

**FACTORS INFLUENCING ENTREPRENEURIAL
INTENTION AMONG THE STUDENTS OF TRIBHUVAN
UNIVERSITY**

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by

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1. Background of the study

Entrepreneurship is the process of creating something different with value by devoting the necessary time and effort, assuming the accompanying risks, and receiving the resulting rewards. According to Thurnik and Gree (2003), entrepreneurship is a major force in driving the economy of a country. Entrepreneurial intent is a fundamental section to the resolution of country's development subject and future socio-political stability. Entrepreneurship plays an important role in socio-economic growth and development and thus, recognized as the pivotal innovative instrument for socio-economic growth and stability in the countries. Entrepreneurs solve problems within the market by creating new sustainable business entities. The occurrence of entrepreneurial factors varies across countries and cultures. Factors contributing to these differences are culture, level of economic development of a country and political-economic traditions (Farrington, Venter, Schrage, and Van der Meer, 2012).

Ajzen (1991) posits that intention is the immediate determinant of behavior, professing that, "the stronger the intention to engage in planned behavior, the more likely should be its performance". Bird (1988) indicates that entrepreneurial intention is a state of an individual mind, which directs and guides them towards the development and the implementation of new business concept. Van Gelderen, Thurik, and Bosma (2005) highlight entrepreneurial intention as the intentions of setting up one's business in the future. Prior research has established that entrepreneurial intent is the primary predictor of future entrepreneurs (Krueger, Reilly, and Carsrud, 2000). Krueger, Reilly, and Carsrud (2000) suggest that entrepreneurial activity can be predicted more accurately by studying intention rather than personality traits or situational factors. Among the intention-based theories like the theory of entrepreneurial event, institutional economic theory and theory of planned behaviour, the latter has more analytical capability (Díaz-Casero, Ferreira, Hernández Mogollón, and Raposo, 2012).

Shinnar, Pruett, and Toney (2008) have argued that universities, and especially business schools, should prepare their students for an entrepreneurial career. In support, Volkman (2004) has suggested that although interest within this field is steadily increasing, most entrepreneurial education exists primarily within the walls of business schools. Entrepreneurship is, however, not easy to develop and is conceptualized

differently by different authors. It is inspiring to see more and younger people interested in entrepreneurship. The notion of entrepreneurial intention is important in the field of entrepreneurship literature and can be often seen in studies on entrepreneurial behavior.

According to Ajzen (1991), after the 90's, researchers directed their attention to the effect of personal entrepreneurial intention on entrepreneurial attitude. Also, the number of studies on entrepreneurial intention increased. Some scholars think that, when their characteristics are compared, personal entrepreneurial intention has a bigger role in predicting entrepreneurial attitude. Peng, Lu, and Kang (2012) many models have been developed historically to explain entrepreneurial intent. Ajzen (1991) 'Planned behavior model' is the most frequently used one in the field literature. According to Ajzen (1991), factors that affect entrepreneurial intent are attitudes, subjective norms and perceived behavior control that aim to display entrepreneurial behavior. Ajzen (2002) stated that entrepreneurial attitude comprises maintenance of positive values while launching a new enterprise, subjective norms, social pressure on potential entrepreneurs, perceived behavior control as well as perceived hardships and ease of the potential entrepreneur (Nabi and Liñán, 2013).

Starting a business is, then, the product of the interaction between a person seeing a business opportunity and their perceived self-capacity to act upon this opportunity, including their motivation, self-confidence and assumed skills, all set within the distinct conditions of their local environment and its own specific mix of social values, ecosystem supports and economic resources (Thompson, 2014) Entrepreneurship is a social as well as an economic phenomenon, and attitudes and perceptions are important influences on the nature and level of that entrepreneurship. The worldwide advocacy for entrepreneurship is due to the important role it plays both for the economy and the individual Baron (2014). Entrepreneurs boost the economy through business innovation and leadership (Praag and Versloot, 2007). Praag and Versloot (2007) recognize a problem to be solved or a need to be filled and create a solution through original products and services Praag and Versloot (2007). Their creations in turn create new jobs and businesses, which sparks economic growth. In fact, over the past 40 years, most new jobs in the us came from start-up companies rather than established firms (Thompson, 2014). The global entrepreneurship monitor, a major world-wide project,

reports that economies with more entrepreneurship have more economic growth (Singer, Amorós, and Moska, 2015).

The entrepreneurship scene in Nepal is in its infancy and yet growing. Nepal suffers from many problems, the most visible being widespread poverty and inequality. Fresh off a decade long civil war, democracy is still budding, and the growing pains are easy to see. In Nepal, a developing country, government and private organizations are encouraging entrepreneurial activities through education to promote the value of entrepreneurship (Karki, 2014). Nepal needs a movement that provides entrepreneurs with avenues to fight for their dreamland to showcase to everyone that their journeys create livelihoods for others, leading to prosperity. With immense increase in its workload, it is difficult for the government to manage and control on its own all the activities of the nation. Moreover, because Nepal is an underdeveloped country, the treasury of the nation is mostly consumed in paying the government employees for their services and in maintaining peace and security. As the country aims to develop economically, views towards entrepreneurship are starting to take hold. There is a growing recognition that the creativity of young people in Nepal needs to be mobilized so they can lead the future of development through entrepreneurship.

2. Statement of problem

Research problem is the gap between the actual state and desired state. A research gap is defined as a topic or area for which missing or insufficient information limits the ability to reach a conclusion for a question. A research question is an answerable inquiry into a specific concern or issue. It is an initial step in a research project after we have an idea of what we want to study. It is the fundamental core of a research project. It is the ground beneath the foundation. It is what everything in a research project is built on. It helps to specify the issue or concern of the study and guides all stages of inquiry, analysis, and reporting. It is useful in the formulation of the hypothesis of the research.

Youth unemployment is noted to be one of the most severe socio-economic problems, threatening developing countries like Nepal, whilst University students are future contributors to any country's economy. Although most university students have the skill, knowledge and talent for start-up businesses, they chose not to be self-employed

notably due to lack of desire, encouragement, confidence, or re-assurance. Being an entrepreneur with one of these options has invigorated researchers in exploring the influence of entrepreneurial intention amongst university students regarding their involvement in entrepreneurial activities (McStay, 2008). In order to understand how student may come to be entrepreneurs, the study attempted to look at factors that could have an impact on their decision to become entrepreneurs. The research is directed towards answering following question.

Research Question

The researcher wants to know;

3. What is the relationship between attitude towards behaviour, subjective norms, perceived behavioural control and entrepreneurial education with students' entrepreneurial intention?
4. What is the impact of attitude towards behaviour, subjective norms, perceived behavioural control and entrepreneurial education on students' entrepreneurial intention?

3. Objective of the study

The purpose of this research project is to understand whether management students at the Tribhuvan University have the intention to pursue an entrepreneurial career. This study also aims to explore what motivates an individual to make such a decision. The specific purposes of the study are:

3. To examine the relationship of attitude towards behaviour, subjective norms, perceived behavioural control and entrepreneurial education with students' entrepreneurial intention.
4. To identify the impact of attitude towards behaviour, subjective norms, perceived behavioural control and entrepreneurial education on students' entrepreneurial intention.

4. Rationale of the study

The study will attempt to examine the factors affecting on the entrepreneurial intentions. The findings of this study will be of immense benefits to the university and the public. The significances of the study are:

6. This study will contribute to the existing body of knowledge in the field of management.
7. This study will attempt to explore entrepreneurship as a means of empowering graduate student and to help the GDP of the country as well as a means of alleviating poverty amongst the graduates and the rest of the country.
8. Students would be in a position to understand those objectives and evaluate them, thereby starting their own businesses; be independent and create employment for other young people thereby contributing to economic growth in Nepal.

5. Limitations of the study

All studies have certain limitations. The limitations of the study are those characteristics of design or methodology that affected or influenced the interpretation of the findings from your research. They are the constraints on generalizability, applications to practice, and/or utility of findings. The following are the major limitations of the study:

5. The study will be conducted among few students only. Thus, the findings may not be generalizable for the whole students.
6. Only four independent variables i.e., attitude towards the behaviour, subjective norms, perceived behavioural control, and entrepreneurship education have been considered in the entire study.
7. The validity of the study depends on the accuracy of the information provided by the respondents to be covered on the study.

6. Literature review

Literature surveys area basis for research in nearly every academic field. It includes the current knowledge including substantive findings, as well as theoretical and methodological contributions to a particular topic. It provides foundation of knowledge on topic. Literature surveys are secondary sources, and do not report new or original experimental work. Most often associated with academic-oriented literature, such reviews are found in academic journals. It consists of review of empirical literature and

related theories of the research. It is useful in setting the purpose of the study and provides guidelines for determining the variables under study. It enables a researcher to find out about the existing bodies of knowledge on the topic of his/her interest. It helps to find out the areas yet to be studied in the concerned topic and need for additional research. It states the findings from previous researches hence enabling a researcher to generate the hypothesis for the research.

The literature discussed in this chapter defines the dependent variable and independent variables that are analyzed in this study. Entrepreneurial intent is the dependent variable, which may potentially be influenced by four independent variables, these being: attitude towards the behaviour, subjective norms, perceived behavioural control, and entrepreneurship education. The study is carried out to demonstrate the factors affecting on the entrepreneurial intention among TU students. The aim of this paper is to look at various determinants of students' intention. All these studies supported that entrepreneurial intention depends on various factors such as attitude towards the behaviour, subjective norms, perceived behavioural control, and entrepreneurship education. The study has reviewed some of the articles on related subject matter.

Bell (2014) studied on “Entrepreneurial intention among Rhodes University undergraduate students. This research study reports on pertinent findings from a study which set out to determine Rhodes university undergraduate students’ entrepreneurial intentions and their pull and push factors that have brought them to the decision to become entrepreneurs. A survey, using a 43-question structured web-based instrument was used to capture the responses from undergraduate students across different departments at Rhodes University, Grahamstown. Key findings suggest that few undergraduate students intend to enter into an entrepreneurship career immediately after completion of their studies, whereas many of the respondents were more interested in doing so five years after graduation. The vast majority of students were satisfied without having formal entrepreneurial education and factors such as previous employment in entrepreneurial activities, and family influence had a statistically significant relationship with entrepreneurial intention.

Myers (2014) conducted research on The Theory of planned behaviour as a Predictor of Entrepreneurial Intention in the South African Jewish Community. This research paper studied the significance of the theory of planned behaviour through structural

equation modelling, as a predictor of entrepreneurial intention within a sample that has previously received little attention, and is commonly known to produce numerous entrepreneurs including high impact entrepreneurs; the South African Jewish community. The results illustrate that TPB was a sound model with the sample data; however, the theory of planned behaviour did not provide a significant prediction of entrepreneurial intention within the South African Jewish Community. Further analysis discovered that within the Jewish Community of South Africa, perceived behavioural control provided powerful predictive strength of entrepreneurial intention. Attitude toward the behaviour and subjective norms provided insignificant predictive strength of entrepreneurial intention.

Davids (2017) studied on “TPB and the entrepreneurial event model as predictive models of entrepreneurial intention”. The theory of planned behaviour and The Entrepreneurial Event Model were used as models to predict entrepreneurial intention amongst final year students. The sufficiency of this paradigm was compared with the aim of determining which model predicts entrepreneurial intention the most within a South African context. A sample of 186 students was used to determine the sufficiency of the theory of planned behaviour. As part of our methodology, a sub-set ($n = 123$) of the sample was used to determine the sufficiency of the Entrepreneurial Event Model. The sample consisted of final year commerce and engineering students. The results of the regression analysis indicated that the theory of planned behaviour explained 58% of the variance in entrepreneurial intention. The entrepreneurial event model was found to be less sufficient than the theory of planned behaviour and only explained 38% of the variance in entrepreneurial intention. Therefore, when predicting entrepreneurial intention in a South African context, the Theory of planned behaviour can be considered the more sufficient model of prediction. Future research should consider using the theory of planned behaviour, rather than entrepreneurial event model, for entrepreneurial intention prediction among students in South Africa.

Moyorose (2016) analyzed on “entrepreneurial intention amongst postgraduate students at the University of KwaZulu-Natal”. A quantitative survey design was utilised in this study and the primary data was collected by distributing 129 survey questionnaires to respondents at the University of KwaZulu-Natal, Westville Campus. The Cronbach’s alpha reliability test which ensures high reliability result was

conducted on every variable. Pearson correlation coefficient and linear regression analysis were conducted in this study to test relationships of the independent variables (i.e., attitude towards behaviour, entrepreneurship education, subjective norms, perceived behavioural control and personality traits) and the dependent variable (Entrepreneurial Intention). The findings showed a positive relationship to exist between the independent variable and the dependent variable. This information could be exhaustive and cannot be generalized. To arrest this problem, it is recommended that other studies be done to unearth more on the topic. This will ensure increased reliability of the data and results and permit some generalization. The study covered only one university campus; this shows that the results of this study are skewed regarding the perceptions of data from only one university campus. It is suggested that 88 such a study be done in other universities campus to increase the statistical power of the study and produce more reliable results. As a conclusion, researchers hope that this study will provide university students a useful knowledge to understand how one's personal behaviour will have an effect on intention to become entrepreneur.

The purpose of paper by Lee-Ross (2017) is to assess the entrepreneurial intentions of MBA students in Australia. Liñán and Chen (2009)'s entrepreneurial intentions questionnaire was used for this purpose which, in part, is based on theory of planned behaviour (Ajzen, 1991). MBA students across two Australian campuses of the same university. Students undertaking entrepreneurship subjects were deliberately chosen as this was seen as a strong indication of their future EI. Permission for the study was granted by the MBA director. Specific lecturers were then approached to see whether they would be willing for the researcher to distribute the questionnaire to students at the beginning of lectures; all agreed. The researcher waited for the anonymous forms to be completed and collected. It was believed that this approach would help increase response rates. In total, and after cleaning data from a convenience sample of 260 students, 249 questionnaires were useable. Result showed that the predictor variable "subjective norm", with a standardized coefficient of -0.289 , does not make a statistically significant contribution to the model. Only the remaining two independent variables i.e., attitude towards behaviour and perceived behavioural control have a meaningful influence in the explanation of entrepreneurial intention

7. Research methodology

This section describes the methodology for the study; which includes process of collecting data, understanding of the research area, research design, sample design, sample size, tool for data collection, and data analysis tool.

7.1 Research framework and definition of the variables

A research framework has been used to help focus on the variables in the study. Entrepreneurial intention is a function of independent variables such as. The research framework of the study is in Figure 1.

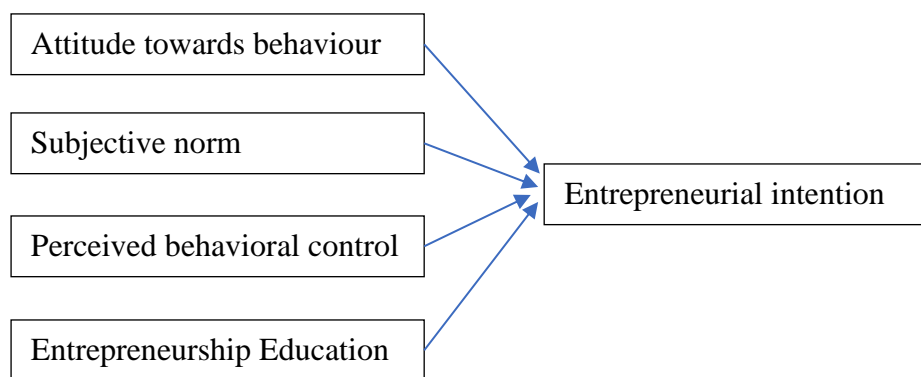


Figure 1. Research framework of the study

From the research framework and objectives of the study, it is clear that the study is aimed at determining the effect of selected variables namely attitude towards behaviour, subjective norms, perceived behavioural control and entrepreneurial education with students' entrepreneurial intention. The definitions of each variable used in the study are as follows:

7.2 Research Design

The research design applied in this research will be quantitative. The study will be undertaken to examine and analyze factors affecting students' entrepreneurial intention. Considering the objective, descriptive, relational, and causal research designs were adopted to deal with various issues raised in this study. The major purpose of using descriptive research was to describe, explain, and validate findings. This research design was carried out to ascertain and describe the characteristics of variables being

studied. It was selected for the study to learn the profile of the respondents, present and describe the collected data, and the factors that affect students' entrepreneurial intentions. The intent of descriptive research is to produce statistical information about aspects of students that affect their behavioral intention. It involved collections of quantitative information that are tabulated along a continuum in numerical form.

7.3 Target Population and Sample Size

The population of the study will be the entire aggregation of items or individuals from which samples can be drawn. The population selected for this study will be management students of TU within Kirtipur Municipality. Students from different age groups, gender, marital status were used as targeted population. Due to the large size of population, it is not possible to test every student in the population. Samples will be drawn as per the convenience to represent the population. Therefore, it is decided to select certain colleges for conducting the research. The students who are studying in different colleges above 21 years within the Kirtipur municipality were considered as sample size. Convenience sampling was carried out to select the participants because of easy accessibility and proximity.

7.4 Nature and sources of data, and instrument of data collection

Primary data source will be used in this research. Primary data will be collected through survey questionnaire. A total of 118 participants were included. Statistically, this sample size is acceptable as it confirms to the widely held rule of thumb that a sample size should not be of less than 30. Survey design research will be used by administering questionnaires to find out detailed characteristics of the participants and classified as an efficient way to gather data to enable address a research question. Questionnaire was used as instrument to collect the data as the questionnaire can be given to a large population and the respondents can complete the questionnaire on their own. The statements and questions in the questionnaire will be used to collect the personal information such as age group, sex, etc. Similarly, variable related information will be collected for analyzing the information based on the research topic. The questionnaire contained questions of various forms such as Likert scale, multiple choice questions, and ranking. The instrument is reliable and valid since it anticipated the questions which

were closely related and relevant to the topic. The questionnaire was developed based on the findings from the literature review. The respondents were encouraged to make comments on any questions that they thought were ambiguous or unclear.

7.5 Tools of Data Analysis

Researcher will use suitable tools and techniques to make this research more scientific and systematic. The following statistical tools will use to analyze the data; descriptive statistics (Percentage, Mean, Standard deviation) analysis, correlation analysis with the help of Microsoft Office and SPSS.

8. Chapter Plan

This study has been divided into five chapter viz. Introduction, review of literature, research methodology, data presentation and analysis and summary, conclusion and recommendation. The first chapter deals with introduction part of the study. It includes background, statement of the problem, objective of study, significance of the study and organization of the study. The second chapter contains related theories, review of empirical studies theoretical framework and hypotheses of the study. The third chapter deals with research design, population and sample of the study, nature and sources of data, definition of the variables, methods of analysis and limitations of the study. The fourth chapter presents the analyzed data in the form of various tables and figures and the fifth chapter is about summary conclusion and recommendation. Finally, an extensive references and annexure are presented at the end of the thesis work.

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