






# A Study on Impact of Entrepreneurial Environment in the Institution on Entrepreneurial Attitude among Students in Andhra Pradesh

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## Abstract

This study focuses on the correlation between a sample of respondents' attitudes about entrepreneurship and entrepreneurial opportunity. Through correlation and regression analyses, a positive relationship is found between perceptions of entrepreneurial opportunities and attitudes towards entrepreneurship. Regression analysis identifies Entrepreneurial Opportunity as a significant predictor of attitudes towards entrepreneurship, underscoring

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its influence on shaping societal perceptions. These findings highlight the importance of fostering supportive environments for entrepreneurship to cultivate positive attitudes and potentially enhance economic and cultural outcomes. Future research could explore additional factors impacting attitudes towards entrepreneurship across diverse demographic and economic contexts, offering further insights for policy and educational initiatives aimed at promoting entrepreneurial activities.

Keywords: Entrepreneurial Opportunity. Entrepreneurial Attitude. Innovation and Entrepreneurship.

## 1 Introduction to the Concept of Entrepreneurship

Entrepreneurship, often heralded as the backbone of economic growth and innovation, is a multifaceted concept encompassing the creation and management of new business ventures. It involves identifying opportunities, mobilizing resources, and assuming the risks associated with starting and running a business to generate economic value. Entrepreneurship is not merely about starting new businesses but also about fostering innovation and addressing unmet needs within the market. Entrepreneurship can be simply explained as the undertaking of creating, establishing, and managing a new company, usually a start-up, that sells or hires out a process, product, or service. It involves a dynamic interplay of vision, risk-taking, and decision-making in the face of uncertainty to achieve business success and economic impact (Jora et al., 2023; Mittal et al., 2023).

The scope of entrepreneurship extends beyond the individual entrepreneur to include various stakeholders such as investors, employees, customers, and the broader community. Entrepreneurs contribute to economic development by creating jobs, fostering innovation, and stimulating competition. They are often seen as change agents who drive societal progress through their entrepreneurial ventures.

### 1.1 Theories and Models of Entrepreneurship

Several theories and models have been developed to understand the phenomenon of entrepreneurship. Some of the notable theories include:

1. **Economic Theories:** These theories focus on the economic functions of entrepreneurship, such as the role of the entrepreneur in allocating resources efficiently and driving economic development. Joseph Schumpeter's theory of innovation emphasizes the entrepreneur's role in creative destruction, where old industries are replaced by new, innovative ones.
2. **Psychological Theories:** These theories explore the personality traits and psychological factors that influence entrepreneurial behavior. Traits such as risk-taking

propensity, need for achievement, and locus of control are commonly associated with successful entrepreneurs.

3. **Sociological Theories:** Sociological perspectives examine the social and cultural context within which entrepreneurship occurs. Factors such as social networks, cultural norms, and institutional support systems play a significant role in shaping entrepreneurial activities.
4. **Behavioral Theories:** These theories focus on the actions and behaviors of entrepreneurs, emphasizing the processes and strategies they use to identify opportunities, acquire resources, and build businesses. The Entrepreneurial Orientation (EO) model, which includes dimensions like innovativeness, risk-taking, and proactiveness, is a widely used framework in this regard.

## 1.2 Entrepreneurship in the Indian Context

In India, entrepreneurship has gained substantial momentum in recent years, driven by economic reforms, technological advancements, and a supportive policy environment. The Indian entrepreneurial ecosystem has witnessed the emergence of numerous start-ups across various sectors, contributing to economic growth and job creation.

## 1.3 Key Drivers and Barriers

Several factors drive entrepreneurship among engineering graduates in India:

1. **Educational Environment:** Engineering institutions play a crucial role in fostering an entrepreneurial mindset by offering courses on entrepreneurship, business management, and innovation. Exposure to entrepreneurial role models and industry interactions further enhances students' entrepreneurial intentions.
2. **Personality Traits:** Traits such as creativity, risk-taking ability, and proactiveness are strong predictors of entrepreneurial intentions among engineering students. These traits are often nurtured through engineering education, which emphasizes problem-solving and innovation.
3. **Economic and Social Conditions:** Favorable economic conditions, availability of funding, and supportive social networks significantly influence entrepreneurial aspirations. Government initiatives like Start-up India and Make in India have created a conducive environment for entrepreneurship.

## 2 Objectives of the study

The current investigation was conducted keeping the following objectives in view :

1. To research the institutional culture in universities and colleges which encourages entrepreneurship.
2. To gauge engineering grads' perspectives on entrepreneurship
3. To study the impact of institutional environment on attitude of engineering graduates towards entrepreneurship

## 3 Review of Literature on Entrepreneurial Attitude

In accordance with GEM (global entrepreneurship monitor) (2010), the principal objective of entrepreneurship education should be to foster economic growth, drive and influence innovation, and create jobs. (Thompson, 2004). Saeed et al.'s (2019), had postulated that students' entrepreneurial self-efficacy was shaped by the support of their perceived education and concept development. Research findings showed that, in terms of entrepreneurial self-efficacy, perceived educational assistance had the greatest impact, followed by conceptualization, business development, and institutional support. According to the findings, a holistic viewpoint offers a more relevant understanding of how students' stated intentions to start their own businesses are formed. Arunkumar et al.'s (2018) examined the ways in which a person's attitude toward entrepreneurship varies from others. The study uncovered the general attitudes of students regarding entrepreneurship and how those attitudes affect positive attitudes. According to the study, educational institutions ought to encourage students to think about creating their own businesses so they can have greater freedom in their private and professional lives.

Prasad et al.'s (2015) examined "the attitude of management students toward Andhra University entrepreneurship & entrepreneurship." Both closed-ended and open-ended statements were included in the questionnaire used to gather primary data. The data mentioned above were examined using descriptive analysis. According to the study's findings, 25% of students were open to starting their own businesses. A career in a public sector organization is something that nearly half of students enrolled in management programs are very interested in pursuing. While female students are more likely to want to work for public sector companies, this could be due to reservations the Indian government has made for them. The aforementioned study also recommended that universities incorporate instruments for the development of specialized entrepreneurial skills into their curricula.

Abirami and Sathish Kumar's (2014) carried out a study to look at college students' awareness of entrepreneurship. The study's goals were to determine the degree of student awareness, examine sources of funding for entrepreneurship, and examine the variables

driving students to pursue entrepreneurship. For the study, a sample of 400 students was drawn from the Arts and Science colleges in the Tirupur area. The data was analyzed using the Chi-square Analysis technique. Compared to female students, the majority of male students showed a more positive attitude toward entrepreneurship, according to the study. Additionally, this study discovered that students struggle with the financial side of business. Researchers recommended that the government give technical information to female students, banks should finance students to launch new enterprises, and institutions should help students develop their entrepreneurial skills by holding lectures, seminars, and workshops.

Díaz-Casero et al.'s (2012) conducted a study to assess how university students' inclinations to pursue entrepreneurship are impacted by their institutional environment. The focus of the study was to evaluate how students in Portugal and Spain saw entrepreneurship in terms of its desirability, viability, and goal. Data was gathered by researchers from these two nations. 527 pupils from Portugal and 516 pupils from Spain were included in the sample. The data were analyzed using basic statistical methods like chi-square analysis and percentage analysis. According to the report, university students in both nations have a favorable opinion of entrepreneurship. Compared to university students in Portugal, those in Spain said entrepreneurship was less complicated. Lope Pihie and Bagheri's (2011) carried out a study to investigate the entrepreneurial self-efficacy and attitude orientation of Maley Secondary School students. 2574 students were chosen at random from three states in Malaysia: Perak, Pahang, and Negari Sembilan. Students from technical, vocational, and commerce education programs were chosen. A range of methods and tools, such as mean, correlation, cronbach Alfa, and surveys, were employed in the data collection and analysis process. The study's conclusions demonstrated that students studying technical and vocational topics had a favorable attitude toward entrepreneurship. A researcher proposed that schools should offer students entrepreneurial education and training in order to boost the potential for entrepreneurship among the younger generation.

Packham's (2011) conducted a comparison of the perceptions of entrepreneurship among students in France, Germany, and Poland. Undergraduate students at French, German, and Polish Higher Education Institutions were asked to rate their entrepreneurial attitude in response to a brief enterprise course using a five-point Likert scale. The study's conclusions showed that enterprise education beneficially impacts French and Polish students' entrepreneurial attitudes. Although male students profit more from enterprise education in terms of their entrepreneurial spirit, female students are also more likely to feel that they have gained more from the experience. Kumara and Sahasranam's (2009) examined the business management students' entrepreneurial traits. In addition, they studied how demographic factors impacted the traits of entrepreneurs. Convenience sampling was used to get a sample of 51 pupils. To test the attributes, a quiz with 25 statements that

compromised the "yes" or "no" statements was administered. The data was analyzed using a variety of parametric and non-parametric tests, including the F, T, and chi square tests. The results indicated that there was actually no relationship between entrepreneurial traits and grades in the tenth, twelfth, or degree classes. There was equality of variance regardless of whether they scored below or above 60%.

#### 4 Data collection

Self-completion questionnaires served as the means for the research; questions created using a Google Form were sent across student social media groups. Luiz and Mariotti's (2011) study, "Entrepreneurship in an Emerging and Culturally Diverse Economy: A South African Survey of Perceptions," served as the model for the standard questionnaire utilized in the investigation. A total of 472 responses were received from the student groups studying in various colleges in the JNTUK region. The primary data was tabulated and analyzed by using Mean, SD, Anova, correlation and Regression through SPSS and presented the results.

#### 5 Data analysis and discussion

Table 1. Frequency Distribution Of The Respondents Based On Gender

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Male	185	48.8	48.8	48.8
Female	194	51.2	51.2	100.0
Total	379	100.0	100.0	

From the above table 1, it is found that 48.8% of the respondents are male, and 51.2% are female. The table 2 presents the frequency distribution of respondents based on their father's occupation.

This distribution provides insights into the occupational backgrounds of the respondents' fathers within the surveyed population is given below:

- Govt Employee: 7.9% of the respondents' fathers work in government jobs.
- Private Employee: 17.2% of the respondents' fathers are employed in the private sector.
- Own Business: 27.4% of the respondents' fathers are self-employed in their own businesses.
- Others: 47.5% of the respondents' fathers have occupations categorized under "Others".

The table 3 illustrates the respondents' frequency distribution according to their income. This distribution provides an overview of the income levels among the surveyed

Table 2. Frequency Distribution Of The Respondents Based On Father’s Occupation

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
Govt Employee	30	7.9	7.9	7.9
Private Employee	65	17.2	17.2	25.1
Own business	104	27.4	27.4	52.5
Others	180	47.5	47.5	100.0
Total	379	100.0	100.0	

Table 3. Frequency Distribution Of The Respondents Based On Income

Valid	Frequency	Percent	Valid Percent	Cumulative Percent
1-2L	286	75.5	75.5	75.5
2-5L	64	16.9	16.9	92.3
5-7L	13	3.4	3.4	95.8
7-9L	8	2.1	2.1	97.9
Above9L	8	2.1	2.1	100.0
Total	379	100.0	100.0	

respondents, indicating that the majority have incomes in the 1-2 lakh range.

- 1-2L: 75.5% of the respondents fall within the income range of 1-2 lakhs.
- 2-5L: 16.9% of the respondents have incomes ranging between 2 to 5 lakhs.
- 5-7L: 3.4% of the respondents earn between 5 to 7 lakhs.
- 7-9L: 2.1% of the respondents’ incomes are between 7 to 9 lakhs.
- Above9L: 2.1% of the respondents earn above 9 lakhs.

Table 4. Descriptive Statistics For Entrepreneurial Opportunity

	N	Minimum	Maximum	Mean	Std. Deviation
Entrepreneurial Opportunity	472	1.22	5.00	3.0205	.70110
Valid N (listwise)	472				

The table 4 provide a summary of the distribution of scores related to entrepreneurial opportunity among the respondents, indicating the central tendency (mean) and variability

(standard deviation) of their responses. The mean value of 3.0205 for Entrepreneurial Opportunity suggests that, on average, respondents perceive moderate to high levels of opportunity for entrepreneurship. A score above 3 typically indicates a positive perception, suggesting that, in general, the respondents view entrepreneurial opportunities favorably. The mean serves as a central measure indicating the average level of perceived opportunity among the surveyed group, with higher values reflecting greater perceived potential for entrepreneurial activities.

Table 5. Descriptive Statistics For Attitude Towards Entrepreneurship

	N	Minimum	Maximum	Mean	Std. Deviation
Attitude towards Entrepreneurship	472	1.35	4.94	3.2494	.66058
Valid N (listwise)	472				

Table 5 shows that on average, respondents have a moderately positive attitude towards entrepreneurship. The mean score of 3.2494 suggests that the majority of respondents view entrepreneurship favorably, with scores ranging from slightly positive to strongly positive. The standard deviation of 0.66058 indicates that attitudes towards entrepreneurship vary somewhat among the surveyed population.

Table 6. Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.499 <sup>a</sup>	0.249	0.247	0.57322

<sup>a</sup> Predictors: (Constant), Entrepreneurial Opportunity

A correlation coefficient (Pearson's R) of 0.499 indicates a moderate positive linear relationship between the variables in the regression model (see table 6). Here's how to interpret it:

- **Strength:** The value of 0.499 suggests a moderate correlation. In statistical terms, this indicates that there is a discernible tendency for higher values of Entrepreneurial Opportunity to correspond with higher values of the dependent variable being studied.
- **Direction:** The positive sign (+0.499) indicates that as Entrepreneurial Opportunity increases, the dependent variable tends to increase as well. This suggests that respondents who perceive more entrepreneurial opportunities also tend to have a more favorable attitude towards entrepreneurship, assuming the dependent variable is attitude in this context.



- Limitations: While 0.499 indicates a relationship, it doesn't imply causation. Other factors not included in the model could also influence attitudes towards entrepreneurship.

In conclusion, a Pearson's R of 0.499 offers insightful information on the connection between attitudes toward entrepreneurship and entrepreneurial potential, indicating a moderate positive association between these variables in the surveyed population.

Table 7. Results of ANOVA<sup>a</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	51.098	1	51.098	155.511	<.001 <sup>b</sup>
Residual	154.432	470	0.329		
Total	205.529	471			

<sup>a</sup> Dependent Variable: Attitude towards Entrepreneurship

<sup>b</sup> Predictors: (Constant), Entrepreneurial Opportunity

- Table 7 reveals that the regression sum of squares (SSR) of 51.098 indicates the amount of variance in attitudes towards entrepreneurship that is explained by the predictor variable, Entrepreneurial Opportunity. With an F-value of 155.511 and a significance level (Sig.) less than 0.001, the model is statistically significant. This suggests that Entrepreneurial Opportunity significantly predicts attitudes towards entrepreneurship.
- Residual: The residual sum of squares (SSE) of 154.432 represents the unexplained variance in attitudes towards entrepreneurship after accounting for the predictor variable in the model.
- Total: The total sum of squares (SST) of 205.529 is the total variance in attitudes towards entrepreneurship.

The ANOVA outcomes show that the model describes the variation in attitudes toward entrepreneurship significantly when Entrepreneurial Opportunity is included as a predictor. Considering the high F-value and extremely low p-value (< 0.001), it seems improbable that the observed association is the result of chance. Thus, Entrepreneurial Opportunity is a strong predictor of attitudes towards entrepreneurship among the surveyed population.

- Table 8 intercept the constant(1.830) represents the estimated Attitude towards Entrepreneurship when the predictor variable (Entrepreneurial Opportunity) is zero. In practical terms, it suggests the baseline attitude towards entrepreneurship in the absence of perceived entrepreneurial opportunities.
- Entrepreneurial Opportunity:
  - Assuming all other variables equal, the unstandardized coefficient (B) of 0.470 shows

Table 8. Coefficients

Model	Unstandardized Coefficients		Std. Coefficients	t	Sig.
	B	Std. Error			
(Constant)	1.830	0.117		15.670	0.000
Entrepreneurial Opportunity	0.470	0.038	0.499	12.470	0.000

<sup>a</sup> Dependent Variable: Attitude towards Entrepreneurship

that, for each unit rise in entrepreneurial opportunity, there is an expected rise in attitude toward entrepreneurship of 0.470 units.

- The standardized coefficient (Beta) of 0.499 indicates the strength and direction of the relationship between Entrepreneurial Opportunity and Attitude towards Entrepreneurship, adjusted for the scale of measurement of the variables. It suggests a moderate positive effect of Entrepreneurial Opportunity on Attitude towards Entrepreneurship.
- The t-value of 12.470 and a significance level (Sig.) of 0.000 indicate that the coefficient for Entrepreneurial Opportunity is statistically significant, reinforcing that the relationship observed is unlikely to be due to random chance.

These coefficients provide quantitative evidence that Entrepreneurial Opportunity significantly influences and predicts Attitude towards Entrepreneurship among the surveyed population. The positive coefficients and their statistical significance indicate that perceiving more entrepreneurial opportunities is associated with more favorable attitudes towards entrepreneurship.

The table 9 indicates correlation coefficient of 0.499 suggests that there is a moderate positive linear relationship between Entrepreneurial Opportunity and Attitude towards Entrepreneurship among the respondents. P-value of 0 ( $p < 0.01$ ) suggests a significant connection between positive attitudes toward entrepreneurship and perceived entrepreneurial prospects, making it extremely improbable that this correlation happened by coincidence alone. Both variables, Entrepreneurial Opportunity and Attitude towards Entrepreneurship, were measured on the same 472 respondents, ensuring consistency in the analysis.

Table 9. Results of Pearson Correlation

		Entrepreneurial Opportunity	Attitude towards Entrepreneurship
Entrepreneurial Opportunity	Pearson Correlation Sig. (2-tailed) N	1  472	.499**  472
Attitude towards Entrepreneurship	Pearson Correlation Sig. (2-tailed) N	.499** 0 472	1  472

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

## 6 Conclusion

Attitude towards Entrepreneurship among the surveyed population. The Pearson correlation coefficient of 0.499, with a p-value of less than 0.01, indicates that as perceptions of entrepreneurial opportunities increase, so do favorable attitudes towards entrepreneurship. This finding is further supported by the regression analysis, where Entrepreneurial Opportunity emerges as a strong predictor of attitudes towards entrepreneurship, explaining 24.9% of the variance. These results imply that fostering a conducive environment for entrepreneurial activities could potentially enhance societal attitudes towards entrepreneurship. Policies and initiatives aimed at promoting and supporting entrepreneurship may not only stimulate economic growth but also cultivate a more positive cultural outlook on entrepreneurial endeavors. Future research could explore additional factors influencing attitudes towards entrepreneurship and assess longitudinal changes in perceptions and attitudes across diverse demographic and economic contexts. Overall, these findings underscore the importance of entrepreneurial opportunities in shaping societal attitudes towards entrepreneurship, highlighting implications for policy and educational initiatives aimed at fostering entrepreneurial ecosystems.

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