



# Entrepreneurial Intention Among College Students Towards Venturing into New Business

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**Abstract:** Entrepreneurs are vital to the Indian economy and have a big impact on many different facets of growth and development. Starting a new venture in India requires careful planning, strategic decision-making, and perseverance. Worldwide, entrepreneurship has become a significant area of interest and study among college students. The present study is an attempt to find out Entrepreneurial Intention among college students using the Theory of Planned Behaviour (TPB model) of Ajzen's (1991). Multiple regression analysis is used to find out the influence of Attitude towards entrepreneurship, Subjective norms and perceived control behaviour on Entrepreneurial Intention (EI) among college students. The results reveal that Attitude and Perceived control behaviour significantly influences EI and Subjective norms don't have a significant influence on EI. By focusing on attitudes, subjective norms and perceived control behaviour policy makers and stakeholders can cultivate an environment that positively nurtures and supports entrepreneurial aspirations and thereby intentions.

Key words: Attitude, Subjective Norms, Perceived Control Behaviour, Entrepreneurial Intention

## I INTRODUCTION

Entrepreneurs are vital to the Indian economy and have a big impact on many different facets of growth and development. In the Indian economy, entrepreneurs play a crucial role in the creation of jobs, technological innovation, economic growth, higher productivity, wealth creation, infrastructure development and so on. The role of entrepreneurs has helped to increase the standard of living of people, enhance productivity, and create money, making them an essential part of India's economic growth.

According to State of World Population Report 2023 of the United Nations Population Fund (UNPF), India will overtake China to become the most populous country with a population of 142.86 crores. 68% of India's population is in the age group of 15-64 years. One significant problem that still plagues India's economy is unemployment. Being one of the most populated countries in the world with a diverse labour force, changes in the unemployment rate have a significant impact on the expansion and advancement of the nation. The National Sample Survey Office (NSSO) reports that the unemployment rate in metropolitan areas for people 15 years of age and older dropped from 8.2 percent in January to 6.8 percent in March of 2023. Notwithstanding the current state of economic complexity, this encouraging development points to a possible recovery in the employment market. Nonetheless, to ensure the country's future prosperity and promote sustainable employment development, ongoing vigilance and sensible policy measures are still essential.

Employability rate in India has been a topic of concern and debate. Factors like population growth, quality of education, job market dynamics, government initiatives, economic growth and industrial development are some among them that contribute to the employment scenario in the Country. In certain areas related to employment and skill development, India has made progress. But challenges remain still in ensuring an inclusive and sustainable employment growth. Efforts from both Government and Private sectors are needed to address skill gaps, enhance employability and create job opportunities across various sectors.

Starting a new venture in India requires careful planning, strategic decision-making, and perseverance. Market research, access to capital, technology and innovation, networking and collaboration, legal and regulatory framework are some key points to consider when embarking on a new business venture in the Indian context.

Worldwide, entrepreneurship has become a significant area of interest and study among college students. Many students are planning to launch their own business during or after college due to factors like changing economic landscape, evolving job markets and a cultural shift towards valuing innovation and autonomy. Entrepreneurship offers a platform for individuals to turn their ideas into reality, fostering a sense of empowerment and autonomy. Apart from this, the present entrepreneurial ecosystem provides an array of resources and support networks tailored to young aspiring entrepreneurs. Accelerators, Incubators, Innovation and Entrepreneurship Development Centres (IEDC) and entrepreneurship programs within colleges and Universities offer mentorship, funding opportunities and practical guidance, making entrepreneurship more accessible and less daunting for students.

The intention of college students to pursue entrepreneurship is a dynamic and changing phenomenon that is influenced by a range of personal, societal, and environmental factors. Educators, policymakers and industry stakeholders must understand the factors influencing entrepreneurial intention among college students. This will enable them to better support and cultivate the entrepreneurial aspirations of students and thereby fostering innovation, economic growth and societal development. Even if there are possibilities and difficulties in the environment, college students who are encouraged to pursue their entrepreneurial potential have a great deal of potential to drive innovation and have a beneficial impact on society. Hence, in the present study an attempt is made to examine the

influence of attitude, subjective norms, perceived control behaviour on entrepreneurial intention among college students based on the Theory of Planned Behaviour (TPB) and thereby enabling the students towards venturing into new business.

## II OBJECTIVES OF THE STUDY

The present study aims at identifying the Entrepreneurial Intention (EI) among the College students based on the Theory of Planned Behaviour (TPB). The study also aims to analyse the three important elements of TPB: Attitude, Subjective Norms and Perceived Control Behaviour and the influence of these variables on EI. Many studies have been based on the TPB model to assess the EI. It is also essential to analyse EI based on education system in each region since there may be differences based on the various demographic profiles of the student and the knowledge they acquire through entrepreneurship studies. Entrepreneurial education is provided to students in various Universities and Colleges. The study about the elements of the TPB and its impact on EI is essential in present situation. Hence this study seeks to address the following questions:

Whether the attitude of students have any significant influence on EI?

How does Subjective Norms influence EI?

Whether Perceived Control Behaviour positively influence the EI?

The structure of the paper is as follows. Introduction, objectives, theoretical background, Hypothesis formulation, Rationale of the study, Methodology, Measures, reliability, discussions, theoretical implications and conclusion.

## III THEORETICAL BACKGROUND

In a developing country like India, where there are immense potential, and people with high creativity and skills, that too with innovative ideas and talent offer scope for new businesses. One of the key factors for venturing a new firm is the aspiration to become an entrepreneur. Entrepreneurial intention refers to an individual's planned behaviour or inclination to engage in entrepreneurial activities, such as starting and managing a business venture. It represents the first step in the entrepreneurial process, reflecting an individual's desire, motivation, and commitment to pursue entrepreneurship as a career path or as a means of realizing business opportunities.

Before an individual engages in genuine entrepreneurial behaviour, their ambition to become an entrepreneur motivates them to take specific actions towards launching and expanding their business. In order to create an environment that encourages and supports prospective entrepreneurs in their entrepreneurial endeavours, legislators, educators, and entrepreneurial support organisations must have a thorough understanding of the elements that drive entrepreneurial intention. Desire for independence and autonomy, passion for innovation and creativity, risk taking propensity, self-efficacy and confidence, social and cultural factors, opportunity recognition and pursuit are some of the important aspects of EI.

### 3.1 Theory of Planned Behaviour and Entrepreneurial Intention

Starting a new business is an intention-based activity. The Theory of Planned Behaviour (TPB) is a widely used social psychological framework developed by Icek Ajzen in the late 1980s. It aims to predict and understand human behaviour, including behaviours related to decision-making, goal-setting, and intention formation. The TPB postulates that individuals' behavioural intentions are influenced by three major factors: Attitude towards behaviour, subjective norms and perceived behavioural control. These factors interact to influence individuals' behavioural intentions, which in turn predict their actual behaviour. The model suggests that intentions are the immediate determinants of behaviour, but they are influenced by underlying beliefs, perceptions, and social influences. This model has been widely applied in various domains including entrepreneurship. In the context of entrepreneurship, the TPB can help researchers and practitioners understand the factors influencing individuals' intentions to start a business, pursue entrepreneurial opportunities, and engage in entrepreneurial behaviours. By identifying key beliefs, attitudes, social influences, and perceived control factors, stakeholders can develop targeted interventions and strategies to promote entrepreneurship and support aspiring entrepreneurs in their endeavours.

## IV HYPOTHESES FORMULATION

### 4.1 Attitude (ATT) and Entrepreneurial Intention (EI)

An attitude is a predetermined propensity to respond in a generally positive or negative way with respect to the object of the attitude (Robinson et.al. 1991). Attitude is one of the predominant factors in TPB. The entrepreneurial attitude encompasses a combination of traits and behaviours that enable individuals to navigate the challenges and opportunities of entrepreneurship successfully. Cultivating and embodying this attitude can be instrumental in achieving entrepreneurial success. It is also important to note that attitude may change over time. A predetermined but variable thoughts and behavioural intention covering organisational creation and operation is termed as Entrepreneurial attitude. Creativity and innovation, risk taking, adaptability and flexibility, resilience and perseverance, continuous learning and improvement, vision and ambition are some of the key components of entrepreneurial attitude. As a general rule, the more favourable the attitude, the stronger would be an individual's intention to perform. Therefore, attitude has developed as one of the antecedents of Entrepreneurial Intention.

H<sub>1</sub>: Attitude towards entrepreneurship influences Entrepreneurial Intention significantly.

### 4.2 Subjective Norms (SN) and Entrepreneurial Intention (EI)

Another key component of TPB is the subjective norms. Subjective norms reflect both the extent to which important referent individuals approve or disapprove of performing a given behaviour and the strength of an individual's motivation to comply with the

referent individuals wishes (Ajzen 1991). In entrepreneurship, subjective norms mean the perceived social pressures, expectations and norms surrounding entrepreneurial behaviour within a social group, community or culture. These norms are expected to influence the individuals’ beliefs about venturing a new firm is socially acceptable and can shape their intentions and decisions regarding entrepreneurship. In the case of entrepreneurship, subjective norms encompass cultural and societal expectations, social comparison and normative influence, role models and influential figures and social approvals. Therefore, it is presumed that subjective norms influence EI.

H<sub>2</sub>: Subjective norms influence Entrepreneurial Intention significantly

**4.3 Perceived control behaviour (PCB) and Entrepreneurial Intention (EI)**

The third antecedent of TPB is the degree of perceived behavioural control which refers to the perceived ease or difficulty of performing the behaviour and it is assumed to reflect past experience as well as anticipated impediments and obstacles (Ajzen 1991). In the context of entrepreneurship, perceived control behaviour describes how entrepreneurs see their capacity to successfully negotiate the difficulties of starting and running a business as well as to affect results. This idea is based on psychological theories, specifically Bandura’s theory of self-efficacy, which contends that people’s perceptions of their own skills have a big influence on their actions, decisions and perseverance in the face of difficulty. Perceived control behaviour plays a vital role in shaping the attitudes, behaviours and outcomes of entrepreneurs. It influences their self-efficacy, risk perception, goal setting, adaptability, resource mobilization, decision making and at last their entrepreneurial success. Cultivating a strong sense of perceived control can empower entrepreneurs to navigate the uncertainties and complexities of entrepreneurship with confidence and resilience.

H<sub>3</sub>: Perceived control behaviour influences Entrepreneurial Intention significantly.

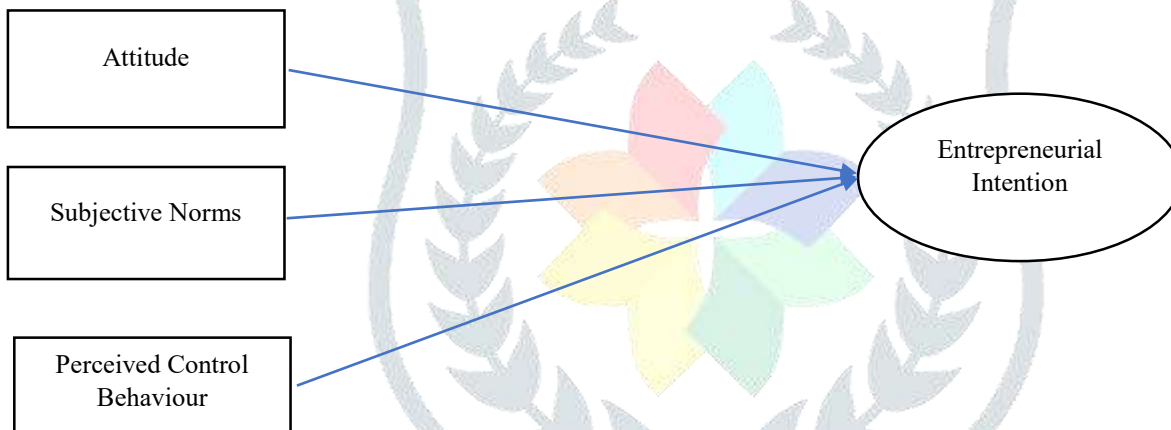


Figure 1 Conceptual model

Table 1. The hypotheses to be tested are summarised as follows:

Sl. No	Description	
1.	Attitude towards entrepreneurship influences Entrepreneurial Intention significantly	ATT→EI
2.	Subjective norms influence Entrepreneurial Intention significantly	SN→EI
3.	Perceived control behaviour influences Entrepreneurial Intention significantly	PCB→EI

**V RATIONALE OF THE STUDY**

Research on entrepreneurship is now gaining importance. Government and other policy makers are strengthening the measures to create entrepreneurial intention among the college students. Through the Startup India initiative, the Department for Promotion of Industry and Internal Trade (DPIIT) has carried out a number of projects and used recurring models to advance the Indian Startup Ecosystem. The State Governments has also taken initiatives to create Entrepreneurial Intention through various initiatives like Innovation and Entrepreneurship Development Centres (IEDC), Incubation Centres and Entrepreneurship Development Clubs (ED Clubs). The basic aim is to create entrepreneurship culture among students. Government is also seeking administrative and institutional support to create nascent entrepreneurs. In this study an attempt is made to understand the entrepreneurial intention among college students through the TPB model. The three main components Attitude, Subjective Norms and Perceived Control Behaviour are used to explain the entrepreneurial intention among students. The basic foundation of the study of EI is to understand the mental processes and motivational elements that thrust people towards entrepreneurial activity.



## VI METHODOLOGY

### 6.1 Measurement of variables

The study mainly focusses on the Entrepreneurial Intention among College students based on TPB model. Questionnaire has been designed through extensive review of literature. In order to suit the requirements of the study scales developed by authors in the present area have been used. The questionnaire contains the demographic profile of the students, their field of study, whether they have any work experience, whether they have got a chance to know and entrepreneur and question to know whether their parents have started any business. In the next session questions were based on five-point Likert's scale starting from 1 for strongly disagree to 5 for strongly agree. Attitude of the students were assessed on 5 items scale based on study of Linan and Chen (2009). Subjective norms were assessed based on 3 items scale taken from Krueger et.al. (2000). Further, 4 items scale adapted from Linan and Chen (2009), and Shook and Bratianu (2008) were used to measure Perceived control behaviour. Entrepreneurial Intention have been measured using 5 items scale adapted from Linan and Chen (2009) and Thompson (2009).

## VII SAMPLING PROCEDURE AND DESCRIPTIVE ANALYSIS

The respondents or the sample units of the present study are students of different Universities and Colleges in Kerala. Entrepreneurship education is included in every curriculum realising its importance. The study was conducting among students of Degree and Post graduates since they need to choose their career in the coming years. Purposive sampling method is used. Questionnaire method was used for data collection. 213 responses have been received and the sample properties are shown in the table below.

Table: 2 Statistics of features of the sampling unit

Particulars	No. of respondents	Percentage
Gender: Male	32	15.0
Female	181	85.0
Age: Below 20 years	27	12.7
20 years and above	186	87.3
Educational Background:		
Diploma/Degree	157	73.7
Masters & above	56	26.3
Field of study:		
Arts & Humanities	24	11.3
Business, Commerce and Management	104	48.8
Science, Mathematics, Technical	85	39.9

Table 2 shows that out of 213 respondents 15% were Male and 85% female. 12.7% of the respondents were below the age of 20 years and majority (87.3%) were of the age of 20 years and above. Majority (73.7%) of the respondents were having Diploma or Degree as their educational background. Considering the field of study majority (48.8%) of the respondents were from the background of Business, Commerce and Management. Since the respondents were from Arts and Science Colleges other professional classes were excluded. The students were also asked whether they have any work experience. 92.5% of the respondents do not have any prior work experience. When asked about whether they got a chance to know an entrepreneur 57.3% didn't have. About parents' business exposure the question asked was whether your parents have ever started business 83.1% said 'No' and 16.9% said 'Yes'.

## VII RELIABILITY

Reliability of the instrument is necessary to know how the observed variables are internally consistent with each other. One of the most widely used measure to assess internal consistency is Cronbach's alpha. It should be greater than 0.7. In the present study the Cronbach's Alpha is 0.928 the test instrument is having reliability

Table 3. Reliability statistic

Cronbach's Alpha	No. of items
0.928	17

## VIII DISCUSSIONS

Table 4. Model Summary

R	R Square	Adjusted R Square	F	Significance	Durbin-Watson
0.679	0.462	0.438	57.355	.000	1.879

Multiple linear regression was employed at 95% confidence intervals to test the hypotheses.  $R=0.679$  explains that there is a strong and positive correlation among the variables. R Square measures the goodness of fit or the explanatory power of the model. In this study R Square=0.462 shows that 46.2% changes in Entrepreneurial Intention is explained by the variables jointly. Adjusted  $R^2$  value of 0.438 shows that 43.48% of Entrepreneurial Intention is explained by the independent variables and 56.2% is captured by error term. The fitted regression line results showed that there is no evidence of autocorrelation as indicated by Durbin Watson statistic value of 1.823. The results confirms that the overall regression model is significant for the data and this was captured by the F statistic value of 57.355 and its probability value of 0.000 ( $F=57.355$ ,  $p<0.05$ ), that was found to be significant at 5% level of significance.

Table 5. Regression table

Variable	B	95% Confidence Interval	Beta ( $\beta$ )	t	p	Collinearity [Tolerance, VIF]
Attitude	.352	[.212, .492]	.341	4.947	.000	[.551, 1.815]
Subjective Norms	.088	[-.026, .203]	.099	1.525	.129	[.629, 1.589]
Perceived Control Behaviour	.402	[.269, .535]	.360	5.957	.000	[.719, 1.390]

Additionally, coefficients were further assessed to ascertain the influence of each of the factors on the dependent variable (entrepreneurial intention). The analysis shows that attitude towards entrepreneurship influences Entrepreneurial Intention significantly ( $\beta = .341$ ,  $t=4.947$ ,  $p<0.05$ ). Hence H1 is accepted. The analysis of subjective norms and entrepreneurial intention reveals that subjective norms don't have a significant influence on entrepreneurial intention ( $\beta = .099$ ,  $t=1.525$ ,  $p>0.05$ ). Hence H2 is rejected. H3 evaluates whether Perceived control behaviour influences Entrepreneurial Intention significantly. The results shows that perceived control behaviour has a significant influence on entrepreneurial intention ( $\beta = .360$ ,  $t=5.957$ ,  $p<0.05$ ). The tolerance value of each independent variables is not less than 0.10, and hence the model has not violated the multicollinearity assumption. This is also supported by the VIF value which is below the cut-off of 10.

## IX IMPLICATIONS

The TPB provides a conceptual framework for understanding how attitudes, subjective norms and perceived control behaviour influences individuals' intention to engage in business. The theory strongly supports that attitude and perceptions of individuals significantly influence entrepreneurial intention. Therefore, educators and other policy makers should take measures to inculcate these attitudes among the students. Teachers and mentors have a great role to play in this regard. Subjective norms are somewhat external, in the sense that it's the individual's perception of social pressures or expectations regarding one's behaviour. Support and encouragement from family members, peers, and other important persons can positively influence EI. Even culture within a particular region has got an important role to play in this regard. An individual's beliefs about their ability to overcome obstacles and engage in business activities is reflected through perceived control behaviour. A good entrepreneurial ecosystem prevailing in a country can improve individuals' confidence in their entrepreneurial skills by providing them with resources needed for a business, network supports, finance etc. Incubation centres, Innovation and Entrepreneurship Development Centre (IEDC) and ED clubs in colleges and universities can mitigate perceived barriers and empower and motivate the students to take entrepreneurship as their career. Entrepreneurial intention is flexible in nature and evolves over time in response to changing circumstances. Skill development programs and social support networks can motivate and strengthen the EI among the college students. By focussing on attitudes, subjective norms and perceived control behaviour policy makers and stakeholders can cultivate an environment that positively nurtures and supports entrepreneurial aspirations and thereby intentions.

## X CONCLUSION

The present study was an attempt to find out the influence of Attitude of entrepreneurship, Subjective Norms and Perceived Control Behaviour on the Entrepreneurial Intention (EI) based on Theory of Planned Behaviour (TPB). Multiple regression analysis was used to find out to what extent and how can a combination of factors of TPB predict Entrepreneurial Intention? It is based on the assumption that each variables contributes linearly to EI. The model holds all the assumptions of linear regression: independent observations, normality, linearity and homoscedasticity. The results shows that there is a significant relationship between attitude towards entrepreneurship and EI. Subjective norms don't have a significant influence on EI. But the perceived control behaviour has a significant influence on EI.

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