

# Factors affecting on Students' Entrepreneurial Intentions: Evidence from Eastern University, Sri Lanka

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## ABSTRACT

*This study was conduct at Eastern University, Sri Lanka. The objectives of the study were; to determine the entrepreneurial intention among the students of Faculty of Commerce and Management. The researcher uses qualitative research designs with a sample size of 200 respondents. Both primary and secondary data were used and the data collection method was questionnaires. The primary data of this study gathered by distributing 200 survey questionnaires to respondents at Eastern University, Sri Lanka. SPSS version 22 was used in the analysis of the data. The Cronbach's Alpha Reliability test which can ensure high reliability result was conducted on every variable i.e. independent variable (Attitude towards the behavior, Subjective norms, Perceived behavioral control, Entrepreneurship Education and Personality Traits) and dependent variable (Entrepreneurial Intention).*

*The discussion of the findings, implications of the study, limitations and recommendations for future research are discussed in the end of the study.*

**Keywords:** attitude towards entrepreneurial intention, attitude, personality traits. entrepreneurship education, subjective norms.

## INTRODUCTION

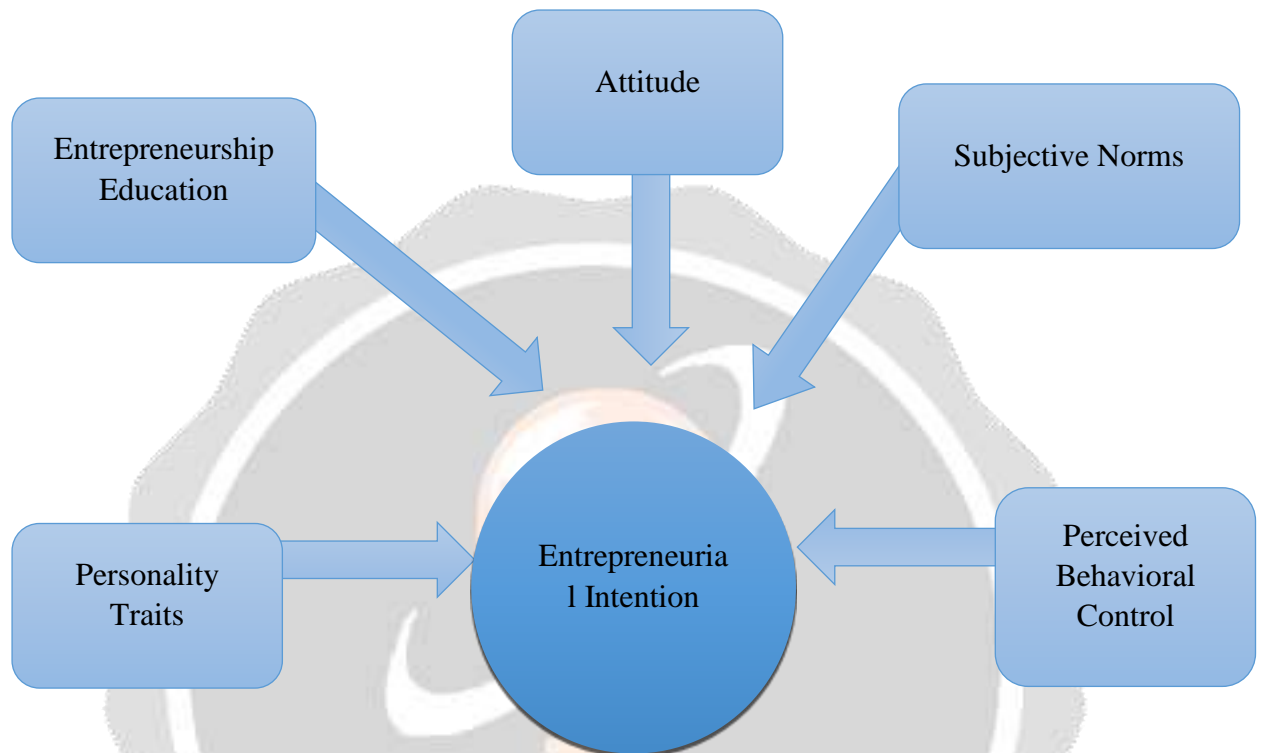
It is well known that a career in entrepreneurship offers significant opportunities for individuals to achieve financial independence and benefit the economy by contributing to job creation, innovation, and economic growth. Entrepreneurship is an attitude that reflects an individual's motivation and capacity to identify an opportunity and to pursue it, in order to produce new value or economic success (European Commission, 2003). Entrepreneurs are responsible for the promotion of enterprises and businesses; they infuse dynamism in economic activity within their country; manage organizational and technical change; and also promote the innovation. They also known as change agents. The question of "What makes students found their new firms?" and what factors that influencing students' intention to go into business and what bases of entrepreneurial intention would be portion of our discussion. Entrepreneurship has emerged as the most potent economic force the world has ever experienced (Kuratko, 2005). At most of the developing countries, it is seen as an engine of economic progress, job creation and social adjustment (Singh and Kamal, 2007). Entrepreneurship has been recognized as the determinant or pivotal element of economic growth and development (Kidane and Harvey, 2009; Nafukko and Muyia, 2010; and Kavitha et al, 2013). This is because Entrepreneurship leads to the creation of small and medium scale businesses, providing employment opportunities, income generation, uplifting of standard of living, and utilization of human, material and financial resources of a country in the right direction. Entrepreneurship plays a vital role for introducing new venture, expansion venture, improve social, technological and economic development of the country. Entrepreneurship has becoming crucial to every country ever since the age of globalization because the growth of entrepreneurial activities will help in creating jobs for the society, reducing the unemployment rate (Abdullah Azhar, Annum Javaid, Mohsin Rehman and Asma Hyder 2010). This study shows the impact of independent variable (i.e. Attitude Towards the Behavior, Entrepreneurial Education, Personality Traits, Norms, Perceived Behavioral Control) on dependent variable (Entrepreneurial Intention).

This study is an explanatory type research; the objective of this research study is to explore the entrepreneurial intention among students. The research conduct in Eastern University, Sri Lanka, the respondent are students of commerce and management related departments. The review of this study provide much information to university management, policy makers in context of developing entrepreneurial programme. Entrepreneurs are responsible

for the promotion of enterprises and businesses; they infuse energy in economic activities; manage organizational and technical change; and also promote the innovation and learning culture on such environment.

## CONCEPTUAL FRAMEWORK

The below conceptual model was used in this research to examine Factors affecting on Students' Entrepreneurial Intentions.



## RESEARCH METHODOLOGY

Researcher picked up primary data through distributing questionnaire to target respondents because it is a main means to collect primary data and enable researchers to reach large number of respondents at lowest cost with high flexibility. The target population is the third year and final year undergraduates from Faculty of Commerce and Management. They are selected because they have a strong foundation regarding business-related knowledge and they are currently in the critical stage to decide their future career path (Ahmed et al., 2010; Zain et al., 2010). Convenience sampling is commonly used in exploratory research. It enables researches to obtain 200 completed questionnaires quickly and economically whereby respondents are randomly selected for the ease of researcher.

## Hypotheses of the Study

- H<sub>1</sub>:** Attitude toward the behavior has a positive impact on entrepreneurial intention.
- H<sub>2</sub>:** Subjective norm has a positive influence on entrepreneurial intention.
- H<sub>3</sub>:** Perceived behavioral control has a positive impact on entrepreneurial intention.
- H<sub>4</sub>:** Entrepreneurship education has a positive influence on entrepreneurial intention.
- H<sub>5</sub>:** Personality traits has a positive impact on entrepreneurial intention.

**RESULTS AND DISCUSSION OF FINDINGS****Gender**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Male	38	19.0	19.0	19.0
Female	162	81.0	81.0	100.0
Total	200	100.0	100.0	

According to the results 19% of the respondents are Male and 81% of the respondents are Female.

**Age\_Group**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid 21 - 23 years	112	56.0	56.0	56.0
24 - 26 years	88	44.0	44.0	100.0
Total	200	100.0	100.0	

According to the results 56% of the respondents are in the age group of 21 - 23 and 44% of the respondents are in the age group of 24 - 26.

**Course**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid BBA	60	30.0	30.0	30.0
BCOM	140	70.0	70.0	100.0
Total	200	100.0	100.0	

According to the results 30% of the respondents are following Bachelor of Business Administration and 70% of the respondents are following Bachelor of Commerce course respectively.

**Family\_Own\_Business**

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	45	22.5	22.5	22.5
No	155	77.5	77.5	100.0
Total	200	100.0	100.0	

According to the results 22.5% of the respondents are having their own family business and 77.5% of the respondents are not.

**Attitude**

		<b>Statistics</b>				
		I'd rather be my own boss than have a secure job	A career as entrepreneur is attractive for me	If I had the opportunity and resources, I'd like to start a firm	Being an entrepreneur would involve great satisfaction for me	I believe that If I were to start my business, I will certainly be successful
N	Valid	200	200	200	200	200
	Missing	0	0	0	0	0
Mean		3.86	3.97	4.13	4.07	4.15
Std. Deviation		.870	.876	.804	.723	.735

<b>Statistics</b>		
<b>Attitude</b>		
N	Valid	200
	Missing	0
Mean		4.0330
Std. Deviation		.53642

When observing the results, its showing that the mean value is 4.033, clearly explaining that respondents attitude towards the behavior for entrepreneurial intention at high level.

**Subjective Norms**

		<b>Statistics</b>				
		My parents are positively oriented towards my future career as an entrepreneur	My friends see entrepreneurship as a logical choice for me	I believe that people who are important to me, think that I should pursue a career as an entrepreneur	In my university, students are actively encouraged to pursue their own ideas	There is a well functioning support infrastructure in my university to support the start up of new firms
N	Valid	200	200	200	200	200
	Missing	0	0	0	0	0
Mean		3.69	3.37	3.58	3.66	3.14
Std. Deviation		.854	.835	.865	.806	.957

**Statistics****Subjective Norms**

N	Valid	200
	Missing	0
Mean		3.4850
Std. Deviation		.55761

When observing the results, its showing that the mean value is 3.485, clearly explaining that respondents subjective norms for entrepreneurial intention at moderate level.

**Perceived Behavioural Control****Statistics****Statistics**

		To start a firm would be easy for me	To keep a firm working well is easy for me	I know how to develop an entrepreneurial project	If I tried to start a firm, I would have a high probability of succeeding	If I want, I could become self employed after my studies	To start my own firm would probably be the best way for me to take advantage of my education
N	Valid	200	200	200	200	200	200
	Missing	0	0	0	0	0	0
Mean		2.96	3.41	3.47	3.77	3.89	3.93
Std. Deviation		.890	.816	.769	.687	.778	.691

**Statistics****Perceived Behaviour**

N	Valid	200
	Missing	0
Mean		3.57
Std. Deviation		.499

When observing the results, its showing that the mean value is 3.57, clearly explaining that respondents perceived behaviour control for entrepreneurial intention at high level.

**Entrepreneurship Education**

		Entrepreneurial subject is very important	Entrepreneurship should be taught in university	Entrepreneurship course should be made compulsory in order to stimulate entrepreneurial spirit in campus	More entrepreneurial and business educational programs on campus would help students to start businesses	My university course prepares people well for entrepreneurial careers
N	Valid	200	200	200	200	200
	Missing	0	0	0	0	0
Mean		3.83	3.48	3.70	3.79	3.42
Std. Deviation		.835	.862	.864	.769	.979

### Statistics

#### Education

N	Valid	200
	Missing	0
Mean		3.6390
Std. Deviation		.59772

When observing the results, its showing that the mean value is 3.639, clearly explaining that respondents Entrepreneurship Education for entrepreneurial intention at high level.

### Personality Traits

#### Statistics

		I like to try new things	I tend to use new routes when I travel	I will start my own business if I detect an opportunity	I am confident of my skills and abilities to start a business	I have leadership skills that are needed to be an entrepreneur	I have mental maturity to be an entrepreneur
N	Valid	200	200	200	200	200	200
	Missing	0	0	0	0	0	0
Mean		4.16	3.93	4.03	4.05	4.09	4.06
Std. Deviation		.613	.715	.746	.652	.681	.595

### Statistics

#### Personal Traits

N	Valid	200
	Missing	0
Mean		4.0500
Std. Deviation		.49902

When observing the results, its showing that the mean value is 4.05, clearly explaining that respondents Personal Traits for entrepreneurial intention at high level.

**Reliability Test**

No.	Construct	Cronbach's Alpha	Number of items	Number of respondents
1.	Attitude Towards the Behavior	.688	5	200
2.	Subjective Norms	.649	5	200
3.	Perceived Behavioral Control	.717	6	200
4.	Entrepreneurship Education	.727	5	200
5.	Personality Traits	.840	6	200
6.	Entrepreneurial Intention	.868	5	200
7.	Overall value	.837	6	200

According to table, the Cronbach's Alpha value of entrepreneurial intention 0.868, and over all Cronbach's Alpha value is 0.837, This shows that all the items in each construct of this study show a stable and consistent result.

**Testing the Hypothesis****Model Summary<sup>b</sup>**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.747 <sup>a</sup>	.559	.547	.430	1.957

a. Predictors: (Constant), Personal\_Traits, Subjective\_Norms, Attitude, Perceived\_Behaviour, Education

b. Dependent Variable: Entrepreneurial\_Intention

The model summary table shows that the R value as 0.747, it is clearly stating that there is a strong positive correlation between the independent variables and dependent variable. R Square value showing that 0.559, it is clearly stating that 55.9% of the dependent variable is explained by independent variables.

**ANOVA<sup>a</sup>**

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	45.327	5	9.065	49.116	.000 <sup>b</sup>
	Residual	35.807	194	.185		
	Total	81.134	199			

a. Dependent Variable: Entrepreneurial\_Intention

b. Predictors: (Constant), Personal\_Traits, Subjective\_Norms, Attitude, Perceived\_Behaviour, Education

ANOVA table showing that significant value is 0.000 which is less than 0.05 ( $0.000 < 0.05$ ). Therefore we can come to the conclusion that this model is significant.



Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	95.0% Confidence Interval for B	
	B	Std. Error	Beta			Lower Bound	Upper Bound
1 (Constant)	-.134	.296		-.453	.651	-.717	.449
Attitude	.041	.069	.034	.593	.554	-.095	.177
Subjective_Norms	-.234	.079	-.204	-2.967	.003	-.389	-.078
Perceived_Behaviour	.267	.083	.209	3.232	.001	.104	.430
Education	.347	.073	.325	4.744	.000	.203	.492
Personal_Traits	.615	.081	.481	7.558	.000	.455	.776

a. Dependent Variable: Entrepreneurial\_Intention

### Hypothesis 1 (Attitude toward the behaviour)

$H_0$  : Attitude toward the behavior does not have a positive impact on entrepreneurial intention

$H_1$  : Attitude toward the behavior has a positive impact on entrepreneurial intention

According to the coefficient table, the significant value for the attitude is showing 0.554 which is higher than 0.05. There is not enough evidence to reject the null hypothesis. Therefore, we can come to the conclusion that **"Attitude toward the behavior does not have a positive impact on entrepreneurial intention."**

### Hypothesis 2 (Subjective norms)

$H_0$  : Subjective norm does not have a positive influence on entrepreneurial intention.

$H_1$  : Subjective norm has a positive influence on entrepreneurial intention.

According to the coefficient table, the significant value for the attitude is showing 0.003 which is less than 0.05. There is enough evidence to reject the null hypothesis. Therefore, we can come to the conclusion that **"Subjective norm has a positive influence on entrepreneurial intention."**

### Hypothesis 3 (Perceived Behaviour Control)

$H_0$  : Perceived behavioral control does not have a positive impact on entrepreneurial intention.

$H_1$  : Perceived behavioral control has a positive impact on entrepreneurial intention.

According to the coefficient table, the significant value for the attitude is showing 0.001 which is less than 0.05. There is enough evidence to reject the null hypothesis. Therefore, we can come to the conclusion that **"Perceived behavioral control has a positive impact on entrepreneurial intention."**

### Hypothesis 4 (Entrepreneurship Education)

$H_0$  : Entrepreneurship education does not have a positive influence on entrepreneurial intention.

$H_1$  : Entrepreneurship education has a positive influence on entrepreneurial intention.

According to the coefficient table, the significant value for the attitude is showing 0.000 which is less than 0.05. There is enough evidence to reject the null hypothesis. Therefore, we can come to the conclusion that **"Entrepreneurship education has a positive influence on entrepreneurial intention."**

### Hypothesis 5 ( Personality Traits)

$H_0$  : Personality traits does not have a positive impact on entrepreneurial intention.

$H_1$  : Personality traits has a positive impact on entrepreneurial intention.



According to the coefficient table, the significant value for the attitude is showing 0.000 which is less than 0.05. There is enough evidence to reject the null hypothesis. Therefore, we can come to the conclusion that **"Personality traits has a positive impact on entrepreneurial intention."**

## Conclusion

This study had made an understanding on the variables (attitude toward the behavior, subjective norm, perceived behavior control, entrepreneurship education and personality traits) that affect students' entrepreneurial intention. Even though the attitude does not have a positive impact on the entrepreneurial intention, the other four independent variables have a positive impact/influence on the entrepreneurial intention. It is important to conduct future research with in-depth knowledge on this topic because entrepreneurship has a very important position in the changing socio-economic scenario in the world, and entrepreneurs play an important role in assisting the development of nation as they will help to reduce the unemployment rate. As a conclusion, researcher hope that this study will provide university students a useful knowledge to understand how one's personal behavior will have an effect on intention to become entrepreneur.

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