure was included for evaluating factors like Subjective Norm, Situation, Role Model, Personal Motivators, Institutional Environment, Entrepreneurship Education.

2.0 Findings

2.1 Demographic Characteristics of Students

The frequency distribution of gender of professional course students was analyzed

and the results are presented in Table 2.1

FREQUENCY DISTRIBUTION OF GENDER OF STUDENTS

Gender	Frequency	Percentage
Male	452	69.54
Female	198	30.46
Total	650	100.00

Source: Primary & Computed Data

Inference

Table, it is clear that about 69.54 % of the professional course students are males and the rest of 30.46 % of the professional course students are females. It is inferred that the majority of the professional course students are males.

The frequency distribution of age of professional course students was analyzed and the results are presented in Table 2.2

FREQUENCY DISTRIBUTION OF AGE OF STUDENTS

Age(Years)	Frequency	Percentage
19-20	32	4.92
20-21	91	14.00
21-22	158	24.31
22-23	194	29.85
23-24	88	13.54
24-25	49	7.54
25 and Above	38	5.84
Total	650	100.00

Source: Primary & Computed Data

Inference

The results show that about 29.85 % of the professional course students belong to the age group of 22-23 years followed by 21-22 years(24.31 %), 20-21 years(14.00 %), 23-24 years(13.54 %), 24-25 years(7.54%), 25 and above 25 years(5.84%) and 19-20 years(4.92 %). The results reveal that the most of the professional course students belong to the age group of 22-23 years.

The frequency distribution of education of professional course students was analyzed and the results are presented in Table 2.3

FREQUENCY DISTRIBUTION OF EDUCATION OF STUDENTS

Education	Frequency	Per Cent
Engineering	229	35.23

Management	324	49.85
Master of Computer Application	97	14.92
Total	650	100.00

Source: Primary & Computed Data

Inference

It is apparent that about 49.85 % of the professional course students are studying management followed by engineering (35.23%) and Master of Computer Application (14.92 %). It reveals that the majority of the professional course students are management students.

The entrepreneurial intentions of professional course students were analyzed and the results are presented in the Table 2.4

ENTREPRENEURIAL INTENTIONS OF STUDENTS

Entrepreneurial Intentions	Weighted Mean	Status	F-Value	Sig
I am ready to do anything to be an entrepreneur	3.78	Agree	22.075	0.01
My professional goal is to become an entrepreneur	3.86	Agree		
I will make every effort to start and run my own firm	4.15	Agree		
I am determined to create a firm in the future	3.78	Agree		
I have the firm intention to start a firm some day	3.61	Agree		

Source: Primary & Computed Data

From the above table, it is apparent that the professional course students are agreed with I am ready to do anything to be an entrepreneur, my professional goal is to become an entrepreneur, I will make every effort to start and run my own firm, I am determined to create a firm in the future, I have the firm intention to start a firm some day. The F-value of 22.075 is significant at one per cent level indicating that there is a significant difference in entrepreneurial intentions among the professional course students.

2.2 CONFIRMATORY FACTOR ANALYSIS (CFA) FOR DIMENSIONS AFFECTING THE ENTREPRENEURIAL INTENTIONS

The confirmatory factor analysis (CFA) was carried out for various dimensions affecting the entrepreneurial intentions of professional course students and the results are presented in Table 2.5.

Confirmatory Factor Analysis (CFA) for Dimensions Affecting the Entrepreneurial

Intentions

Dimensions	Chi-Square Value	P-Value	GFI	CFI	RMR	RMSEA
Desirability and Feasibility	4.754	0.782	0.99	1.00	0.03	0.02
Subjective Norms	4.570	0.684	0.99	1.00	0.04	0.01
Situational Factors	5.184	0.740	0.99	1.00	0.03	0.00
Role Models	5.152	0.626	0.98	0.99	0.02	0.00
Personal Motivation	4.914	0.730	0.99	1.00	0.01	0.01
Institutional Research	3.966	0.734	0.98	0.99	0.01	0.02
Institutional Support	4.192	0.820	0.99	0.99	0.03	0.04
Entrepreneurship Education	5.437	0.552	0.99	0.99	0.03	0.02

The results of the CFA for desirability and feasibility indicate an excellent fit with chi-square statistic of 4.754. The Goodness of Fit Index (GFI) is 0.99 and Comparative Fit Index (CFI) is 1.00. These GFI and CFI indicate perfect fit. The standardized Root Mean Residual (RMR) is 0.09 and Root Mean Square Error of Approximation (RMSEA) is 0.02 indicating excellent fit. The results of CFA for subjective norms show that an excellent fit with chi-square value of 4.570 and GFI and CFI are greater than 0.90 and RMR and RMSEA values are less than 0.1 indicate excellent fit. The results of CFA for situational factors indicate an excellent fit with chi-square value of 5.184 and GFI and CFI are greater than 0.90 and RMR and RMSEA values are less than 0.1 indicate excellent fit. The results for role models show chi-square value of 5.152 with other indices (GFI and CFI) indicating excellent fit which is more than 0.90 with RMR and RMSEA less than 0.1. The results for personal motivation indicate chi-square value of 4.914 with other indices (GFI and CFI) indicating excellent fit which is more than 0.90 with RMR and RMSEA less than 0.1. The results of CFA for institutional research indicate an excellent fit with chi-square value of 3.966 and GFI and CFI are greater than 0.90 and RMR and RMSEA values are less than 0.1 indicate excellent fit. The results for institutional support show chi-square value of 4.192 with other indices (GFI and CFI) indicating excellent fit which is more than 0.90 with RMR and RMSEA less than 0.1. The results of CFA for entrepreneurship education indicate an excellent fit with chi-square value of 5.437 and GFI and CFI are greater than 0.90 and RMR and RMSEA values are less than 0.1 indicate excellent fit.

2.3 Convergent and Discriminant Validity for Dimensions Affecting the Entrepreneurial Intention

In addition, the adequacy of the measurement model for dimensions affecting the entrepreneurial intentions is also evaluated based on the criteria of Composite Reliability (CR), Average Variance Extracted (AVE) and Discriminant Validity (DV) of the dimensions affecting the entrepreneurial intention and the results are presented in Table 2.6

2.6 Construct

Reliability for Dimensions Affecting the Entrepreneurial Intentions

Dimensions	CR	AVE	DV
Desirability and Feasibility	0.71	0.66	0.64
Subjective Norms	0.74	0.72	0.68
Situational Factors	0.80	0.68	0.64
Role Models	0.74	0.74	0.66
Personal Motivation	0.72	0.68	0.68
Institutional Research	0.86	0.64	0.64
Institutional Support	0.76	0.74	0.66
Entrepreneurship Education	0.82	0.68	0.64

The results show that composite reliability for dimensions affecting the entrepreneurial intentions is above the cut off value of 0.70, average variance extracted is greater than the minimum value of 0.50 and discriminant validity is above 0.60 indicating that convergent validity is confirmed for dimensions affecting the entrepreneurial intention.

3.0 IMPACT OF ENTREPRENEURSHIP DIMENSIONS ON ENTREPRENEURIAL INTENTIONS

In order to examine the impact of entrepreneurship dimensions on entrepreneurial intentions among the professional course students, the multiple linear regression has adopted and the results are presented in Table 2.7. The results indicate that the coefficient of multiple determinations (R^2) is 0.68 and Adjusted R^2 is 0.64 indicating the regression model is good fit.

IMPACT OF ENTREPRENEURSHIP DIMENSIONS ON ENTREPRENEURIAL INTENTIONS -MULTIPLE REGRESSION

Entrepreneurship Dimensions	Regression Coefficients	t-value	Sig
Intercept	1.869 [*]	1.967	.034
Desirability and Feasibility (X ₁)	.337 ^{**}	9.526	.000

Subjective Norm (X ₂)	.048	1.134	.257
Situational Factors(X ₃)	.081	1.539	.124
Role Models(X ₄)	.286 ^{**}	3.020	.003
Personal Motivation (X ₅)	.219 ^{**}	3.475	.003
Institutional Research(X ₆)	.001	.015	.988
Institutional Support(X ₇)	.217 ^{**}	3.209	.001
Entrepreneurship Education(X ₈)	.040	.725	.469
R ²	0.68		
Adjusted R ²	0.64		
F	18.220		0.00
N	650		

Note: ^{**} Significance at one per cent level Source: Primary & Computed Data

The result shows that desirability and feasibility, role models, personal motivation and institutional support have the positive and significant impact on entrepreneurial intentions among the professional course students at one per cent level of significance. The educational institution should concentrate on these factors to improve the student's entrepreneurial intention.

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