

KEY DETERMINANTS OF ENTREPRENEURIAL INTENTION AMONG STUDENTS: A LITERATURE REVIEW

Gitanjali Upadhaya * & Priyanka Chadha[†]

Abstract

Policy makers, academicians, scholars, and educators have been showing their interest in entrepreneurship for several decades. Role of entrepreneurs is most crucial especially in developing countries to boost the economy of the nation and hence drive the economic growth. They act as a source of employment, innovation, development, and creativity. Therefore, there is a need to grow more and more entrepreneurs to enhance skills and creativity. To be an entrepreneur, there should be an entrepreneurial intention in the behavior of an individual. Intention is the first step in determining the behavior of an individual. In this view, there is an acute need to understand the entrepreneurial intention among students who can be prospective entrepreneurs. According to the proposed scheme on entrepreneurial development, Ministry of Skill Development & Entrepreneurship has proposed to include entrepreneurship education and entrepreneurship hubs in 3,000 more colleges in India. Entrepreneurship education is being given more importance to generate more awareness among the students. There are various approaches and theories that help us to study the entrepreneurial intention among students. Though there is abundant literature available on entrepreneurial intention, researchers have not yet agreed on the key determinants of entrepreneurial intention. Therefore, this study attempts to provide a comprehensive understanding of the key determinants that prompt students to become entrepreneurs. The purpose of the study is to conduct a systematic literature review and to examine various research

*Assistant Professor, School of Commerce and Management Studies, Central University of Himachal Pradesh, Dharamshala, Distt. Kangra, Himachal Pradesh. Pin-176215 e-mail: gitanjali.cuhp@gmail.com

[†]Research Scholar, School of Commerce and Management Studies, Central University of Himachal Pradesh, Dharamshala, Distt. Kangra, Himachal Pradesh. Pin-176215 e-mail: priyankachadha94@gmail.com

articles and research papers. This study will be contributing to the literature as a base for future studies on key determinants of entrepreneurial intention among students.

Keywords: *Entrepreneurship, Entrepreneurial intention, Key determinants, Students, Entrepreneur*

Introduction

Entrepreneurship is considered as a path to generate profits and economic growth (Shane and Venkataraman, 2000; Wennekers et al., 2005). Several researchers, academicians, and policy-makers examined entrepreneurship as a primary driver for the development of the nation. Entrepreneurship plays a major role in boosting the economy and hence sustaining the financial position of a nation. It acts as the development and economic force, especially in developed countries. In general, entrepreneurship is described as a practice of starting new organizations or revitalizing mature organizations, particularly new businesses generally in response to identified opportunities (Onuoha, 2007). Various authors have described entrepreneurship as a process of creating a new firm. Creation of new ventures has become pertinent and therefore, several researchers are getting into this area for research.

There are various challenges faced by entrepreneurs to start a new venture or firm. To cope up with the upcoming challenges, there is a need for innovativeness, creativity, and flexibility in any economy (Amos & Alex, 2014).

This indicates the importance of entrepreneurship in any economy. Entrepreneurial economies can be started through individual entrepreneurs and the ventures they create (Gurbuz & Aykol, 2008). Moreover, entrepreneurs are seen as catalysts for economic and technological growth. They help in the overall development and in the creation of employment. Hence, there is a need to develop more and more entrepreneurs. Intention is the first step to know about the perspective behavior of an individual. Developing more entrepreneurs in the nation demands to know the entrepreneurial intention of individuals. There are various strategic issues

and needs that have to be examined regarding entrepreneurship (Al-Harrasi, Al-Zadjali, Al-Salti, 2014). Entrepreneurship education also plays an important role in determining the future career of individuals. Besides it, there are various other determinants which impact the entrepreneurial intention of students.

Those determinants should be properly investigated so that necessary changes can be made to foster the entrepreneurial intentions among students. However, in literature entrepreneurship research has recognized a number of personal, psychological characteristics that thought to be key determinants of entrepreneurial intention but still lack enough empirical evidence (Choo & Wong, 2006).

There are various models of entrepreneurial intention that has considered as a framework to know their applicability in several surroundings. But still, there is a need to develop a systemization in this research to know towards further development in this field. This would further be helpful in identifying the existing literature and gaps. The aim of the study is to conduct a systematic literature review and to examine various research articles and research papers that offer a clear picture of the key determinants in entrepreneurial research.

Data Collection

In order to study the key determinants of entrepreneurial intention among students, a systematic literature review was conducted. The current study comprises a review of existing literatures with respect to the theme of the study. The search was limited to the articles available in several online databases and search engines. The topic search was used to identify publications that refer to entrepreneurial intention in title, abstract and author's keywords. The search was later narrowed down to English language articles that were published in the last eight years (2010-2017). The search included only journal articles whereas books were excluded. As per the aim of the study, to know the key determinants and their depth understanding, thirty research papers were found to have a discussion of key determinants that are influencing entrepreneurial intention. The research papers were discussed in Table 1.

Findings & Discussion

In this study, review was made to know the key determinants of entrepreneurial intention among students. The review has revealed that intention is examined as the best predictor of behavior (Ajzen, 1991). Further, intention of carrying out entrepreneurial behaviors may be affected by several antecedents (Ajzen, 1991).The reviewed articles suggested that there are six main key determinants that influence entrepreneurial intention among students. These key determinants are: personality traits-related determinants, motivational-related determinants, entrepreneurship determinants, contextual-related determinants, and demographic determinants. Various studies in the literature have discussed some of the key determinants in their study. Table I represents the key studies that have discussed some of the determinants influencing the entrepreneurial intention.

Sr. No	Key Determinants	Personality traits – related Determinants	Contextual- related Determinants	Entrepreneurship Education	Theory of planned behavior - Determinants	Motivational-related determinants	Demographic-related Determinants
1	Samuel, Ernest & Awunah 2015	<input checked="" type="checkbox"/> Openness <input checked="" type="checkbox"/> Conscientiousness <input checked="" type="checkbox"/> Extraversion <input checked="" type="checkbox"/> Agreeableness <input checked="" type="checkbox"/> Neuroticism <input type="checkbox"/> Locus of Control <input type="checkbox"/> Risk – taking Propensity <input type="checkbox"/> Need for achievement <input type="checkbox"/> Self-Efficacy	<input type="checkbox"/> Social <input checked="" type="checkbox"/> Economical <input checked="" type="checkbox"/> Government <input type="checkbox"/> Perceived Support <input type="checkbox"/> Cultural <input type="checkbox"/> Environment		<input type="checkbox"/> Attitude towards behavior <input type="checkbox"/> Perceived Behavioral Control <input type="checkbox"/> Subjective Norms	<input checked="" type="checkbox"/> Status <input checked="" type="checkbox"/> Security <input checked="" type="checkbox"/> Income <input checked="" type="checkbox"/> Satisfaction & Growth	<input checked="" type="checkbox"/> Age <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Family Background
2	Amos & Alex 2014	<input type="checkbox"/> Openness <input type="checkbox"/> Conscientiousness <input type="checkbox"/> Extraversion <input type="checkbox"/> Agreeableness <input type="checkbox"/> Neuroticism <input checked="" type="checkbox"/> Locus of Control <input checked="" type="checkbox"/> Risk – taking Propensity <input checked="" type="checkbox"/> Need for achievement <input type="checkbox"/> Self-Efficacy	<input checked="" type="checkbox"/> Social <input checked="" type="checkbox"/> Economical <input checked="" type="checkbox"/> Government <input checked="" type="checkbox"/> Perceived Support <input checked="" type="checkbox"/> Cultural <input checked="" type="checkbox"/> Environment		<input checked="" type="checkbox"/> Attitude towards behavior <input checked="" type="checkbox"/> Perceived Behavioral Control <input checked="" type="checkbox"/> Subjective Norms	<input type="checkbox"/> Status <input type="checkbox"/> Security <input type="checkbox"/> Income <input type="checkbox"/> Satisfaction & Growth	<input type="checkbox"/> Age <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Family Background
3	Ghazali, Ibrahim & Zainol 2012	<input type="checkbox"/> Openness <input type="checkbox"/> Conscientiousness <input type="checkbox"/> Extraversion <input type="checkbox"/> Agreeableness <input type="checkbox"/> Neuroticism <input type="checkbox"/> Locus of Control <input type="checkbox"/> Risk – taking Propensity <input type="checkbox"/> Need for achievement <input type="checkbox"/> Self-Efficacy	<input type="checkbox"/> Social <input type="checkbox"/> Economical <input type="checkbox"/> Government <input type="checkbox"/> Perceived Support <input type="checkbox"/> Cultural <input type="checkbox"/> Environment		<input type="checkbox"/> Attitude towards behavior <input type="checkbox"/> Perceived Behavioral Control <input type="checkbox"/> Subjective Norms	<input type="checkbox"/> Status <input type="checkbox"/> Security <input type="checkbox"/> Income <input type="checkbox"/> Satisfaction & Growth	<input checked="" type="checkbox"/> Age <input checked="" type="checkbox"/> Gender <input checked="" type="checkbox"/> Family Background

A. Personality traits – related Determinants

After reviewing literature, personality traits was found to be the strongest determinant of entrepreneurial intentions. Various authors had examined that some personality traits in students lead to the entrepreneurial intention (Samuel, Ernest & Awuah, 2013). The personality traits included in the present study are openness, conscientiousness, extraversion, agreeableness, neuroticism, need for achievement, locus of control, risk taking propensity & self- efficacy. Big five personality traits (OCEAN) have been examined in several studies whereas other determinants of personality traits (need for achievement, locus of control, risk taking propensity & self- efficacy) have been taken after reviewing literature. The Big five personality traits i.e. agreeableness, openness to experience, extraversion and conscientiousness to significantly and positively influence entrepreneurship while neuroticism also have significant but negative influence on entrepreneurship (Samuel, Ernest & Awuah, 2013). Need for achievement is another key determinant that influences students' intention towards entrepreneurship. The need for achievement is based on expectation of doing something better or faster than others and better than the person's earlier accomplishments (Olanrewaju, 2013). Students who have a high need for achievement will show more entrepreneurial behavior as compared to other students. Risk-taking is defined as the propensity of an individual to take risks when confronted with risk situations (Amos & Alex, 2014). Students with entrepreneurial intention have significantly --higher ability in risk-taking than students without entrepreneurial intention. Locus of control is defined as an individual's perception of his/her ability to influence events in lifesituations (Amos & Alex, 2014). Students who have high internal locus of control are expected to become entrepreneurs than those with external locus of control (Olanrewaju, 2013). Self- efficacy is considered as a valuable individual trait in individuals, as it defines their ability to produce outcomes. Self-efficacy positively influences entrepreneurial intention of students (Chen, 2013).

B. Contextual-related Determinants

The contextual determinants play an important role to determine the entrepreneurial intentions of students. These contextual determinants can

enable or hinder the entrepreneurial activities among students. Various contextual determinants have been considered for the present study. These are social, economic, government, perceived support, cultural and environment. Economic and government policies facilitate the entrepreneurial intentions among students. They found to have a significant impact on entrepreneurial intention (Sune & Panisello, 2013). The intention to start a business basically, involves an economic assessment in which students compare the expected costs and benefits of a career as entrepreneur. Government policies like several subsidies and schemes for entrepreneurs also encourage students to pursue their career as an entrepreneur. According to literature, government's role exert a significant and positive impact on the entrepreneurial intention of students. Perceived support of family and friends also play a very important role in determining the entrepreneurial career of students. It acts as a critical determinant in entrepreneurial attitude of students. Culture also acts as a key determinant of entrepreneurial intention (Bae et al., 2014). Dimensions of a culture like power distance, gender- egalitarianism, in group collectivism, uncertainty avoidance etc. determines the entrepreneurial intentions among individuals. Countries with high power distance index, high group collectivism, low uncertainty avoidance and low gender – egalitarianism. These cultures are more likely to have more entrepreneurs than other cultures. Social networks have a great impact on individuals' intention towards entrepreneurship.

C. Entrepreneurship Education

Entrepreneurship education is a key determinant of entrepreneurial intention. Several studies had justified that students who study entrepreneurship tend to have more intention towards entrepreneurship as compared to students who do not study entrepreneurship (Mahtab Pouratashi, 2014). According to literature, entrepreneurship education should be inculcated in the study course of students (bae et al, 2014). So, that students will be more aware and have more innovative ideas, thus helps in building nation.

D. Theory of Planned Behavior Determinants

Ajzen (1991) theory of planned behavior determinants acted as a milestone in examining the entrepreneurial intention among students. Attitude towards behavior, perceived behavioral control and subjective norms are the three predictors of theory of planned behavior. Various studies had justified that the more favorable the attitude and subjective norm and the greater the perceived behavior control is, the stronger should be the intention of an individual to perform the behavior under consideration. Thus, higher the predictors, higher will be the entrepreneurial intention among students (Jinying & Pelagie, 2014; Amos & Alex, 2014). The first determinant is the attitude towards the behavior, which is the extent to which a person has favorable or unfavorable attitude towards a particular behavior. This is referred to as attitude toward behavior (ATB). The second determinant is the subjective norm, (SN) that is the social pressure to perform the behavior. The third element is the perceived difficulty to perform the behavior, also known as perceived behavioral control (PBC) (Ajzen, 1991).

E. Motivational-related Determinants

Sanchez & Sahuquillo recognized the importance of motivation related determinants that will further lead to entrepreneurial intention among students. Motivational determinants used in this study are status, security, income and satisfaction & growth. It was found in various studies that desire to have more income, a reputed name and status are the key determinants to start up a business (Samuel et al., 2013; Rasli et al., 2013). To have a feeling of satisfaction & growth, to provide security for themselves & their families, individuals are highly motivated to start a venture. Status refers to an individual's position relative to others in a given social situation (Pouratashi, 2014). It has been argued in the literature that entrepreneurs' social status may be considered as a factor to initiate a business Pouratashi (2014) mentioned the importance of status as a determinant to initiate a business.

F. Demographic - related Determinants

Samuel et al., 2013 mentioned that gender, family background largely impact students' entrepreneurial intention. Students with entrepreneurial family

background have more awareness and more inclined towards entrepreneurship. However, in literature, age is not found a key determinant to create own business venture. But Kristiansen and Indarti mentioned that successful entrepreneurs are relatively young and aged 25-44 years. Various studies had revealed that males have higher entrepreneurial intention as compared to their counterpart females. In contrary, Varghese and Hassan argued that females are eager to establish a business more than males because females are more creative and have new ideas for a niche business.

Conclusion

Entrepreneurship is considered as a viable source to improve the economy of the nation. In this review, what determinants lead to entrepreneurial intention in students is delved upon. The review has revealed that intention is considered the single best predictor of behavior (Ajzen, 1991). Recognizing the key determinants of entrepreneurship has a high degree of importance in specifying the extent to which individuals are interested in starting-up their own ventures. In the current study, various key determinants have been identified. These key determinants are personality traits, contextual, entrepreneurship education, theory of planned behavior, motivational and demographic. Theory of planned behavior determinants (attitude towards behavior, perceived behavioral control and subjective norms) and personality traits (openness, conscientiousness, extraversion, agreeableness, neuroticism, locus of control, risk taking propensity, need for achievement and self-efficacy) determinants are the most examined in literature. This research will serve as a base for future studies and will help researchers to consider these factors when examining the intention of individuals toward entrepreneurship.

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