

An Empirical Study on Entrepreneurial Intention and Dimension Affecting the Entrepreneurial Intentions

Nisha Ashokan, P.S.Rajeswari, Priya.K

Abstract: India has one of the greatest mounting economies in the world. The Youth population tops in demographic segmentation when compared with other countries but with less numbers of entrepreneurs. India requires strategizing for accelerate and facilitate the entrepreneurs. It is highly predominant to examine the factors influencing the dimensions on entrepreneurial intentions. Thus this study focuses to examine and evaluate the entrepreneurial intentions among the students by administering 650 primary samples. This research examines the influence of education dimensions on the intentions of entrepreneurs among the students and also to find the relationship between on Entrepreneurial intention and dimensions on entrepreneurship. Linear regression analysis and structured equation model analysis are used. Entrepreneurial initiative and practical knowledge are positively influencing the entrepreneurial intentions. The results imply that motivation, role model, attitude, education and age of the students have direct effect on feasibility and desirability for entrepreneurship. Meanwhile, feasibility and desirability and attitude have direct effect on entrepreneurial intention among the students. Perceived feasibility and desirability against institutional support and feasibility and desirability against monthly family income are not statistically significant. The result shows that institutional support and monthly family income of the students do not affect directly to their entrepreneurial intentions.

Keywords- Entrepreneurial Intention, Perceived feasibility and desirability, Attitude, Motivation, Education

I.INTRODUCTION

Endorsing entrepreneurship is a major topic of public policy across the developed and developing countries. It is predominant for any economy to empower the entrepreneurial capacity entails individuals' ability and drive to initiate new start up. In the developed countries, policy frameworks include the development of support system for creation of new firms which are spin offs from the university or the research center. Combined with a capability to develop technology, these new firms contribute not only to the economic growth, but also innovation. On the other hand, the developing countries have started taking measures on endorsing academic entrepreneurship in policy making of their economy. Various steps have been taken to stimulate the growth of entrepreneurship, particularly in the University.

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The Government and the various stakeholders like educational institutions have taken measures to improve entrepreneurial growth in the country. In general, entrepreneurs have altered the direction of economies, industries and markets. They have reallocated the resources from existing users to new users and more productive users that has transformed the society and created new industries in various sectors. Thus this study focuses on entrepreneurial intention and dimension affecting the entrepreneurial intentions.

II.RESEARCH OBJECTIVES

The following objectives are realized as important aspect to study entrepreneurial intention.

1. To examine and analyze influence of entrepreneurship education dimension on entrepreneurial intention.
2. To determine the relationship between entrepreneurial intention and dimension affecting the entrepreneurial intentions among the students.

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 of India is traditional with cosmopolitan outlook setting in with advent of high industrial growth. 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, Business, Medical and other Courses in Science and Arts.

Chennai witnesses the highest level of Entrepreneurial activities as both Government and Educational institutions



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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.

B. RESEARCH DESIGN

Descriptive research design was employed with cross sectional data collection method. Structured Questionnaire using survey method was the sampling instrument using simple random sampling method. The sample size was 650 for better representation. The study collected the information through the instrument developed using the appropriate constructs.

C. SAMPLING PROCEDURE

Among the different districts in Tamil Nadu, the Chennai city and its suburbs including Tiruvallur and Kanchipuram district have the largest concentration of Engineering Colleges and Universities, about 27% of the entire state. The data were collected from the sample size of 650 students in the final year of their course who have been active participants of the entrepreneurship programs and activities during their course of study through pre-tested, structured questionnaire by adopting simple random sampling method.

D. VALIDITY & RELIABILITY

Content validity and face validity is guaranteed through extensive literature study and discussion subject matter experts Reliability of the sampling instrument is ensured by means of Cronbach alpha value which is above 0.7 of the taken set of items in the questionnaire.

E. SOURCES OF DATA

Primary data sources are used for the purpose of research. The data and information were collected from the primary source through self-administered structured pretested questionnaire. Field survey was conducted across different Universities in and around Chennai.

F. ANALYTICAL TOOLS ADOPTED FOR STUDY

- i. To analyze the data collected through the instrument containing constructs with statements appropriately designed for the collection of data with objectives of the study.
- ii. To get the appropriate results for the study multiple regression and structural equation modeling techniques

are used to obtain appropriate inferences.

INFLUENCE OF ENTREPRENEURSHIP EDUCATION DIMENSION ON ENTREPRENEURIAL INTENTION

The multiple linear regression was employed to measure the influence of entrepreneurship education dimensions on entrepreneurial intentions of students, and the results are presented in Table 1. With R^2 of 33% with significance of ANOVA.

Entrepreneurial Initiative (X_1)	.653**	3.374	.001
Awareness of Entrepreneurship (X_2)	.079	.403	.687
Practical Knowledge (X_3)	.543**	3.464	.004
Compulsory Entrepreneurship Subject (X_4)	.016	.083	.934
Spread of Entrepreneurship Subject (X_5)	.086	.428	.669
Informal Entrepreneurship Education (X_6)	.415*	2.015	.044
R^2	0.33		
Adjusted R^2	0.29		
F	3.712		0.01
N	650		

*95% confidence level **99% confidence level

The results indicate that entrepreneurial initiative and practical knowledge are positively influencing the entrepreneurial intentions at one per cent level of significance, while informal entrepreneurship education is also positively influencing the entrepreneurial intentions of students at five per cent level of significance.

RELATIONSHIP BETWEEN ENTREPRENEURIAL INTENTION AND DIMENSION AFFECTING THE ENTREPRENEURIAL INTENTIONS

The relationship between entrepreneurial intentions and dimensions affecting the entrepreneurial intentions of students was analyzed by computing correlation coefficients and the results are presented.



Particulars	EI	PA	DE	FE	SN	SF	RM	PM	IR	IS	EE
EI	1.00										
PA	0.36**	1.00									
DE	0.38**	0.32**	1.00								
FE	0.35**	0.28**	0.44**	1.00							
SN	0.34**	0.34**	0.22**	0.14**	1.00						
SF	0.16*	0.28**	0.24**	0.26**	0.32**	1.00					
RM	0.32**	0.30**	0.26**	0.18**	0.29**	0.05	1.00				
PM	0.34**	0.28**	0.21**	0.12**	0.27**	0.16**	0.26**	1.00			
IR	0.08*	0.38**	0.26**	0.18**	0.20**	0.13**	0.18**	0.29**	1.00		
IS	0.09*	0.36**	0.24**	0.14**	0.11**	0.13**	0.09*	0.24**	0.23**	1.00	
EE	0.14**	0.28**	0.12*	0.04	0.17**	0.18**	0.22**	0.26**	0.28**	0.29**	1.00

Source: Primary & Computed Data

Note: ** indicates significant at one per cent level

* indicates significant at five per cent level

EI= Entrepreneurial Intentions

PA=Personal Attitude DE=Desirability

FE= Feasibility SN=Subjective Norm

SF=Situational Factors

RM=Role Models

PM=Personal Motivation

IR=Institutional Research

IS=Institutional Support

EE=Entrepreneurship Education

From the correlation co-efficient between entrepreneurial intentions, desirability, feasibility, social norm, role model, personal motivation, and personal attitude are moderately and positively associated with each other at one per cent level of significance. The correlation co-efficient between entrepreneurial intentions and situational factors is 0.16, which is weakly and positively associated with each other at five per cent level of significance. The entrepreneurial intentions, institutional support, entrepreneurship education and institutional research are very weakly and positively correlated with each other.

IMPACT OF ENTREPRENEURSHIP DIMENSION ON ENTREPRENEURIAL INTENTION

In order to examine the impact of entrepreneurship dimensions on entrepreneurial intentions among the students, the multiple linear regression has adopted and the results are presented in Table 3. The results indicate that Adjusted R² is 0.82 indicating the regression model is excellent fit and it also indicates about 82.00 per cent of the variation in entrepreneurial intentions is explained by entrepreneurship dimensions' variables.

Entrepreneurship Dimensions	Regression Coefficients	t-value	Sig
Intercept	1.869*	1.967	.034
Personal Attitude(X ₁)	.642**	5.432	.001
Desirability(X ₂)	.568**	4.892	.001
Feasibility (X ₃)	.486**	5.526	.000
Subjective Norm (X ₄)	.052	1.048	.364
Situational Factors(X ₅)	.051	1.492	.244
Role Models(X ₆)	.414**	3.346	.001
Personal Motivation (X ₇)	.329**	3.258	.003
Institutional Research(X ₈)	.011	.854	.996
Institutional Support(X ₉)	.319**	3.316	.001
Entrepreneurship Education(X ₁₀)	.140	.952	.596
R ²	0.84		
Adjusted R ²	0.82		
F	19.429		0.00
N	650		



Table 3: IMPACT OF ENTREPRENEURSHIP DIMENSION ON ENTREPRENEURIAL INTENTIONS MULTIPLE REGRESSIONS

Source: Primary & Computed Data

Note: ** Significance at one per cent level

The results show that personal attitude, desirability, feasibility, role models, personal motivation and institutional support have the positive and significant impact on entrepreneurial intentions among the students at one per cent level of significance

IV STRUCTURAL EQUATION MODEL (SEM)

The interrelationship between selected demographic features and key dimensions of entrepreneurial intention were analyzed by employing Structural Equation Model (SEM) and the estimates results are presented.

Table 4: ESTIMATES OF STRUCTURAL EQUATION MODEL (SEM)

Particulars	Estimates	C.R. Value	P-Value
Feasibility and Desirability ←Motivation	0.189**	4.466	0.000
Feasibility and Desirability ←Role Model	0.476**	5.544	0.000
Feasibility and Desirability ←Institutional Support	0.051	1.667	0.954
Feasibility and Desirability ←Attitude	0.430**	5.510	0.000
Feasibility and Desirability ← Monthly Family Income	0.067	0.325	0.745

Feasibility and Desirability ←Education	0.561**	5.990	0.000
Feasibility and Desirability ←Age	0.506**	2.861	0.004
Entrepreneurial Intention ← Feasibility and Desirability	0.427**	4.373	0.000
Entrepreneurial Intention ← Attitude	0.882**	5.418	0.000

Note: ** indicates significant at one per cent level

From the results of SEM model, the estimate for feasibility and desirability against motivation is 0.189 with p-value of 0.000 and the estimate for feasibility and desirability against role model is 0.476 and the estimate for feasibility and desirability against attitude is 0.430 with p-value of 0.000 indicates that these estimates are significant at one per cent level.

Meanwhile, the estimate for feasibility and desirability against education is 0.561 with p-value of 0.000 and the estimate for feasibility and desirability against age is 0.506 with p-value of 0.000 indicates that these estimates are significant at one per cent level.

Besides, the estimate for entrepreneurial intention against feasibility and desirability is 0.427 and the estimate for entrepreneurial intention against attitude is 0.882 with p-value of 0.000 indicates that these estimates are significant at one per cent level.

The results imply that motivation, role model, attitude, education and age of the students have the direct effect on feasibility and desirability for entrepreneurship, the null hypothesis is rejected. Meanwhile, feasibility and desirability and attitude have the direct effect on entrepreneurial intention among the students.

The path diagram for entrepreneurial intention is presented in figure.



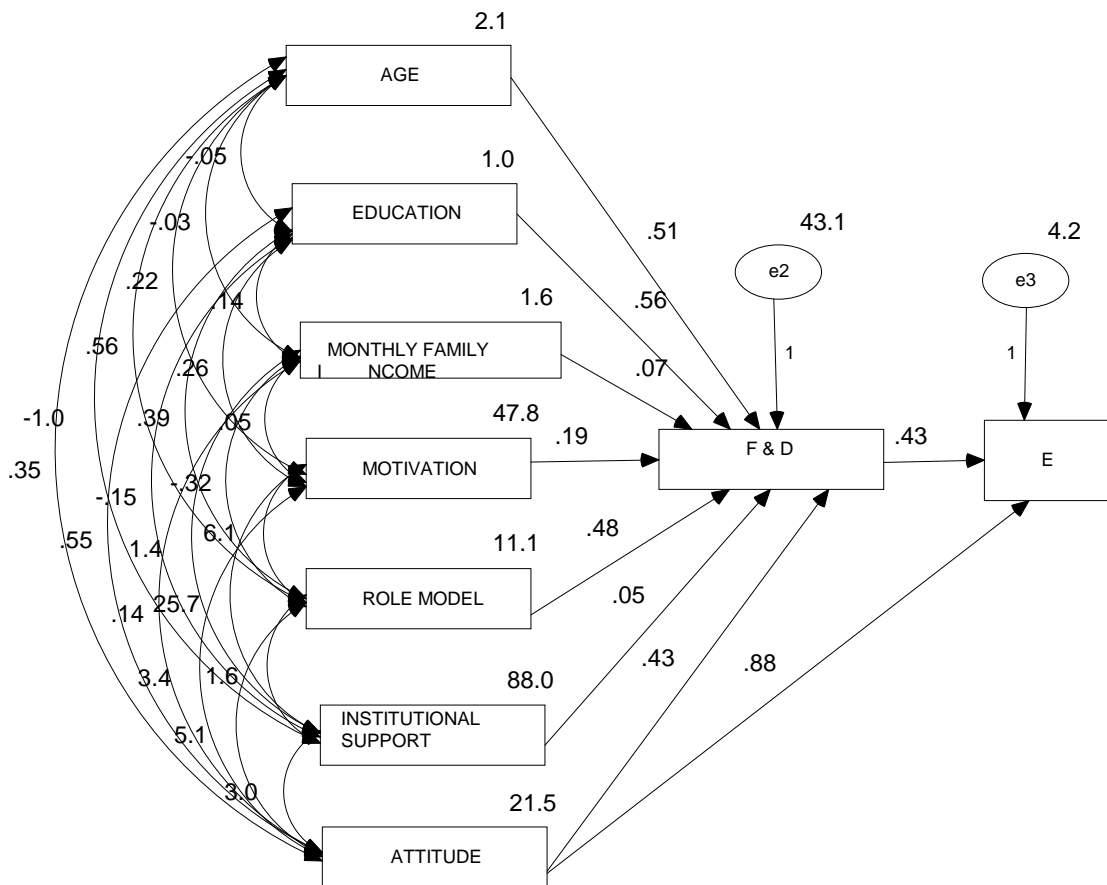


Figure: 1 STRUCTURAL EQUATION MODEL FOR ENTREPRENEURIAL INTENTION

The model fit parameters are presented in Table 5.

Table 5: MODEL FIT

PARAMETERS

Chi-Square Value	P-Value	GFI	CFI	RMR	RMS EA
70.650	11.775	0.98	0.96	0.03	0.01

The chi-square statistic is 70.650 with p-value of 11.775 which indicates the model is excellently fit. The Goodness of Fit Index (GFI) is 0.98 and Comparative Fit Index (CFI) is 0.96. These GFI and CFI indicate perfect fit. The standardized Root Mean Residual (RMR) is 0.03 and Root Mean Square Error of Approximation (RMSEA) is 0.01 indicating excellent fit.

However, the estimates for feasibility and desirability against institutional support and feasibility and desirability against monthly family income are not statistically significant. This shows that institutional support and monthly family income of the students do not affect directly to their

entrepreneurial intentions, leading to acceptance of null hypothesis.

V CONCLUSION

Present research deliberates the impact of various causes on the entrepreneurial intention among the students. Entrepreneurial initiative and practical knowledge are positively influencing the entrepreneurial intentions. The results imply that motivation, role model, attitude, education and age of the students have direct effect on feasibility and desirability for entrepreneurship. Meanwhile, feasibility and desirability and attitude have direct outcome on entrepreneurial intention among the students. Perceived feasibility and desirability against institutional support and feasibility and desirability against monthly family income are not statistically significant. The result shows that institutional support and monthly family income of the students do not affect directly to their entrepreneurial intentions. 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.

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