

Examining the Elements Impacting the Entrepreneurial Intention

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Abstract

The growth of the market economy, global rivalry, and technical advancement, has all contributed to the importance of entrepreneurship. As a result, it has inspired academics to conduct research into its precursors. Entrepreneurship used to be a method by which individuals started their own business enterprise with their own money. This view of entrepreneurship has indeed shifted, though. Why do some people, but not others, favour starting their own business? Since the essential predictor of entrepreneurial activity and a critical aspect in understanding the process of launching new businesses, this topic prompted us to look at the elements that spark EI. Many elements, such as, environmental, psychological, demographic and cognitive ones, can stimulate an individual's desire to initiate a venture. The internal-psychological and external-environmental elements were the main topics of research in the past, but lately, factors related to cognition have also become more significant. The purpose of the current study is to investigate the association between EI, inclination towards risk-taking, self-efficacy of entrepreneurs, and emotional intelligence. Also, the study took into account personal attitude as a cognitive element. PA is one among the various motivation precursors in the Theory of Planned Behavior Ajzen's (1991). This makes it possible to comprehend the causes of EI better. A sample of aspiring entrepreneurs is only rarely included in studies on EI; the majority of the study participants are students coming from college. Conversely, by examining the replies of genuine entrepreneurs rather than students, this work seeks to develop a more precise understanding of the characteristics that contribute to entrepreneurial ambition.

Keyword: *Entrepreneurial Attitude, Entrepreneurial Intention, Theory of Planned Behaviour, Emotional Intelligence*

1. Introduction

J.B. Say is the first to use and describe entrepreneurship in a scientific context. Cantillon used the term "entrepreneurship" after J.B. Say. According to Cantillon, entrepreneurship can be defined as "buying and producing production input for an unspecified price." Cantillon and Say claimed that as entrepreneurs invest their own money, they accept risks. Conversely, Schumpeter states "entrepreneurship as product and process development; finding of new export markets; production of new raw material and a demand for semi-finished product resources; or a new organisational structure." EI is a crucial idea in the related literature and is typically seen in studies on entrepreneurial behaviour. According to Ajzen (1987), studies after the 1990s concentrated on the effect of personal entrepreneurial desire on entrepreneurial mindset. There have also been numerous studies done on people's intentions to launch a business. Several scholars contend that when it comes to forecasting an entrepreneurial attitude, personal EI exceeds other traits. (2012) Kang, Kang, and Peng. Several models have been developed in the past to describe entrepreneurial goals. In the pertinent literature, Ajzen's "Planned Behavior Model" from 1991 is most frequently mentioned.

The components that determine entrepreneurial purpose, according to Ajzen's model (1991), include perceived behavioural control, subjective norms and attitudes that tries to demonstrate entrepreneurial behaviour. Entrepreneurial mind-set, according to Ajzen (2002), includes sustaining principles when beginning a new business, subjectivity norms, societal effect on future entrepreneurs, convenience of the potential entrepreneur, perceived behavioural control, and difficulty thus perceived (Nabi and Linan, 2013). In this study, entrepreneurial mindset will be taken into consideration as a cognitive component.

2. Literature Review

Bandura (1977) defined self-efficacy for the very first time as a person's confidence in their capacity to do a task. According to Baum et al. (2001) and Boyd and Vozikis (1994), entrepreneurial self-efficacy refers to a person's confidence in relation to the tasks involved in the entrepreneurial process. It was described by Chen et al. (1998) as people's confidence in their abilities while starting their own firm (Tsai et al., 2016). According to Koçolu and Hassan (2013), one of the key personality traits in studies on entrepreneurship is self-efficacy. Self-efficacy as an entrepreneur is crucial for both determining whether or not to start a firm and for comprehending

the steps involved in doing so (Boyd and Vozikis, 1994; Zhao et al. 2005). Entrepreneurial self-efficacy is a major predictor of EI and attitude, according to numerous researches (Scherer et al. 1989; Boyd and Vozikis, 1994; Krueger and Brazeal, 1994; Chen, Greene and Crick, 1998; Zhao, Seibert and Hills, 2005). Moreover, Kickul et al. (2009) discuss the existence of adequate and convincing studies that support the assertion that self-efficacy and intention are related.

A noteworthy idea in contemporary entrepreneurial research is emotional intelligence. According to research, those with high EQ show a high level of entrepreneurial mind-set as well as a higher level of entrepreneurial ambition. Studies have found a link between EQ and the desire to start a business (Zempatakis et al., 2009; Mc Laughlin, 2010; Zakarevicius and Uperk, 2010; Ahmetolu et al., 2011; Uslu, 2015; Timurolu and Akpınar, 2017; Tiwari et al., 2017). Positive traits of those with high EQ may show significantly more entrepreneurial mind-sets. Creative people tend to have higher EQ scores. It may be claimed that EQ plays a significant impact in the entrepreneurial attitude because creativity is a key attribute for entrepreneurship (Cin and Günay, 2013).

To be an entrepreneur, one must be capable of taking risks. Many studies on the subject of the connection between entrepreneurship and risk-taking are available. One could even argue that the concept of taking risks is the one that has the closest connection to entrepreneurship. Ozaralli and Rivenburg (2016) assert that high risk-takers have a larger desire to start their own business. According to Lüthje and Franke's findings from 2003, risk-taking propensity has a significant impact on entrepreneurial attitude. This research also demonstrated a significant relationship between attitude and launching a new business.

A significant relationship between taking risks and having EI was shown by Ozaralli and Rivenburg in 2016. According to Nabi and Linan (2013), perception of risk and attitude along with perceived behavioural control are strongly correlated, and risk perception indirectly influences entrepreneurial ambition.

Ajzen (1987) defined attitude as the sense of desire for a particular conduct. This is dependent upon what the individual believes and expects (Husna et al., 2010). An individual's entrepreneurial mindset and intention will be stronger the more positively they will view a new business (Kibler, 2013). According to Ajzen (1991), the underlying attitude affects the behavior's intended outcome. Intention towards a certain action is influenced by participants' perceptions of the individual as well as their belief in their ability to carry out the intended activity. (João J. Ferreira et al., 2012).

Studies show a strong relationship between attitude and behaviour (Kolvereid, 1996; Krueger et al., 2001; Autio et al., 2001; Souitaris et al., 2006; Gelderen et al., 2008; Gird and Bagraim, 2008). (Husna et al., 2010). Zhang and Cain (2010) came to the conclusion that characteristics associated with planned behaviour model factors and EI are positively correlated. According to Feder and Nitu-(2017) Antonie's research, entrepreneurial training and behavioural traits (attitude, subjective norm, and perceived behavioural control) are the most important and direct predictors of EI. According to Miranda et al. (2017), entrepreneurial mind-set is the most crucial component of EI.

3. Research Design

The significance of cognitive aspects in entrepreneurial research has received more attention recently. The study's goal is to identify the elements that contribute to the development of entrepreneurial intent. For this goal, personality variables and cognitive elements will be addressed together; and the idea of entrepreneurial mindset will be considered as a part of cognitive factors. The Planned Behavior Model of Ajzen (1991) includes this cognitive component. EQ, which we have recently seen more frequently in entrepreneurial research, will also be a factor in the study in addition to personality and cognitive aspects. The association between EI and entrepreneurial self-efficacy, risk-taking propensity, EQ, and entrepreneurial attitude will be examined. Structured equation modelling has been established as the quantitative research methodology of choice.

3.1 Research Question

Previous research disregarded cognitive aspects and entrepreneurship processes because it mainly concentrated on personality factors. Hence, it was unable to identify the characteristics that influence entrepreneurial intent. Together with innate or learned traits, cognitive processes and factors play a crucial role in the development of entrepreneurial behaviour that cannot be undervalued. The research issue will be how risk-taking propensity and entrepreneurial self-efficacy relate to EI as EQ personality traits. The research question also addresses which variables have a greater impact on EI as well as how entrepreneurial attitude may fluctuate depending on various demographic variables.

Also, the study will look into EQ, risk-taking propensity, which affects EI, and the impact of entrepreneurial self-efficacy on both entrepreneurial attitude and EI. Also, the association between EI and entrepreneurial attitude (as a cognitive trait) will be investigated. It will also be looked into how entrepreneurial attitude functions as a mediator in the interaction between EQ, entrepreneurial self-efficacy, and risk-taking with EI.

3.2 Research Sample and Data Collection Tools

In order for the research findings to be helpful for the entrepreneurial eco-system, the research sample was chosen from newly established businesses, i.e., real enterprises.

Closed-ended questions, a quantitative research technique, will be used to gather the study's data. The 20-article EQ scale was created by Carson et al. (2000) and translated to Turkish by Aslan (2013). The scale is represented by 20 articles with five dimensions and 20 sub dimensions (Uslu, 2015).

The Entrepreneurial Self-Efficacy Scale was created by Kickul and D'Intino and De Noble et al (2005). The Turkish validity research revealed that the seventh and ninth questions did not correspond to any component, hence calculations were done using the thirty-three questions instead (Başol, Dursun, and Aytaç, 2011). It has 35 articles and six dimensions. The Turkish validity test was finished by Naktiyok, Karabey, and Güllüce (2010).

The work of Hisrich and Peters (2002) was used to translate the Risk Taking Propensity Scale. It was translated and utilised as the "Risk Taking Tendency Scale" by Alphan, Keskin, and Zehir (2002) as well as by Ren and Biçkes (2011). (RTPS). The scale has six articles and one dimension.

We'll apply the Linan and Chen (2009) Entrepreneurship Attitude and EI Scales. The scale for entrepreneurial attitude has one dimension and five articles, while the scale for entrepreneurial ambition has one dimension and six articles. Sesen and Basm (2012) transcribed the EI scale into Turkish language.

3.3 Pilot Research Results

The Institute of Entrepreneurship Development at Bhubaneswar hosted the pilot study. Forty entrepreneurs personally completed questionnaires with seventy questions. The reliability and validity analyses of the collected data, the scales and the sub dimensions were conducted via the SPSS 19 program. The Cronbach Alpha coefficient was used to determine reliability, and it was discovered to be 0.965 overall. For the study, the questionnaire has a good level of reliability. The scales' levels of reliability are listed below.

Table 1. Reliability

Scales	Cronbach's Alpha Coefficient	Level of Reliability
Emotional Intelligence Scale	0,715	Strong
Entrepreneurial Self-Efficacy Scale	0,949	Very strong
Risk Taking Propensity Scale	0,711	Strong
Entrepreneurial Attitude Scale	0,923	Very strong
EI Scale	0,804	Very strong

KMO (Kaiser-Meyer-Olkin Sampling Size Scale) was employed in the study to evaluate structural validity. The scales' factor analysis results are listed below.

Table 2. Validity

Scales	Kmo	Explained Total Variance
Emotional Intelligence Scale	0,760	52,692
Entrepreneurial Self-Efficacy Scale	0,711	48,324
Risk Taking Propensity Scale	0,771	55,585
Entrepreneurial Attitude Scale	0,823	77,7439
EI Scale	0,717	64,0393

Five dimensions in the framework were confirmed by the first level EQ scale results using VFA (Verifying Factor Analysis). Due to mono-dimensionality, a second phase VFA was also utilised in this investigation. The measured values support the structure's one-dimensionality. 52,692% of the EQ scale may be explained by the new variable. The lower 9 estimations is not involved in the factor analysis analysis table, as per the factor analysis outcome of the twenty question scale.

The scale for entrepreneurial self-initial efficacy's level Although having six original dimensions, the four-dimensional structure of the VFA data was confirmed. Since this was a one-dimensional investigation, second level VFA was employed. The values acquired attest to the mono-dimensional structure. The EQ scale is explained by the new variable by 48,324%. Low 7 estimation didn't show up in the factor analysis table, per the scale's factor analysis results, which took into account all thirty-three of the scale's questions.

The risk-taking scale's factor analysis revealed that one dimension factorization, as intended, was achieved. The low 1 estimation was removed from the factor analysis table in accordance with the scale's factor analysis results, which were based on a scale with a total of six questions. 55,585% is the total variance ratio.

When the factor analysis of entrepreneurial attitude and EI was done, it was discovered that there was factorization in single dimension in compliance with the original of the scales. The overall variance ratio for the attitude scale was 77,43%, whereas the variance ratio for the entrepreneurial purpose scale was 64,0383%.

In the main study, all of the scales that were shown to be valid and trustworthy will be deployed as mono-dimensional scales. The primary research will be carried out in light of the information acquired in the pilot study.

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