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## A STUDY ON DRIVE FACTORS AFFECTING ENTREPRENEURIAL INTENTIONS AMONG UNIVERSITY STUDENTS IN CHENNAI

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### ABSTRACT

A study was conducted to determine University students' perception on entrepreneurial intention. The study was built on psychological model based on Ajzen's theory of planned behavior to identify the factors influencing the entrepreneurial intention of these students. The study analyzes the factors contributing towards entrepreneurial intention among University students. Data were collected through questionnaires obtained from 181 students of three different programmes offered in different University. The study utilized correlation and regression statistics to analyses the data. The findings showed a significant relationship between attitudinal factor( $r=0.5324$ ), behavioral factor ( $r=0.5668$ ) and educational support( $r=0.6241$ ) towards entrepreneurial intention. Educational support contributed the most (39%), followed by behavioral factor with 32.1% and attitudinal factor contributed 28.3% towards entrepreneurial intention among University Students. It is suggested that educational support through Different University is an efficient way of obtaining necessary knowledge about entrepreneurship. The result of the study has valuable implications for policy makers in Higher Education Division, University administrators and educators

**Keywords-** *Entrepreneurial Intention, Entrepreneurship, Education; University Students, Educational Support.*

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### I. INTRODUCTION

Chennai has begun to focus on educational practices through educational institutions. These institutions have begun to study factors associated with entrepreneurship. Entrepreneurship has also captured the attention of policy makers in many areas. The main reason for this concern is the growing need for *Bumiputera* entrepreneurs to accelerate the economic development by providing employment opportunity and increasing competitiveness (Salmah, et al 2007). University Higher Educational programmes have embraced entrepreneurship in its curriculum in chennai. Significant amount of money has been allocated to design and carryout a viable entrepreneurship education for students who university. These colleges provide educational and assistance programmes such as the Young Entrepreneur Programme for practicing businesses.

### II. STATEMENT OF THE PROBLEM

University has taken many steps to strengthen its education sector. Entrepreneurial education is primarily the focus of many university Students from various academic programmes are required to take courses in foundations of entrepreneurial knowledge, skills and attitudes. However, it is unknown whether contextual founding conditions or rather personality traits that drove students' intention to self-employment. In order to design an effective programme, policy makers have to know the factors mentioned above that need to be emphasized (Autio et al 1997). Currently, after 3 years of following the business and entrepreneurship based programmes, students' interests in pursuing self-employment seemed to dissipate. Thus, there is a need to conduct a study focusing on students' perception of the entrepreneurial intention and the factors affecting their decisions.

### III. OBJECTIVE

1. To examine the relationship between attitudinal factors (personality traits, locus of control, curiosity), behavioral factor (risk taking and creativity) and educational support with intention to be an entrepreneur.
2. To assess the contribution of attitudinal, behavioral and educational support factor towards intention to be an entrepreneur.

#### IV. RESEARCH CONCEPTUAL FRAMEWORK

The conceptual framework for this study is built based on the Theory of Planned Behavior by Ajzen (1991) and previously presented model on determinants of entrepreneurial intentions and behavior by Bird (1988), Krueger and Carsrud (1993) and Shapero and Sokol (1982). This conceptual framework explains that entrepreneurial intention among students is influenced by three main factor and they are attitudinal factor, educational support and behavioral factors as shown in Figure 1. The dependent variable in this research is intention of entrepreneurship. Intentionality can be defined as a state of mind directing a person’s attention, experience and action towards a specific path to achieve something (Bird, 1988). Therefore, intention is a predictor of planned entrepreneurial behavior (Kruger & Carsud, 1993). The independent variables employed in this framework are attitudinal factor (personal traits, risk taking and locus of control); behavioural factors (creativity and curiosity) and educational support (syllabus, pedagogy and co-curriculum). The demographic factor is the controlled variables which consist of gender, programme and family background

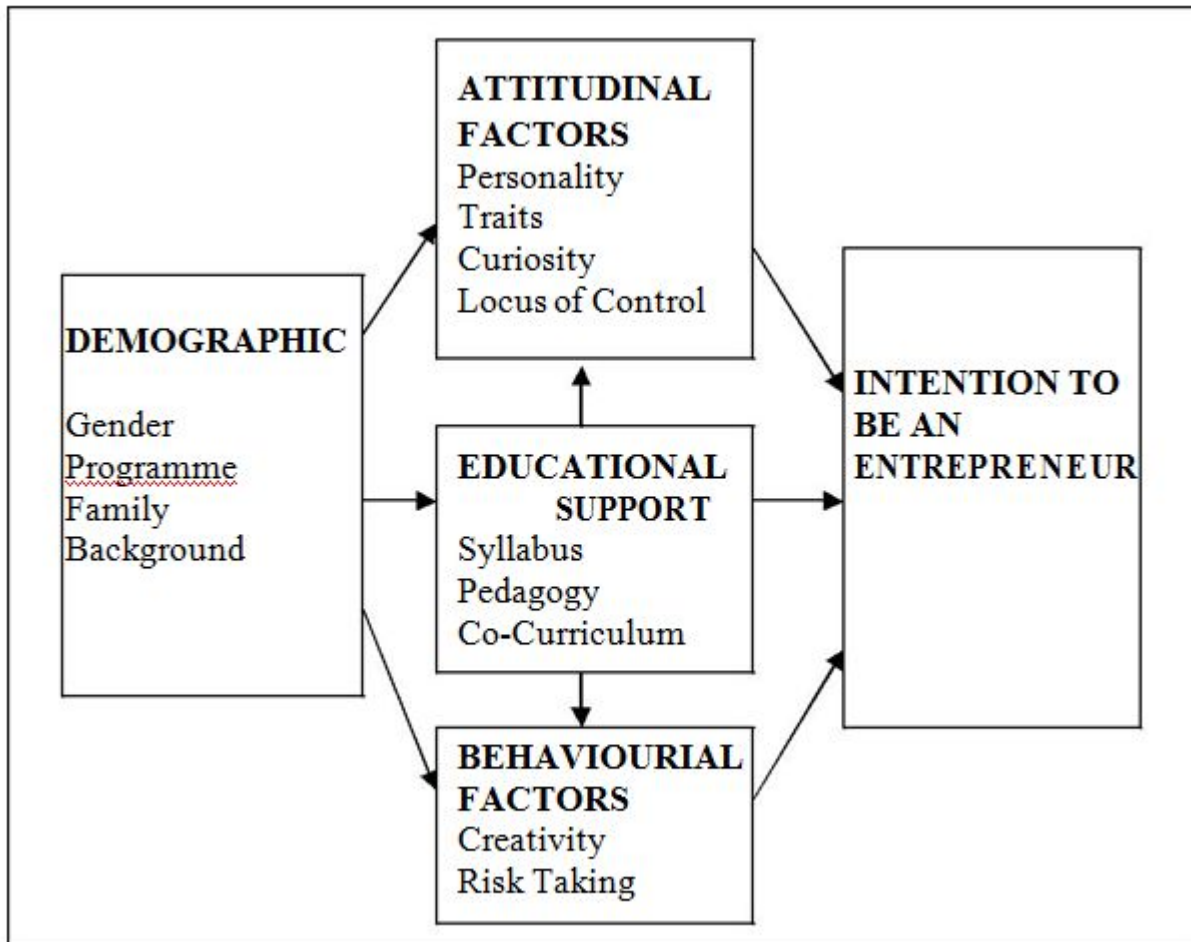


Fig 1 : Research Conceptual Framework

(Adapted from Bird (1988), Krueger and Carsrud (1993) & Shapero and Sokol (1982))

#### V. METHODOLOGY

Along with floods India also suffers acute water shortage. Of the net area sown in the country, 68 percent is prone to This study was carried out through a survey method, using questionnaires as the main instrument. This sample consists of respondents among students from three categories University students in Chennai. A convenience sample was selected to obtain participant from representative in terms of gender and programme. The profile of the

respondents is provided in the Table 1 below.

**Table 1 Profile of Respondents**

Type of Programme	Number of Respondent	
	Male	Female
UG	45	43
PG	25	58
Professional Course	27	69
Total	87	170

**VI. INSTRUMENT**

The questionnaire consists of 2 sections to measure the studied elements. Section A consists of 3 items on the demography information i.e. gender, programme and family background. Section B contains 70 items firstly, to measure attitudinal factor (personal traits, curiosity and locus of control), behavioral factors (creativity and risk taking) and educational support (syllabus, pedagogy and co-curriculum). In order to examine the personality traits, 9 items from five trait clusters which are extraversion, agreeableness, conscientiousness, emotional stability and openness were used. The items were adapted from the structure of phenotypic personality traits (Goldberg, 1993). and a very brief measure of the Big-five personality domains (Gosling, Rentfrow, & Swann, 2003). 5 items were constructed to look into the internal locus of control and 10 items were to look into levels of curiosity of an individual. These items were adapted from Traits and state curiosity in genesis of intimacy (Kashdan et al 2004). The 10 items on risk taking were adapted from A Domain-specific Risk-attitude scale. (Weber, Blais, & Betz, 2002). No modification was made to measure creativity and innovation which was taken from Entrepreneurial Leadership and New Ventures (Chen, 2007).

The items for educational support were constructed by researches taking into consideration of the present educational support given by University Authorities. To measure the entrepreneurial intention among students, 8 items were taken from The Proactive Personality Scale as a predictor of entrepreneurial intention (Crant, 1996). 7-point Likert scale was used where ‘1’ indicates Strongly Disagree and scale ‘7’ indicates Strongly Agree.

A pilot study was carried out using the questionnaire and for analysis of item. The validity and reliability of the questionnaire were measured. Factor analysis was performed to determine the underlying factorial structure of the scale. The result of the analysis revealed three factors (behavioural factor, educational support and attitudinal factor) with Eigen values greater than 1.0. The internal consistencies of scale were assessed through computing Cronbach’s alpha. The components of factor affecting entrepreneurial intention show the reliability value between 0.813 to 0.930. Implication from these values indicates that all of the items used for each component in the questionnaire have a high and consistent reliability values.

**VII. KEY FINDINGS**

In this study, the relationships between attitudinal factors, behavioural factors, educational factors and entrepreneurial intention were examined. Table 2 shows the results of Pearson Correlation Analysis.

**Table 2 Analysis of Pearson Correlation– Zero Order**

	Attitudinal Factor	Educational Support	Behavioural Support
Entrepreneurial Intention	0.532 (181) p = 0.00	0.624 (181) p = 0.00	0.567 (181) p = 0.00
Attitudinal Factor	1.000 (0) p=.	0.639 (181) p=0.00	0.551 (181) p=0.00

Educational Support	0.639 (181) p=0.00	1.000 (0) p=.	0.759 (181) p=0.00
Behavioural Factor	0.551 (181) p=0.00	0.759 (181) p=0.00	1.000 (0) p=.

\*p< 0.05

1. Relationship between attitudinal factors (personality traits, curiosity and locus of control) with intention to be an entrepreneur.

Ho1: There is no significant relationship between attitudinal factors (personality traits, locus of control, risk taking) with intention to become an entrepreneur.

The results showed that the correlation coefficients between attitudinal factors and entrepreneurial intention is  $r = 0.53$ ,  $n = 181$ , ( $p < 0.05$ ). A significant positive correlation ( $p < 0.05$ ) was found between attitudinal factors and entrepreneurial intention.

2. The relationship between behavioural factor (creativity and risk taking) and the intention to become an entrepreneur.

Ho2: There is no significant relationship between behavioural factors (creativity and risk taking) with intention to become an entrepreneur.

As for the relationship between behavioural factors and entrepreneurial intention the correlation coefficients is at  $r = 0.57$ ,  $n = 181$ , ( $p < 0.05$ ). This shows a significant positive correlation ( $p < 0.05$ ) between behavioural factors and entrepreneurial intention.

3. Relationship between educational support (syllabus, pedagogy and co-curriculum) with intention to become an entrepreneur.

Ho3: There is no significant relationship between educational support (syllabus, pedagogy and co-curriculum) with intention to become an entrepreneur.

The final relationship is between the educational support and entrepreneurial intention with the correlation coefficients at  $r = 0.62$ ,  $n = 181$ , ( $p < 0.05$ ). There is a significant relationship between educational support (syllabus, pedagogy and co-curriculum) and entrepreneurial intention.

The correlation coefficient value gained from this analysis shows a strong relationship between the three elements (Davies in Baharom 2004).

Thus, Ho1, Ho2 and Ho3 are rejected. Whereby, this results show that there is a relationship between attitudinal factors, behavioural factors and educational support towards developing entrepreneurial intention among students.

4. Contribution of attitudinal, behavioural and educational support factor towards intention to be an entrepreneur.

The result from the correlation as shown in Table 2 fulfils the required conditions for regression analysis. The correlation analysis shows that the studied dependent variable does not have a high correlation. Tabachnik and Fidell (1996) in Pallant (2001) stated that regression analysis can only be done if the correlation value between the studied enabler is  $< 0.7$ . Thus, the regression analysis can be carried out. Linear regression analysis was used to determine the contribution of the independent variable which is the attitudinal factor, behavioral factor and educational support towards intention to be an entrepreneur among students in University as stated in hypothesis Ho21 below.

Ho4<sub>1</sub>: There is no significant contribution from independent variable attitudinal factor towards intention to be an entrepreneur.

Ho4<sub>2</sub> : There is no significant contribution from independent variable behavioural factor towards intention to be an entrepreneur.



**Table 5 Analysis of Linear Regression Between Behavioural Factors Towards Intention to be Entrepreneur.**

Independent Variable	B	Beta	t	Sig. -t	R2	Contribution (%)
Behavioural Factors	0.746	0.567	9.257	0.000	0.321	32.1
Constant	1.583		3.697	0.000		

R	0.567a
R squared	0.321
Adjusted R squared	0.318
Standard Error	0.831

**Table 6 Analysis of Variance**

Source	Sum of Squared	df	Mean Square	F	Sig (p)
Regression	59.108	1	59.108	85.686	0.000a
Residual	124.858	181	0.690		
Total	183.966	182			

The contribution of attitudinal factor towards entrepreneurial intention among University students forms the linear regression as shown below :

$$Y = 1.583 + 0.746 X1 + 0.428$$

Y =Entrepreneurial Intention

X1 =Attitudinal Factor

Constant 1.583

Standard Error 0.428

The regression linear analysis in Table 7 and 8 show that the independent enabler which is the educational support is the indicator which has the correlation of ( $\beta = 0.794$ ,  $t=10.747$  and  $p=0.000$ ) ( $p<0.05$ ) and the value of  $R^2=0.390$  indicates the contribution of 39% towards the entrepreneurial intention among University students. When the score for educational support goes up a unit, the score for the construction of vision, mission and goal will also increase to 0.794 units. Thus,  $H_0$  is rejected.

Table 7: Analysis of Linear Regression Between Educational Support towards Intention to be Entrepreneur

Independent Variable	B	Beta (β)	t	Sig. -t	R2	Contribution (%)
Educational Support	0.794	0.624	10.747	0.000	0.390	39.0
Constant	1.358		3.481	0.001		
R		0.624a				
R squared		0.390				
Adjusted R squared		0.386				
Standard Error		0.788				

Table 8 Analysis of Variance

Source	Sum of Squared	df	Mean Square	F	Sig (p)
Regression	71.660	1	71.660	115.493	0.000a
Residual	112.305	181	0.620		
Total	183.966	182			

The contribution of educational support towards the entrepreneurial intention among University students forms the linear regression as shown below:

$$Y = 1.358 + 0.794 X_1 + 0.390$$

Y = Entrepreneurial Intention  
 X<sub>1</sub> = Educational Support  
 Constant = 1.358  
 Standard Error = 0.390

From the linear regression, analysis can be concluded that educational support contributed the most, which is 39%, followed by behavioural factor 32.1% and attitudinal factor contributed 28.3% towards entrepreneurial intention among University Students.

**VIII. DISCUSSION**

The traditional research stream on entrepreneurial behavior has emphasized psychological and non-psychological factors to explain why someone starts a new firm. The psychological factors, or traits perspective, addresses several human attributes, such as the need for achievement (McClelland, 1961) desire for independence (Cromie, 1987), internal locus of control (Cromie & Johns, 1983; Cromie, 1987), and self-efficacy (Bandura, 1997). The non-psychological factors are event based and determine the behavior of the individual. Individual acts, according to the constraints and possibilities of the situation they found themselves in. The entrepreneurial event approach stresses that intentions are a strong predictor of individual behaviour such as starting a new firm (Ajzen, 1991; Krueger, 1993).

This study shows that purposeful education enhances students' entrepreneurial intention by providing them with attitudes, knowledge and skills to cope with the complexities embedded in entrepreneurial tasks such as opportunity seeking, resource assembling and leading the business to success (Wilson, Kickul & Marlino, 2007). Formal entrepreneurial education provides students experience of mastery, role models, social persuasion and support by involving them in hands-on learning activities, business plan development and running simulated or real small business (Fiet, 2000; Segal, Borgia & Schoenfeld, 2005).

Student's participation in entrepreneurial training programmes has been associated with changes in attitudes and intentions towards entrepreneurship and these trainings need proper teaching strategies compatible with the student-centred approach (Kuratko, 2005). This is because the development of students' entrepreneurial intention will be affected by the entrepreneurial instructions they received such as team oriented method and hands-on activities (Rasmussen & Sorheim, 2006 ; Frank, Leuger & Mugler, 2005). Wood and Bandura (1991) suggested higher education teaching and learning should focus on providing mastery experience or repeated performance accomplishment.

The current study illustrated that proper entrepreneurship education exposure will enable students to have positive attitudes towards choosing entrepreneurship as a career. Entrepreneurship education, needs a different teaching pedagogy in which entrepreneurship education is linked to work-related learning (Dwerryhouse, 2001), experiential learning (Kolb, 1984), action-learning (Smith, 2001) and entrepreneurial training (Gibb, 1999). This is in line with the steps taken by Different University in offering entrepreneurship courses to all students so as to improve their entrepreneurial intention as suggested by Peterman and Kennedy (2003) and Souitaris, Zerbinati, and Al-Laham (2007) who found that exposure to entrepreneurship education increases entrepreneurial intention. Emphasize is also given to teaching pedagogy and lecturers are sent for training to equip them with the pedagogical knowledge.

Entrepreneurship education can be offered in many ways. If the objective is to provide understanding of what entrepreneurship is about, the most effective way to achieve this objective is to provide information through public channels such as media, seminars or lectures. These methods are effective to send the relevant information to a broader population. If the objective is to equip individuals with entrepreneurial skills, the best way to deliver the education and training is via industrial training. However, if the objective of education is to prepare individuals to act as entrepreneurs, the most effective technique is to facilitate experiments by trying entrepreneurship out in a controlled environment, such as business simulation or role playing (Hytti & O'Gorman, 2004). This study also found that the industrial training programme made compulsory for all programme and the changes made in the programme by introducing students to business simulation by University Authorities.

## **IX. CONCLUSION**

Although there is no consensus on the content and structure of entrepreneurship education, the findings of current study showed that Higher Education Institution should, at least, "encourage the development of creative ideas for being an entrepreneur", "provide the necessary knowledge about entrepreneurship", and "develop the entrepreneurial skills" through educational support such as pedagogical, syllabus and co-curricular activities. To develop human resources, education and training are among the most important elements. The previous studies in literature also indicate a link between education and entrepreneurship. It has been found that the probability of entrepreneurial recognizes opportunities to start up, have received specific information, and perceives that their education institutions are giving support to entrepreneurship.

It is suggested that educational system which provides adequate knowledge and inspiration for entrepreneurship develop the students' intention to perform entrepreneurial behaviours and the possibility of choosing an entrepreneurial career might increase among young people. Attitudes toward entrepreneurship should partly derive from prior exposure to entrepreneurial activity and affect intentions through changing attitudes. This study confirms the key role of educational support in the development of entrepreneurial intention. Therefore, the Present study shows that entrepreneurship can be fostered through learning process.



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