

ENTREPRENEURIAL INTENTIONS AMONG STUDENTS A STUDY ON THE PERCEPTIONS OF UNDERGRADUATE STUDENTS

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ABSTRACT:

Entrepreneurship has becoming an important issue in recent years due to its contribution to national economy development and society at large. Decisions to be entrepreneurs are determined by certain factors and it is a planned behavior instead of engaging it accidentally. In general, entrepreneurial intention is defined as a state of mind that leading an individual's attention and action toward the endorsement of entrepreneurial behavior, building new business concept and undertaking in entrepreneurial career. It is important for students to know that entrepreneurship is an available career option for them and understand their interest and intention towards entrepreneurial career. Therefore, this study seeks to investigate the impact of attitude toward the behavior, subjective norm, perceived behavioral control, entrepreneurship education and personality traits on the entrepreneurial intention of students in learning institutions. Students' entrepreneurial intention may be affected by different factors. Entrepreneurial intention is found to determine students' willingness to engage into entrepreneurial behavior in future. The main objective of this study is to understand how attitude toward the behavior, subjective norm and perceived behavioral control, entrepreneurship education and personality traits affect entrepreneurial intention of undergraduates. The primary data of this study was gathered by distributing 100 survey questionnaires to respondents at undergraduate institutions. Researchers focus on investigating and examining factors affecting students' entrepreneurial intention, the level of their entrepreneurial intention and discovering students' awareness towards entrepreneurial career. Researchers gathered data systematically to gain more in-depth understanding about entrepreneurial intention.

Key words: Behavioral control, Entrepreneurial career, Entrepreneurial intention, Planned behavior, personality traits,

1. INTRODUCTION:

For the unemployment issues among graduates, serious concern has been raised by policy makers and academicians. In curbing the issue, these graduates can choose to be self-employed. Many fresh graduates do possess the knowledge and skill that are important for starting-up own business, however, only a tiny percentage of students choose to be self-employed immediately after graduating. It may be due to lack of self-confidence or lack of encouragement or reassurance. There may also be others who are potential entrepreneurs but are not properly aware of the career options that are open to them. As becoming entrepreneur can be one of the options; their intention on becoming self-employed had prompted researchers to investigate particularly on the influence of entrepreneurial characteristics and entrepreneurial intention among undergraduates towards entrepreneurial activities.

2. OBJECTIVES:

The first aim of this research is to have a good understanding on antecedents of entrepreneurial intention of undergraduates. Next, is to identify whether attitude toward the behavior, subjective norm, perceived behavioral control, entrepreneurship education and personality traits will affect entrepreneurial intention of students.

Understanding the factors that affect entrepreneurial intention and the level of entrepreneurial intention among today's undergraduates.

3. RESEARCH METHODOLOGY:

Primary Data: Convenience sampling is used whereby respondents are randomly selected for the study. Self-administered survey questionnaire is used as research instrument. Researchers assessed and analyzed all other sources of **Secondary data** as evidence to support the findings of this study.

4. REVIEW OF LITERATURE:

Entrepreneurship is not the function that might be outcome of simple efforts. It requires a regular and permanent attitude as part of personality. Khan, Ahmed, Nawaz and Ramzan (2011) revealed that female students seems to have less entrepreneurial spirit, but the result shows that regardless of gender, there are equal inclination towards entrepreneurial attitude. Attitude can be based on personality traits and demographic characteristics; it can also be reshaped by education (Ahmed, Nawaz, Ahmad, Shaukat, Usman, Rehman & Ahmed, 2010). Attitude towards entrepreneurship and self-efficacy have significant factors influencing entrepreneurial intention as well as identifying entrepreneurs" succeed (De Noble, Jung & Ehlrich, 1999). However, there is only a little attention directed in measuring attitude (Sharrif & Basir, 2009) and entrepreneurial efficacy among Malaysian students. This becomes the major challenge for entrepreneurship educators in designing courses and developing students" innate entrepreneurial capabilities and intention.

Psychological characteristics of entrepreneurs have received particular attention all over the world. Entrepreneur psychological has attempted to characterize important variables such as personality, attitudes, demography, and behavior as important measurement in the real entrepreneur practices (McClelland, 1961). Personality traits have direct impact on many entrepreneurial activities including the intention to launch a new business, success in business, and enhance entrepreneurial set up (Shaver & Scott, 1991). Thus, it is important to determine the entrepreneurial characteristics among students and which characteristics might influence them to be entrepreneurs (Taramisi Sama-Ae, 2009).

4.1. Entrepreneurial Intention:

According to Ajzen (1991:439), intention is the immediate antecedent of behavior. He claimed that behavior is not performed mindlessly but follows reasonably and consistently from the behavior-relevant information and behavior reinforced by rewarding events and weakened by pushing events.

Individuals would like to be self-employed as they perceive that entrepreneurship is a suitable career path for them (Davidsson, 1995) and is a way for them to accomplish their personal goals, pursue own ideas and realize financial rewards (Barringer & Ireland, 2010: 31).

Entrepreneurial intention defined as willingness of individuals to perform entrepreneurial behavior, to engage in entrepreneurial action, to be self-employed, or to establish new business (Dell, 2008; Dhose & Walter, 2010). It usually involves inner guts, ambition and the feeling to stand on one's feet (Zain, Akram & Ghani, 2010). An individual may have potential to be entrepreneur but not make any transition into entrepreneurship unless they have such intentions (Mohammad Ismail et al., 2009).

Birds (1988) proposed that entrepreneurial intention refers to individuals' states of mind that aimed at creating new venture, developing new business concept or creating new value within existing firms. It is an important factor in facilitating towards new venture establishment and has significant impact on the firms' venture success, survival and growth. He suggested that intentional process often begins based on an entrepreneur's personal needs, values, wants, habits and beliefs.

Scholars empirically evidenced that entrepreneurial intention is a valid predictor for entrepreneurial behavior as entrepreneurial actions always fall into the category of intentional behavior. Studying on entrepreneurial intention provides valuable insights for researcher to understand entrepreneurial process and predict entrepreneurial activities in better way through identifying antecedents of entrepreneurial intention (Davidsson, 1995; Bird, 1998; Krueger et al., 2000; Peterman & Kennedy, 2003; Liñán, 2004; Kolvereid & Isaksen, 2006; Krueger, 2007; Dell, 2008; Mohammad Ismail et al., 2009). Findings of Kolvereid and Isaksen (2006) on 297 business founders by using longitudinal data revealed that intentions to be self-employed did actually determine later entry into self-employment.

Some scholars proposed that entrepreneurship education should be included in entrepreneurial intention model. This is because entrepreneurship educational and training programs lead to the changes of individuals in their attitude towards entrepreneurship, their self-efficacy level which increase they control beliefs that they are capable in managing entrepreneurial career, and change their perceptions towards entrepreneurship, thus, affect their entrepreneurial intention (Peterman & Kennedy, 2003; Kolvereid & Isaksen, 2006; Dell, 2008; Tam, 2009).

5. ANALYSIS OF THE STUDY

5.1. Demographic Characteristics:

Gender	Male: 65	Female: 35
Does your family own a business	Yes: 55	No: 45
Are you interested to start your own business?	Yes: 60	No: 40
Course you opted	Commerce:70	Science: 30
Age Group (In Years)	18-20: 55	21-23: 45

Type of Family Business owned: (Number of Respondents Opinion)

Cloths/Footwear/Accessories:	15	Book Store/Stationery:	10
Food/Beverage:	10	Photography/printing:	05
Hair Saloon/Beauty Care/Spa/Massage/ Laundry:	20	Repair Services:	05
Electronic Appliances/Furniture:	10	Others:	10
Convenience Store :	15		

Hypothesis Test: 1

H⁰ There is no significant relation between the Family background of business and Entrepreneurial interest among students.

H¹ There is significant relation between the Family background of business and Entrepreneurial interest among students

Chi-Square Test

Are you interested in Entrepreneurship?	Do you have Family background of business?			Chi-Square	p Value
	YES	NO	Total		
YES	45 (81.8%)	15 (33.3%)	60 60%	24.242	0.000

NO	10 (18.2%)	30 (66.7%)	40 40%		
Total	55	45	100		

Source: Survey

Chi-square test revealed that there is a significant association between Interest in entrepreneurship and family business background ($p < 0.001$) significance at 1% level

Hypothesis Test 2.

H^0 There is no significant relation between the Course opted by students and Entrepreneurial interest among students.

H^1 There is significant relation between the Course opted by students and Entrepreneurial interest among students

Chi-Square Test

Courses	Are you interested in entrepreneurship?	
	Chi-Square	p Value
Commerce (70)	5.714	0.017
Science (30)	0.000	1.00

Source: Survey

Chi-square test revealed that there is a significant association between interest in Entrepreneurship and Commerce $p < 0.017$ significance at 5% level, but there is no significant association with science.

Hypothesis Test 3.

H^0 There is no significant relation between the Gender and Entrepreneurial interest among students.

H^1 There is significant relation between the Gender and Entrepreneurial interest among students.

Gender	Interest in entrepreneurship				
	Mean \pm SD	t value	P value	95% confidence Interval	

					lower	upper
male	65	1.38+_0.49	0.605	0.439	0.24966	0.1617
female	35	1.42+_0.50			0.25228	0.1643

Source: Survey

Result: P value is more than 0.05. So there is no significance difference between male and Female

5.2. ENTREPRENEURIAL INTENTIONS

Table 1. Table showing the perceptions of students about Attitudes towards behavior.

Perceptions	Strongly Disagreed	Disagreed	Neutral	Agreed	Strongly Agreed
I would rather be my own boss than have a unsecured job	04	03	03	50	40
A career as entrepreneur is attractive for me.	03	03	04	50	40
I would like to start a firm if I will get opportunity.	05	03	12	40	40
Being an entrepreneur I would entail greater satisfactions for me.	04	03	05	52	36
I believe that If I will start my business, I will certainly be successful.	05	03	02	40	50

Source: Survey

Table 2. Table showing the perceptions of students about Subjective Norms

	Strongly Disagreed	Disagreed	Neutral	Agreed	Strongly Agreed
My parents have positive attitude towards entrepreneurship	10	05	05	40	40
My friends see entrepreneurship as a logical choice for me	05	05	03	47	40
In my family all think that I should pursue a career as an entrepreneur	10	05	05	40	40
In my college students are actively encouraged to pursue their own ideas	05	05	02	48	40

Source: Survey

Table 3.. Table showing the perceptions of students about Perceived Behavioral Control

	Strongly Disagreed	Disagreed	Neutral	Agreed	Strongly Agreed
If I want I could become self employed after my studies	05	05	05	35	50
Starting a firm and keep it work would be easy for me.	10	10	-	40	40
If I start a firm I would have a high probability of succeeding	05	05	15	45	30
I know how to develop an entrepreneurial project	15	10	05	40	30
Entrepreneurship is the best way for me to take advantage of my education	05	05	05	35	50

Source: Survey

Table 4. Table showing the perceptions of students about Entrepreneurship education

	Strongly Disagreed	Disagreed	Neutral	Agreed	Strongly Agreed
Entrepreneurship subject is very important and expect change.	-	-	-	50	50
Entrepreneurship should be taught in high school level	02	02	06	45	45
Entrepreneurship course should be made compulsory in order to stimulate entrepreneurial spirit in campus	-	-	-	55	45
Entrepreneurial and business educational programs on campus would help student to start business	-	-	-	50	50
University course prepares well for entrepreneurial careers.	10	05	05	40	40

Source: Survey

Table 5. Table showing the perceptions of students about Personality Traits

	Strongly Disagreed	Disagreed	Neutral	Agreed	Strongly Agreed
I like to try new things	-	-	-	50	50
I tend to use new routes when I travel	-	-	-	45	55
I will start my own business if I found an opportunity	05	10	05	40	40
I am confident of my skills and abilities to start a business	05	10	05	40	40
I have leadership skills and mental maturity that are needed to be an entrepreneur	05	10	05	40	40

Source: Survey

Table 6. Table showing the perceptions of students about entrepreneurial intention

	Strongly Disagreed	Disagreed	Neutral	Agreed	Strongly Agreed
I prefer to be an entrepreneur rather than to be an employee of a company	04	03	03	50	40
My professional goal is to become an entrepreneur	03	03	04	50	40
I am determined to create a firm in the future	05	03	12	40	40
I will make every effort to manage my own firm	04	03	05	52	36
I am determined to create a firm in the future	05	03	02	40	50

Source: Survey

5.3. FACTORS THAT INFLUENCE ENTREPRENEURIAL INTENTIONS

Table 7. Table Showing The Students Perceptions Regarding The Factors Influence Entrepreneurial Intentions

Factors	Very influential	Somewhat influential	Neutral	Not very Influential	No influence
Creativity	50	50	-	-	-
Risk propensity	45	50	03	02	-
Family Background	45	45	-	05	05

Business friends	45	45	-	05	05
Self efficacy	50	50	-	-	-
Business Experience	50	50	-	-	-
Access to start up capital	60	40	-	-	-
Entrepreneurial learning	50	40	05	05	-

Source: Survey

6. FINDINGS:

So far as demographic characteristics are concerned among the respondents 60 students are male and 40 are female. This indicates that girls are also more interested in entrepreneurial activities. 90% of the respondents have business family background

90% of the respondents agreed that they want to become entrepreneurs and that has attractive career and if they get opportunity they will start their business. Majority of them responded that entrepreneurial activity gives satisfaction to them.

More than 80% of them agreed that parents, family, friends will encourage the entrepreneurial activities.

Majority of the students positively responded that they have confidence to start their own business and they will get success.

All the students agreed that entrepreneurial education is must in schools and colleges. They responded that it should be made compulsory.

Majority of them responded that they would like to create new things and go on new routes. Majorities are interested to utilize the opportunity and they are confident in their leadership skill and abilities but 20% have no confidence at all.

90% of the students positively responded that their professional goal is to become entrepreneurs rather than become an employee of companies. They would like to establish their own firm and have confidence to manage their own firm, but 10% have no entrepreneurial intention.

Majority of the students responded that creativity, risk propensity, family background, business friends, self efficacy, business experience, learning opportunity etc all highly influential factors to start the own business.

7. CONCLUSION:

Education about entrepreneurship and for entrepreneurship will increase students' interest in becoming entrepreneurs at some stage after graduation (Friderich and Vesser, 2005). Based on the findings of the present study, graduates entrepreneurial intention can be further increased and sustained through: the adoption of entrepreneurial learning as entrepreneurship development approach by centers of entrepreneurship development in schools and colleges; students should be mixed during entrepreneurship programmes with recourse to their level of creativity, family background, ethnic group, age, business experience and courses studied. This is to

enhance joint practical and experiential learning; the provision of interest free loans to graduates with well articulated business plan; and since there are differences in entrepreneurial intentions among the graduates with respect to courses studied, students should be encouraged to enroll for entrepreneurship programmes that complement their course of study. As a conclusion, researchers hope that this study will provide college students a useful knowledge to understand how one's personal behavior will have an effect on intention to become entrepreneur. 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.

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