

# An Analytical Study On Entrepreneurial Intentions Among Students

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**Abstract:** India, the second most populous country in the world with the demographic trend of million people galloping the labor force every month and also second largest in youth population. It is highly predominant to examine whether demand equates supply in this field. Hence the entrepreneurship, the pace of creation of new businesses and new start-ups in India is vital to anticipate and stem out the unemployment issues. Thus this study focuses to percolate and evaluate the entrepreneurial intentions among the students by administering 650 primary samples. This study observes the stimulus of personal and institutional environment on the Entrepreneurial intention among the students and also to find the subjective, situational and role models influence on Entrepreneurial intention. The demographic and personal factors study led to results were the students of higher age group have shown high level of entrepreneurial intention than other age group. The result shows that motivation, role model, attitude, education and age of students have the direct effect on feasibility and desirability.

**Index Terms:** Attitude, Demographic Factors, Entrepreneurial Intention, Learning, Motivation, Resource Utilization.

## I. INTRODUCTION

Successful nations are built by people, optimizing the resource utilization and sustaining on the basis of inclusiveness.. Entrepreneurship is the main vehicle of economic development as is evident from the writings of Anokhin (2008).According to Drucker, P., (1991) the entrepreneurial activities have been the driving force for innovation in the increased technological advancements and intense international competitions. In order to provide the infrastructure support for the new ventures many programs and services have been implemented. In today's time the graduates from technical institutions and management disciplines are more than ever expected to start ventures. This will have a significant implication on Employment and Economic Growth.But the data on India's entrepreneurial activities are not very encouraging. This raises a situation where in India's needs to improve in the area of entrepreneurship. The major issue of finding employment avenues for millions of young educated individuals is near to impossible. The emphasis on education and the proactive role of the Government to educate all the young children of India makes one of the factors of production namely knowledge high in supply. But supply of entrepreneurs is not equally high. The future of entrepreneurial behavior has been primarily predicted by entrepreneurial intention. Intention can be defined as the state of mind directing a person's attention towards a particular behavior for achieving something.

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Intentions capture the motivational factors that influence an individual's behavior to pursue entrepreneurial activities.

In Tamilnadu, a southern state in India is considered to be in the forefront of technical and professional course provider, in the form of having largest number of technical Universities and Engineering Colleges. It comes across as the largest supplier of Human Resources with professional skills. But the rate of entrepreneurship among these graduates is not encouraging as majority of the students prefer Employment over entrepreneurship.

Investigation of factors determining entrepreneurial intention has become an important parameter for understanding entrepreneurial behavior. However there has been very limited number of studies done in this field especially in the developing economies. In India where a majority of the population is young and education becoming a priority among the central and state governments, the study of entrepreneurial intention among the students has become essential to develop policies and strategies to improve it.Demographic, personal and educational institutional factors are a powerful influence on the students' decisions to start a business and thereby on the entrepreneurial intention.

## II OBJECTIVES OF THE STUDY

The following objectives are realized as important aspect to study entrepreneurial intention. To assess the influence of demographic and personal aspects on entrepreneurial intention which has proved to be the framework in the previous studies in the developed countries based on the review of literature.

To find the subjective, situational and role models influence on Entrepreneurial intention.

## III RESEARCH METHODOLOGY

### A. SELECTION OF STUDY AREA

The area selected for study is the educational hub of India. It is the southern state of Tamilnadu which is the largest supplier of graduates in India. It has the largest number of educational institutions including colleges and Universities. The universities have played a major role in providing quality technical education to students of India and Abroad. They have been the fertile grounds for new thinking as well as suppliers of skilled manpower to the various Industries in India.

Tamilnadu is a large state with as many as 31 districts. Its capital is Chennai, which when compared to other metro cities.The area of study includes Chennai and its adjacent districts including Kanchipuram and Thiruvallur. These three districts together have the highest concentration of colleges and Universities. The sample being the students, the most influential place for any student is the University which offers courses as diverse as Technology,



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Business, Medical and other Courses in Science and Arts. Chennai witnesses the highest level of Entrepreneurial activities as both Government and Educational institutions undertake entrepreneurship promotion activities. These activities have evinced the interest of the students across the courses. So, it becomes an ideal place for the study to be undertaken with respect to the students' entrepreneurial intention. Totally 650 students were selected across Engineering colleges with questionnaire method using purposive sampling technique. The descriptive research method was adopted/

### **B. 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.

**Table 2**  
**Construct reliability for dimensions affecting the entrepreneurial intentions**

Dimensions	CR	AVE	DV
Personal Attitude	0.76	0.69	0.66
Desirability	0.72	0.70	0.64
Feasibility	0.78	0.68	0.62
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.

According to Linan, F., Cohord, J. C. R., and Cantuche, J. M. R. (2011), study the factors affecting entrepreneurial intention levels: a role for education, found that perceived feasibility and perceived desirability are the main factors explaining entrepreneurial intention. And education can help in building the feasibility and desirability to higher levels. In the present study by the researcher the results points to entrepreneurship education having significant difference affecting the entrepreneurial intention among the students. The statement that entrepreneurship education can make a person to take up entrepreneurial initiative and practical knowledge of entrepreneurship has been positively perceived by the students. When the entrepreneurship education is delivered

more in the practical pedagogy methodology than theoretical it can make the students to take entrepreneurial initiative. This can give the students confidence and experience to start up their own ventures.

The Institutional research which has been the hot bed of activities and many enterprises birthplace in various different Universities across the world has a significant influence on the entrepreneurial intention among the students in this study. The students' intention depends on research activities in the institution and the students' involvement in the research activities of the university is significant on the entrepreneurial intention of the students.

But the correlation coefficients between the entrepreneurial intention and institutional research are very weakly and positively correlated. This may be due to the type of research activities that takes place in the institutions. The researches taken up are more of publication nature and not the real time technology or product development in the labs. The researcher is not arguing that there is no real time research activity currently undertaken in the institutions but that it is of very insignificant in nature and the chances of students being a part of it is very slim.

## IV CONCLUSION

From the study it is clear that all the factors included for the study do not directly influence the entrepreneurial intention. Some of the factors have direct effect on the feasibility and desirability. This brings in the aspect of intervention and support system for the improvement of the feasibility and desirability aspect of entrepreneurship. To make entrepreneurship desirable it requires the change in the attitude. The study concludes that to improve entrepreneurial intention among the students the intervention measures have to be put into place especially with respect to entrepreneurial support system in the form of institutional research, support and education.

## V USEFULNESS OF STUDY

This study and its results can form the basis for policy decision among the collegiate educational institutions with respect to improvement in the entrepreneurial intention among the students. The study result on the students' perception about the institutions support and research activity proves that the students do not perceive it positively so there is no significant impact of it on the entrepreneurial intention.

The research departments and the teaching faculty members should include students in large numbers for inter department research work which should go beyond the routine publication processes. The educational institutions will have to intensify their activities to implement educational, research and resource programs on entrepreneurship so as to bring about a change in the attitude of students with regard to entrepreneurship. As attitude directly influences entrepreneurial intention among the students. The class rooms should be used to invite successful entrepreneurs, for interaction with the students to motivate them and thereby increase the intention levels. Using positive role models in teaching, establishing entrepreneurial support networks, and arranging business plan competitions



can create a vibrant entrepreneurial atmosphere.

## VI. FURTHER RESEARCH

This study on entrepreneurial intention has been done by taking factors that has an influence on the students' based on the review of literature, in the region of Chennai. The study can be replicated in other areas of the state and even the country with the same variables as it has proven to be universal in nature.

Cultural and social environment factors require further exploration. Future research can be based on including these factors as well. Entrepreneurial Intention requires further study to build up a strong argument for the policy changes and implementation. The future course of research can be done by taking the significant factors from the result of the current study and further explored in Chennai or other places.

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