EXTENDED ABSTRACT

ENTREPRENEURIAL INTENTION AND ITS ANTECEDENTS AMONG STATE UNIVERSITY STUDENTS IN SRI LANKA

Vanitha Prasannath[*]

Eastern University, Sri Lanka
* vanithap@esn.ac.lk

Abstract

This study explored different influencing factors of entrepreneurial intentions amongst undergraduates in Sri Lankan state universities. This exploratory empirical research wanted to examine the university students' intention to set up a brand-new enterprise in the Sri Lankan context. The online survey was performed by sending the pretested survey link to the state universities' students (agriculture and related courses) using a non-listed-based random sampling and snow bowling method. Data were gathered from 292 final year students from various state universities in Sri Lanka. The established items from the literature were applied to determine the personal attitude, subjective norm and perceived behavioural control. The findings revealed that male students have higher entrepreneurial intentions compared to female students. All the items were used to perform the factor analysis. As predicted, three factors such as personal attitude, subjective norm and perceived behavioural control emerged by removing two items in the personal attitude measurement scales. The final fitted structural equation model is positively significant for subjective norm and gender.

Keywords: Entrepreneurial intention, gender, Sri Lanka, University students

1. Introduction

Entrepreneurship supports achieving high employment, which is considered vital in creating wealth and developing a country due to its powerful macro and micro-level impacts (Pouratashi, 2015). People do engage in entrepreneurship intentionally of their choice. An individual intends to be involved in entrepreneurial activity in the future and searches for information known as entrepreneurial intention (Choo & Wong, 2006) and recognised as the forecaster for entrepreneurial activity.

The central construct of the study, the entrepreneurial intention, is to perform in a planned behaviour. Therefore, the theory of planned behaviour (TPB) was used to justify the research. The TPB justified that attitudes, subjective norms, and perceived behavioural control are associated with suitable sets of significant behavioural, normative, and control opinions regarding the behaviour (Ajzen, 1991). At the same time, the correct nature of these relationships is still unclear. Various studies found that personality traits, self-efficacy, and perceived opportunity are predictors of entrepreneurial intentions (Choo & Wong, 2006; Pouratashi, 2015; Sata, 2013). Similarly, several studies have endorsed the relationship between entrepreneurial intention and its predictive antecedents such as attitudes, subjective norms, and perceived behavioural control (Koe, Saari, Majid, & Ismail, 2012;

Pouratashi, 2015). Therefore, the objective of the study is to explain which elements play the most prominent part in influencing the individual decision to begin a firm.

2. Methodology

A multi–item questionnaire measures entrepreneurial intention, personal attitude, subjective norm, and perceived behavioural control. The personal attitude (PA), subjective norm (SN), and perceived behavioural control (PBC) were assessed using five, three, and six items, respectively. These measurement scales were adapted from (Liñán and Chen (2009)) and the study used a five-point Likert-type scale. The exogenous variable entrepreneurial intention (EI) was assessed using the question of "My professional aim is to become an entrepreneur" and ask the students to tick Yes = 1 or No = 0. Furthermore, some demographic questions such as gender and age were also gathered. The following adapted conceptual model (Ajzen, 1991; Liñán & Chen, 2009) was employed.
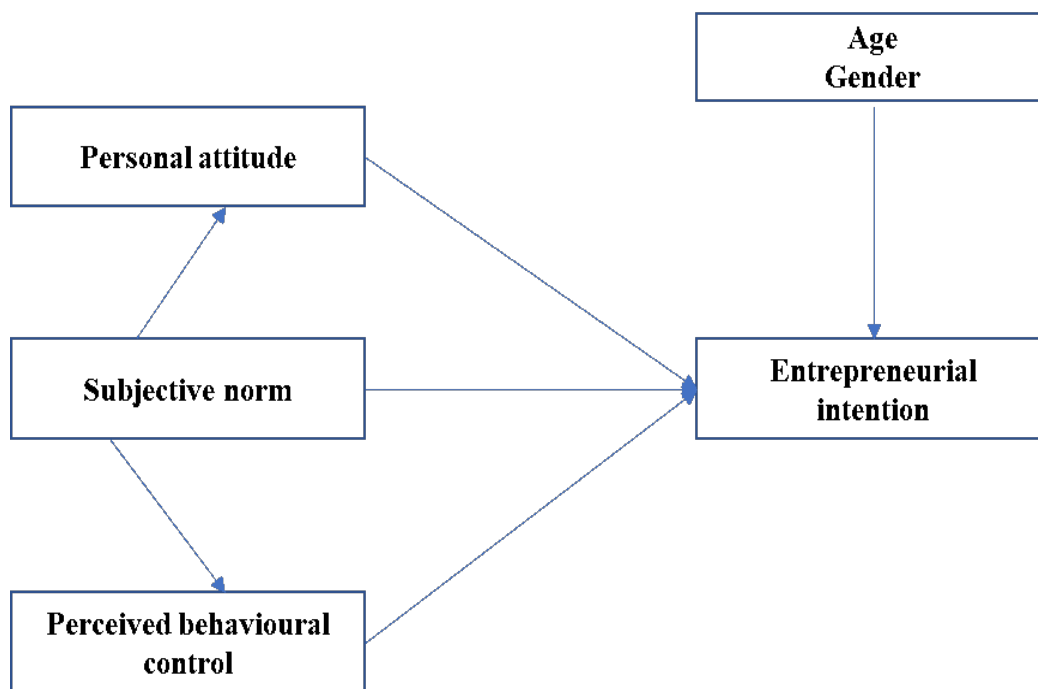

Figure 1. Conceptual Model (adopted from (adopted from Ajzen, 1991 and Linan Chen, 2009)

Data were collected from the final year university undergraduate students enrolled in state universities for agriculture and related courses (Agriculture, Agricultural Technology and Management, Food Science and Technology, Green Technology, Agricultural Technology and Entrepreneurship etc.) in Sri Lanka by employing a non-listed-based random sampling and snow bowling method from January to March 2021. The students from the University of Peradeniya, University of Colombo, University of Jaffna, University of Ruhuna, Eastern University, Southeastern University, Rajarata University, Sabaragamua University and Uva Wellassa University were contacted. The data were collected via an online survey using a pretested questionnaire. Finally, data were received from 292 final year students in the state universities in Sri Lanka. There were no missing data as the online survey was set up to receive all the answers from the participants. The data was analysed using SPSS 27 and SPSS AMOS 27. The validity, accuracy of an instrument of the instrument was established by using well-recognised scales. The reliability repeatability of an instrument was assured by performing pilot testing and improving the questionnaire by contextualising the measurement scales to the context. Cronbach's alpha was employed to assess the reliability of the instrument. According to (George and Mallery (2003)), the Cronbach alpha of 0.8 is considered good reliability.

The following Hypotheses were formulated.

H1: Personal attitude has a positive effect on entrepreneurial intentions.

H2: Subjective norm has a positive effect on entrepreneurial intentions.

H3: Personal behavioural control has a positive effect on entrepreneurial intentions.

H4: Gender has a positive effect on entrepreneurial intentions.

H5: Age has a positive effect on entrepreneurial intentions.

3. Results and discussion

The average age of the sample is 25.3, with a standard deviation of 1.75. It is confirmed with the study that university students between the age of 25 to 30 years of age showed the greatest tendency to start a business (Reynolds, Camp, Bygrave, Autio, & Hay, 2002). Of the sample, 59.9% are females, and only 40.1% are male. These figures are approximately parallel to the average attributes of students in the undergraduate degrees in Sri Lanka. Thus, it may be recognised to be a representative sample. The findings revealed that male students have higher entrepreneurial intentions than female students.

The convergent validity is usually considered using factor analysis. The Kaiser–Meyer–Olkin test for the sample was high at 0.815, and Bartlett's sphericity test was extremely significant (p<0.001). Therefore, both the statistics suggest that the data are suitable for factor analysis. The Kolmogorov–Smirnov and Shapiro–Wilk test were performed to check the test the normality in the distribution of the items. The normality was supported at 0.001 significant level. The principal factor extraction was performed to extract the factors. Three factors with Eigenvalue greater than one have appeared, and the Scree plot also suggested a three-factor solution as fully correspond to the theoretical expectation after removing the items PA4 and PA5 in the personal attitude as they have coefficients of less than 0.5. The cumulative variance explained by the extraction was 63.39. Table 1 presents the Structure matrix component and the factor loadings of the different items measured.

Table 1. Factor Loadings

	1	2	3
PA1	.905		
PA2	.895		
PA3	.938		
SN1		.904	
SN2		.870	
SN3		.893	
PBC1			.854
PBC2			.848
PBC3			.884
PBC4			.930
PBC5			.890
PBC6			.540
Cronbach's Alpha	**0.901**	**0.867**	**0.904**

The Table 2 indicates the fitness indexes of the measurement model. The fitness indexes of the measurement model are P-Value = 0.000, RMSEA = 0.036, GFI = .988, IFI = 0.988, CFI = 0.988, TLI = 0.985, NFI = .958, RFI = .947 and Chisq/df = 25.925 which indicates that the measurement model indicates a satisfactory fit to the data and the values of all indexes were good. Consequently, this study attained construct validity.

The following Table 2 exhibits the regression weights of the fitted Structural Equation Model. The causal relationships were all significant at 0.001 level except gender → entrepreneurial intention and subjective norm → entrepreneurial intention was significant at 0.05 level. At the same time, personal attitude → entrepreneurial intention and perceived behavioural control → entrepreneurial intention are not statistically significant.

Table 2. Regression Weights of the Model

	Estimate	S.E.	C.R.	P	Label
PA3 ← PA0	1.000				
PA2 ← PA0	.889	.048	18.398	***	par_1
PA1 ← PA0	.923	.048	19.245	***	par_2
SN3 ← SN0	1.000				
SN2 ← SN0	1.006	.070	14.341	***	par_3
SN1 ← SN0	1.139	.074	15.433	***	par_4
PBC3 ← PBC0	1.000				
PBC2 ← PBC0	.946	.054	17.449	***	par_5
PBC1 ← PBC0	1.058	.059	17.897	***	par_6
PBC4 ← PBC0	1.170	.053	22.186	***	par_7
PBC5 ← PBC0	.934	.048	19.594	***	par_8
PBC6 ← PBC0	.597	.072	8.297	***	par_9
Entrepreneurial Intention ← PA0	-.024	.027	-.895	.371	par_13
Entrepreneurial Intention ← SN0	-.070	.026	-1.925	.034	par_14
Entrepreneurial Intention ← PBC0	-.041	.021	-1.332	.183	par_15
Entrepreneurial Intention ← Gender	.102	.059	1.730	.044	par_16

Therefore, out of five hypotheses, only two hypotheses, such as H2: Subjective norm has a positive effect on entrepreneurial intentions and H4: Gender has a positive effect on entrepreneurial intentions, were accepted. Out of three main entrepreneurial intention predictors, only subjective norm (latent variable) has positively influenced the entrepreneurial intention. The subjective norm is measured using three items: "if the student decided to create a business, the approval of the decision by the people in close-environment such as close family, friends and colleagues". The entrepreneurial intention is not fully explained by the personal attitude, subjective norm and perceived behavioural control. The age variable is dropped from the model as it is not significant. The unexplained variance could be explained by the socioeconomic and cultural background of the students. The advanced model using the socioeconomic and cultural background of the undergraduates will be incorporated as a moderator or mediator variable and further estimated.

4. Conclusion

The present study has addressed the entrepreneurial intention of the final year undergraduates who enrolled in agriculture and related subjects at one of the state universities in Sri Lanka. The established predictors of entrepreneurial intention were tested using the proven measurement items. Results

supported only two of the hypotheses. Further, only the subjective norm, significant and positively influence the entrepreneurial intentions. In addition to this analysis, further analysis will be taken place by incorporating all the socioeconomic and cultural factors as moderating or mediating variables as norms generally impacted by socioeconomic and cultural factors. The research has implications on theoretical and practical. In order to generalise the findings regarding entrepreneurial intention, different studies should take place in a different context with different socio-cultural backgrounds. Furthermore, nearly 75% of the participants provided their contact details and a follow-up study will be conducted to test the intention behaviour relationship. Future studies may feature entrepreneurial education and identify the difference in entrepreneurial intention among private and state university students.

The contribution of the study to the literature is twofold. First, the study applied the well-established measurements scale of entrepreneurial intention in the Sri Lankan context (Wickramasinghe, Dedunu, & Weerasinghe, 2017). Second, this study identified the primary reason that influences the entrepreneurial intention, which will help policymakers establish gender-balanced entrepreneurial policies and create a conducive environment for students to think and create new entrepreneurial activities.

References

Ajzen, Icek. 1991. The theory of planned behavior. *Organizational behavior and human decision processes* 50(2): 179–211.

Choo, Stephen, and Melvin Wong. 2006. Entrepreneurial intention: triggers and barriers to new venture creations in singapore. *Singapore management review* 28(2): 47–64.

George, Darren, and Paul Mallery. 2003. *Spss for windows step by step: a simple guide and reference. 11.0 update*, 2003.

Koe, Wei-Loon, Juan Rizal Sa'ari, Izaidin Abdul Majid, and Kamariah Ismail. 2012. Determinants of entrepreneurial intention among millennial generation. *Procedia-Social and Behavioral Sciences* 40: 197–208.

Liñán, Francisco, and Yi–Wen Chen. 2009. Development and cross–cultural application of a specific instrument to measure entrepreneurial intentions. *Entrepreneurship theory and practice* 33(3): 593–617.

Pouratashi, Mahtab. 2015. Entrepreneurial intentions of agricultural students: levels and determinants. The Journal of Agricultural *Education and Extension* 21(5): 467–477.

Reynolds, Paul D, SM Camp, WD Bygrave, E Autio, and M Hay. 2002. Global entrepreneurship monitor gem 2001 summary report. *London Business School and Babson College* 61–77.

Sata, Mesay. 2013. Entrepreneurial intention among undergraduate business students. *International Journal of Research in Management Economics and Commerce* 3(9): 33–48.

Wickramasinghe, PGSS, HH Dedunu, and IMS Weerasinghe. 2017. Entrepreneurial intention of undergraduates in sri lankawith references to selected state universities. *International Research Journal of Engineering and Technology* 4(9): 1412–1416.