

# Entrepreneurial intentions among undergraduate students in university of Jaffna

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**Abstract:** This research aimed at studying the entrepreneur intention among undergraduates in university of Jaffna. 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 analyzed the factors contributing towards entrepreneurial intention among University of Jaffna students. Attitudinal, educational and behavioral factors have been taken as characteristic of entrepreneurs. Data were collected through questionnaires obtained from 534 students of four different faculties in University of Jaffna. The study utilized correlation and regression statistics to analyze the data. The findings showed a significant positive relationship between attitudinal factor ( $r=0.535$ ), behavioral factor ( $r=0.624$ ) and educational support ( $r=0.524$ ) towards entrepreneurial intention. From the linear regression analysis, it can be concluded that entrepreneurial characteristics contributed 46.5% towards entrepreneurial intention among undergraduates at University of Jaffna. The result of the study has valuable implications for policy makers in Higher Education Division, university administrators, educators and Government.

**Key words:** Entrepreneurial intention, attitudinal factors, educational support, behavioral factors

## Introduction

Today entrepreneurship has become one of the critical factors that would support development of economy. Growth of entrepreneurial activities leads to creation of various opportunities such as job creation, self-employment & etc. The main reason for increased unemployment is less entrepreneurial intention among the people. If government takes great attention in developing entrepreneurial intention, unemployment will automatically decline. So entrepreneurship plays a major role in Sri Lanka's economic development. But entrepreneurs in Sri Lanka are facing greater challenges in the modern business under tough competition, rapidly changing new technologies & globalization of products and services.

Education system of Sri Lanka produces large number of highly educated individual with academic skills only. But they not provide skills that are needed to become an entrepreneur. Unfortunately today, the university system in Sri Lanka is not producing even five percentages in entrepreneurship. Recently, University of Uva Wellasa has introduced a course in entrepreneurship that is called as entrepreneurship and management studies. Nowadays some universities and technical colleges provide educational and assistance program to students. Such as, entrepreneur program for practicing business. Sri Lankan government is also changing their educational system and should facilitate to entrepreneur for getting success in future.

Number of variables has the influence on the entrepreneurial intention. For this research purpose, we have selected three variables that are attitudinal factors, educational support and behavioral factors as our independence variable. According to today's needs, we have selected undergraduate students in university of Jaffna as our sample and analyzed entrepreneurial intention among those students.

## Review of literature

Several conceptual models of entrepreneurial intentions have been developed to identify the factors that have impact on entrepreneurial intention of starting a new business (Shapiro, 1982; Bird, 1988; Davidsson, 1997 and Autio 1997). Intention to start a business drives from a propensity to act upon opportunities and from perceptions of desirability and feasibility. University students are trained to enter the business according to their area of study. Christion (2000) studied on Batak students' intention to be entrepreneurs & found that 65% of the respondents had intention to be entrepreneurs.

According to our conceptual model, we have included attitudinal factor, educational support and behavioral factors and analyzed impact of three factors on entrepreneurial intention.

Ajzen (1991) found out relationship between personal attitude factors with intention to be an entrepreneur. Here personality traits, curiosity and locus of internal control have been taken under the attitudinal factors. Personality is usually broken in to five components that are called as big five personality which are openness to experience, conscientiousness, extroversion, agreeableness and neuroticism. These components are generally stable overtime and appear to be attributable to person's genetics rather than effects of one's environment. Nishantha (2009) analyzed effect of personality traits have impact on motivation of student to select entrepreneur career and revealed that need for achievement and risk taking propensity are highly contributed for developing positive attitude towards entrepreneurship.

Individuals believe that they can control events affect them that is called as locus of control. There are two types of local of control that are internal locus of control and external locus of control. External locus of control means individuals believes that his /her behavior is guided by fate or luck or other external circumstance. Internal locus of control means Individual believe that his/her behavior guided by his or her personal decision and effort.

Curiosity has also been identified as a major motivator of behavior in domains such as educational occupational and recreational area (Reio & Swell 2000)

Kushadan & Roberts (2004) found that highly curious individuals are more motivated to explore new environment to obtain diverse cognitive perceptual or sensational information to satisfy their curiosity.

Gelord and Satesh (2011) investigated the impact of educational support & structural support on entrepreneurial intention. They found out the key role of education for the development of entrepreneurial intention. Reynolds (1995) and Miller (1990) revealed that groups with lower education show less of interest in an entrepreneurial career. But there are some problems to predict the results regarding positive relationship between educational support and entrepreneurial intention because people with higher education may have better chances of success and to attain their personal goals not only as business owner manager, but also as employee. Peterman & Kennedy (2003) suggested that exposure to enterprise education affects intention. Current research suggests that the use of a variety of learning experience helps students to expose to real world situations (Edelman & Mansiova 2008). We can expect that students self-efficiency can gradually increase, which is possible as students gain experience by developing skills.

Entrepreneurial behavior is defined as a set activities and practices by which individuals at multiple levels autonomously generate and use innovation & resource combinations to identify and pursue opportunities. We have included creativity and risk taking into behavioral factors. Creativity is the ability to produce something new through imaginative skills and creativity by individual is a starting point for innovation that is often used interchangeably with creativity.

Daniel Yarhamidi et al (2000) found that high scores on creativity test yielded a strong positive effect on entrepreneurial intention. There is long tradition of describing entrepreneurship and innovative business behavior as an act of creativity (Amabile 1996 & Ward 2004).

Davidssons (2002) said entrepreneurs must come up withfor new goods and services that can be brought to a market. Risk taking refers to the tendency to engage in behaviors that have the potential to be harmful or dangerous yet at the same time. Provide the opportunity for some kind of outcomes that can be perceived as positive. Some researchers have identified the relationshipbetween risk taking behavior and entrepreneurial intention but some researchers found out no relationship between these two variable. Brockhavs (1980) identified that risk to tolerance or ambiguity does not affectentrepreneurs differently. HoweverChosh& block (1993) identified that risk and ambiguity have impact on entrepreneurial behavior or intention.

Therefore previous studies have shown variables that might affect entrepreneurial intention.This study has coveredbehavioral factors, attitudinal factors & educational support and how those factors have the influence on intention of university students to become entrepreneur.

### Hypothesis

H1: There is a significant relationship between attitudinal factors with intention to become an entrepreneur.

H2: There is a significant relationship between behavioral factors with intention to become an entrepreneur.

H3: There is a significant relationship between educational supports with intention to become an entrepreneur.

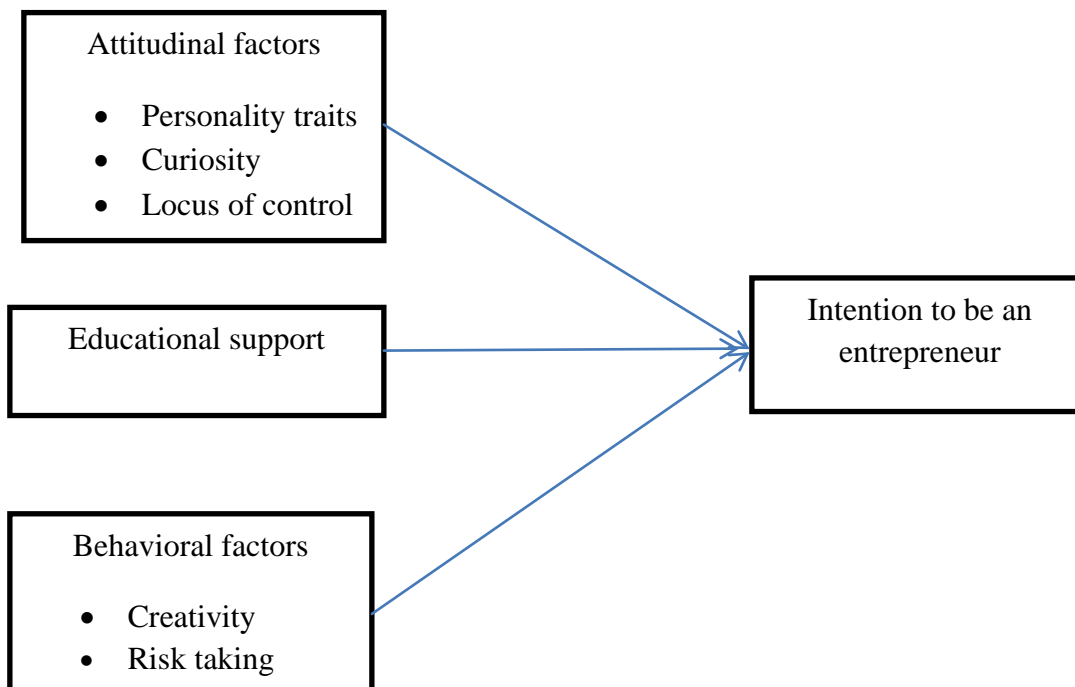
H4: attitudinal, educational and behavioral factors have the impact on entrepreneurial intention.

### 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 intentionto be an entrepreneur.
2. To examine the contribution of attitudinal, behavioral and educational support factor towards intention to be an entrepreneur.
3. To understand the perception or opinion of entrepreneurship among the students

### Research conceptual frame work

The conceptual framework for this study is built based on the theory of planned behavior by Ajzen(1991). Entrepreneurial intention is a dependent variable and attitudinal factors, Educational support and behavioral variable in this model.



**Methodology**

**Population and Sampling**

This study was carried out through a survey method, using questionnaires as the main instrument. We used Stratified sampling method to collect the data and this sample consists of respondents among students from four faculties in university of Jaffna (faculty of management & commerce, science, arts and Agriculture)

**Research Instruments**

The final questionnaire consists of two parts. Part I includes questions to collect demographic information and educational background of respondents. Part II aims at measuring attitudinal factors, educational support, behavioral factors and Entrepreneur intention. All the variables were measured using five point likert scale with level 1= strongly agree and 5=strongly dis agree. Data have been analyzed using correlation and regression.

The questionnaire was adopted from various previous sources and used to collect the data. The personality traits were adapted from the structure of phenotypic personality traits (Goldberg, 1993). 5 items were constructed to look into the internal locus of control and 4 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 4 items on risk taking were adapted from A Domain-specific Risk-attitude scale (Weber, Blais, & Betz, 2002). 4 items were taken 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 of Jaffna.

**Reliability:** The internal consistencies of scale were assessed through computing Cronbach’s alpha. The components of factor affecting entrepreneurial intention show the reliability value is 0.889. Implication from these values indicates that all of the items used for each component in the questionnaire have a high and consistent reliability values.

**Results & Discussion**

In this study, the relationships between attitudinal factors, behavioral factors, educational factors and entrepreneurial intention were examined. Correlation and regression analysis were used to analyze the data.

**Table 1**

**Correlations**

|                     |                     | intention | education | Attitudinal factors | Behavioral factors | Total (characteristic) |
|---------------------|---------------------|-----------|-----------|---------------------|--------------------|------------------------|
| intention           | Pearson Correlation | 1         | .524**    | .535**              | .624**             | .682**                 |
|                     | Sig. (2-tailed)     |           | .000      | .000                | .000               | .000                   |
|                     | N                   | 532       | 532       | 532                 | 532                | 532                    |
| education           | Pearson Correlation | .524**    | 1         | .457**              | .519**             | .858**                 |
|                     | Sig. (2-tailed)     | .000      |           | .000                | .000               | .000                   |
|                     | N                   | 532       | 534       | 534                 | 534                | 534                    |
| Attitudinal factors | Pearson Correlation | .535**    | .457**    | 1                   | .521**             | .753**                 |
|                     | Sig. (2-tailed)     | .000      | .000      |                     | .000               | .000                   |
|                     | N                   | 532       | 534       | 534                 | 534                | 534                    |

|                        |                     |        |        |        |        |        |
|------------------------|---------------------|--------|--------|--------|--------|--------|
| Behavioralfactors      | Pearson Correlation | .624** | .519** | .521** | 1      | .822** |
|                        | Sig. (2-tailed)     | .000   | .000   | .000   |        | .000   |
|                        | N                   | 532    | 534    | 534    | 534    | 534    |
| Total (characteristic) | Pearson Correlation | .682** | .858** | .753** | .822** | 1      |
|                        | Sig. (2-tailed)     | .000   | .000   | .000   | .000   |        |
|                        | N                   | 532    | 534    | 534    | 534    | 534    |

\*\* . Correlation is significant at the 0.01 level (2-tailed).

The results showed that the correlation coefficients between attitudinal factors and entrepreneurial intention is  $r = 0.535$ , ( $p < 0.01$ ). A significant moderate positive correlation ( $p < 0.01$ ) was found between attitudinal factors and entrepreneurial intention.

The results showed that the correlation coefficients between Educational factors and entrepreneurial intention is  $r = 0.524$ , ( $p < 0.01$ ). A significant moderate positive correlation ( $p < 0.01$ ) was found between educational factors and entrepreneurial intention.

The results showed that the correlation coefficients between Behavioral factors and entrepreneurial intention is  $r = 0.624$ , ( $p < 0.01$ ). A significant strong positive correlation ( $p < 0.01$ ) was found between behavioral factors and entrepreneurial intention.

The relationship between entrepreneurs' characteristics and entrepreneurial intention is positively correlated at significance level of .01.

**Table 2**

**Model Summary**

| Model | R                 | R Square | Adjusted R Square | Std. Error of the Estimate |
|-------|-------------------|----------|-------------------|----------------------------|
| 1     | .682 <sup>a</sup> | .465     | .464              | .53232                     |

a. Predictors: (Constant), entrepreneurs' characteristic

Regarding to the above model summery, R square value is 0.465. R square states to what extent characteristics of entrepreneur (attitudinal, educational and behavioral factors) determine entrepreneurial intention. R square value is also low. It indicates that only about 46.5% is explained by the variation in the score of entrepreneurs' characteristic. The remaining is unexplained.

**Table 3**

**ANOVA<sup>b</sup>**

| Model |            | Sum of Squares | df  | Mean Square | F       | Sig.              |
|-------|------------|----------------|-----|-------------|---------|-------------------|
| 1     | Regression | 130.652        | 1   | 130.652     | 461.073 | .000 <sup>a</sup> |
|       | Residual   | 150.184        | 530 | .283        |         |                   |
|       | Total      | 280.836        | 531 |             |         |                   |

a. Predictors: (Constant)attitudinal factors, educational factors and behavioral factors

b. Dependent Variable: intention

The above table is used to find out the overall fitness of characteristics of entrepreneur (attitudinal, educational and behavioral factors) and entrepreneurs' intention. F value indicates whether this model has overall significant or not. Based on the above result F value is

461.073 and its significant is at 0.000 at 0.01 significant levels. So characteristics of entrepreneur (attitudinal, educational and behavioral factors) are the significant for entrepreneurs' intention.

Table 4

**Coefficients<sup>a</sup>**

| Model |              | Unstandardized Coefficients |            | Standardized Coefficients | t      | Sig. |
|-------|--------------|-----------------------------|------------|---------------------------|--------|------|
|       |              | B                           | Std. Error | Beta                      |        |      |
| 1     | (Constant)   | -.061                       | .097       |                           | -.626  | .000 |
|       | Entre charec | .940                        | .044       | .682                      | 21.473 | .000 |

a. Dependent Variable: intention

According to the above table, the relationship between the two variables, that are characteristic of entrepreneurs as an independent variable and entrepreneurial intention as a dependent variable, is positive and their coefficient is 0.940. The value of t-statistic of the above output is  $t = 21.473$  with a significance of 0.000. Since the significance is less than 0.01, it can be said that at 1% significance level, Positive linear relationship exists between characteristics of entrepreneur (attitudinal, educational and behavioral factors) and entrepreneurs' intention.

Regression equation for characteristic of entrepreneurs and entrepreneurial intention is:

$$\text{Entrepreneurial intention} = -0.61 + 0.940 * \text{characteristic of entrepreneur}$$

From the linear regression, analysis can be concluded that entrepreneurial characteristics contributed 46.5% towards entrepreneurial intention among University of Jaffna.

**Results of hypotheses testing**

| Hypotheses | Description  | Tools               | Hypotheses supported/ rejected |
|------------|--|---------------------|--------------------------------|
| H1         | There is a significant relationship between attitudinal factors with intention to become an entrepreneur   | Correlation         | Supported                      |
| H2         | There is a significant relationship between behavioral factors with intention to become an entrepreneur.   | Correlation         | Supported                      |
| H3         | There is a significant relationship between educational supports with intention to become an entrepreneur. | Correlation         | Supported                      |
| H4         | Attitudinal, educational and behavioral factors have the impact on entrepreneurial intention.              | regression Analysis | Supported                      |

## Conclusion

The purpose of this study was to find out the relationship between the entrepreneurs' characteristics and entrepreneurs' intention of undergraduate students in university of Jaffna. According to our research findings, attitudinal factors, educational factors and behavioral factors have significance influence on entrepreneurial intention. But among those three factors, behavioral factors have more influence on entrepreneurial intention. Educational factors have low influence on entrepreneurial intention compare with other factors. University and government have to take action to revise curriculum that exists in present and universities need to design new paths to guide the students and to develop their skills and knowledge according to our present situation. Since entrepreneurship is important as a very relevant instrument to promote economic growth for the nation's economies, more need to be done to promote new enterprises and business venture to infuse dynamism in the economic activity.

This research only covered the four faculties in university of Jaffna. But this is a small position. Future researchers can include all faculties in university of Jaffna or may select other universities in Sri Lanka. If future researcher extend this sampling, that will give powerful result about entrepreneurs' intention.

This research aimed at studying the entrepreneur intention among undergraduates in university of Jaffna. We have identified only three major factors for entrepreneur intention. But so many factors have the influence on entrepreneur intention. Such as, subjective norms, perceived feasibility, perceived competitiveness and so on. So, when future researchers consider other characteristics that will give valid insights. Our results will provide some implications for universities, governments, entrepreneurship trainers as well as families on how to cultivate entrepreneurial intention among universities.

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