

Factors Affecting Entrepreneurial Intention Among University Students in Himachal Pradesh, India

Deepesh Ranabhat

School of Business, Faculty of Management Studies, Pokhara University
Email: deepeshrana2000@gmail.com

Abstract: Entrepreneurship has emerged as a driving force for economic growth, innovation, and job creation. This study aims to find out the factors affecting entrepreneurial intention of university students in Himachal Pradesh, India. For this purpose, a sample of 200 students, who were pursuing postgraduation and under graduation in different universities across diverse academic disciplines were taken purposively. Both descriptive as well as inferential statistics were used for the analysis. The researcher used partial least square structural equation modelling (PLS-SEM) to see the relationship between different independent factors and entrepreneurial intention. The results revealed that prior entrepreneurship exposure and self-efficacy have statistically significant and positive impact on entrepreneurial intentions. However, the study found that entrepreneurial attitude, entrepreneurship education and risk-taking behaviour have no significant impact on entrepreneurial intention. This highlights the importance of real-world experience and self-belief in fostering the desire to engage in entrepreneurship. This research serves as a foundation for future studies and policy initiatives aimed at fostering an entrepreneurial development in Himachal Pradesh.

Keywords: Entrepreneurial Intention, Prior entrepreneurship exposure, PLS-SEM, self-efficacy, University students

Introduction

In today's dynamic global economy, entrepreneurship has emerged as a driving force for economic growth, innovation, and job creation. It has risen above its traditional boundaries and has become a beacon of hope for countries striving to achieve sustainable development. Recognizing its significance, governments and institutions worldwide are increasingly fostering an entrepreneurial culture, with a particular emphasis on nurturing the entrepreneurial spirit among young minds.

India's entrepreneurial landscape has

undergone a remarkable transformation in the past decade. The nation has now become a thriving hub for startups and innovation, attracting significant attention from investors, entrepreneurs, and policymakers on a global scale (Baporikar, 2015). This transformation has been fuelled by various factors, including economic liberalization, technological advancements, and a burgeoning youth population, which have converged to create a conducive environment for entrepreneurship to thrive. In this evolving landscape, the role of university students is particularly

significant. They represent a demographic brimming with creativity, ambition, and fresh perspectives. Harnessing this potential can fuel the growth of entrepreneurship across the entire nation.

Himachal Pradesh, nestled amidst the Himalayan mountains, has witnessed impressive progress across various sectors. The state boasts a thriving education system, with numerous universities and colleges that draw students from all corners of the country. Himachal Pradesh, with its diverse student population and a growing interest in entrepreneurship, presents a unique setting for exploring the determinants of entrepreneurial intentions (Manoj Jreat, 2004). So, this study focuses on investigating the factors influencing the entrepreneurial aspirations of university students in Himachal Pradesh.

Entrepreneurial intentions among university students are shaped by interaction of personal attributes, educational experiences, social environments, and economic factors (Schwarz et al., 2009). Personal attributes, including traits, attitudes, and self-belief, play a pivotal role in determining their inclination toward entrepreneurship. Similarly, educational experiences within universities, such as entrepreneurship-related courses and mentorship, expose students to entrepreneurial concepts and nurture their spirit. Social contexts, including family backgrounds, peer groups, and community attitudes, either support or hinder entrepreneurial aspirations, while exposure to successful role models can serve as inspiration. The economic conditions encompassing access to funding, infrastructure, and market opportunities, can significantly influence students' intentions, given the unique economic landscape of the region, which holds both opportunities and challenges, notably in tourism and agribusiness sectors.

Various studies have been conducted on factors influencing entrepreneurial intention. The study conducted by Hamdani et al. (2023) investigated the factors influencing women's entrepreneurial intentions within the Batik micro, small, and medium enterprises (MSMEs) sector in West Java, Indonesia. The study found that women's self-efficacy significantly affects their entrepreneurial intentions. Additionally, perceived social support from their social networks positively affects self-efficacy and, in turn, entrepreneurial intentions. Similarly, Bagia et al. (2023) revealed that role models, subjective norms, and self-efficacy all positively and significantly influence students' intentions to become entrepreneurs. Ahmed (2022) investigated the intricate relationships between several entrepreneurship-related factors, including entrepreneurial self-efficacy, Person-Environment (P-E) fit, entrepreneurial intentions, and the moderating influence of family support. The findings reveal that entrepreneurial self-efficacy significantly impacts both the perception of P-E fit and entrepreneurial intentions.

Nájera-Sánchez et al. (2023) presented a comprehensive analysis of the relationship between entrepreneurial education and entrepreneurial intention through a bibliometric approach. They emphasized that entrepreneurial intention is a pivotal predictor of entrepreneurial behaviour and that entrepreneurial education plays a crucial role in shaping this intention. Yasa et al. (2023); Thomas (2023); Le et al. (2023) found a positive relationship between entrepreneurship education and the intention to engage in entrepreneurial activities, suggesting that participating in entrepreneurship education programs is associated with an increased inclination to pursue entrepreneurial ventures.

Entrepreneurial attitude also plays

important role in shaping entrepreneurial intention. Rodrigues et al. (2023) in their research revealed that attitude significantly and positively influences students' entrepreneurial intention. The study conducted by Muzaffar (2023) also revealed a positive relationship between entrepreneurial attitude and students' intentions to pursue entrepreneurial careers. Zovko et al. (2020) found that attitudes and a propensity towards risk had a positive effect on entrepreneurial intention. The study conducted by Malebana and Mothibi (2023) revealed that certain elements of prior entrepreneurship exposure, such as prior start-up experience and knowledge of successful entrepreneurs, significantly influenced entrepreneurial intention.

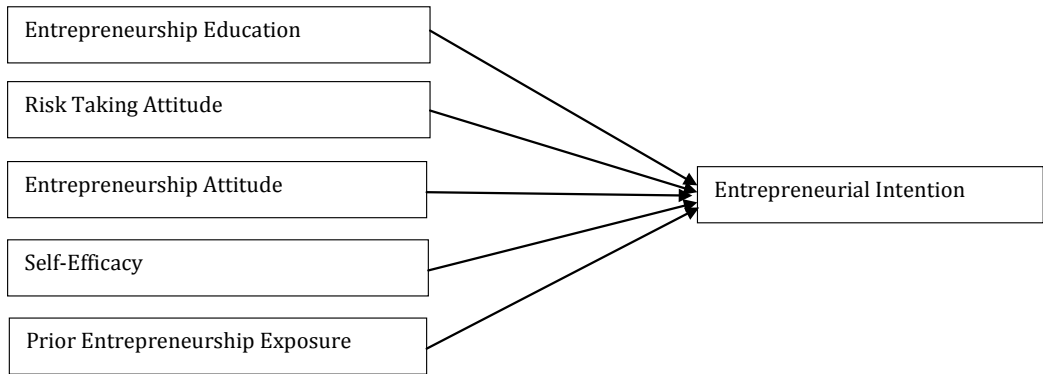
These studies collectively demonstrate that entrepreneurial intentions are shaped by a diverse range of factors, including entrepreneurial education, self-efficacy, personality traits (including risk taking attitude), prior experiences, entrepreneurial attitude, and other elements. Understanding these multifaceted determinants can provide valuable insights for educators, policymakers, and individuals seeking to foster an entrepreneurial mindset and promote entrepreneurship in various settings. So, this article aims to find out the factors affecting entrepreneurial intention of university students in Himachal Pradesh. Through a comprehensive examination of entrepreneurship education, risk-taking attitude, entrepreneurial attitude, self-efficacy, and prior entrepreneurship exposure, the researcher aspires to provide a holistic understanding of the entrepreneurial landscape in this state.

The findings of this paper help to inform policymakers, educators, and stakeholders about the strategies and interventions needed to nurture a generation of entrepreneurs who can contribute to

the economic and social development of Himachal Pradesh.

Data and Methods

The research investigated the factors affecting entrepreneurial intentions among university students in Himachal Pradesh, India. The study employed a sample of 200 students, who were pursuing postgraduation and under graduation in different universities across diverse academic disciplines and utilized a purposive sampling technique to ensure representation of the targeted population. The survey was conducted through self-administered questionnaire, encompasses socio-demographic data, and a Likert scale statements to measure the respondents' perceptions on different factors related to entrepreneurial intention. The Likert scale statements were ranging from "strongly agree" to "strongly disagree." This study incorporated five different independent variables, including entrepreneurship education, risk-taking attitude, entrepreneurship attitude, self-efficacy, and prior entrepreneurship exposure, along with one dependent variable, namely entrepreneurial intention. The conceptual framework of this study is presented in Figure 1. Both descriptive and inferential statistical analyses were applied to the collected data, aiming to derive comprehensive insights into the relationship between different factors and students' entrepreneurial intentions in Himachal Pradesh, India. In this study, the researcher used partial least square structural equation modelling (PLS-SEM) to see the relationship between different independent factors and entrepreneurial intention.

Figure 1*Conceptual Framework***Results and Discussion**

This section includes the frequency percentage analysis of socio-demographic profile, and structural equation modelling used to see the impact of independent variables on entrepreneurial intention.

Table 1 outlines key demographic aspects of the surveyed participants. It reveals that 64% of participants are male, with 36% being female. In terms of education, 57% are pursuing undergraduate degrees, and 43% are in postgraduate programs. The distribution across universities indicates

that majority of the respondents (64%) belong to Shoolini University, 29% to Himachal Pradesh University, and 7% to Himachal Pradesh Technical University. Age-wise, most of the students were 82.5% are below 25 years old, while 17.5% are 25 years and above. Regarding family income, more than half (53.5%) have annual income up to Rs. 500,000, 30.5% fall within Rs. 500,000 to Rs. 10,00,000, 8.5% have Rs. 10,00,000 to Rs. 15,00,000, and 7.5% have annual incomes exceeding Rs. 15,00,000.

Table 1*Socio-Demographic Profile*

Variables	Categories	Frequency	Percent
Gender	Male	128	64
	Female	72	36
Education Status	Undergraduate	114	57
	Postgraduate	86	43
University	Shoolini University	128	64
	Himachal Pradesh University	58	29
	Himachal Pradesh Technical University	14	7
Age	Less than 25 years	165	82.5
	25 years and above	35	17.5
Family Income	Up to 500,000	107	53.5
	500,000 to 10,00,000	61	30.5
	10,00,000 to 15,00,000	17	8.5
	More than 15,00,000	15	7.5

Structural Equation Modelling

This includes two models – measurement model and structural model. In measurement model, construct reliability and validity were assessed. The researcher used Cronbach’s alpha and composite reliability for assessing construct reliability, average variance extracted for assessing convergent validity, and discriminant validity was assessed using Fornell and Lacker’s criteria and HTMT ratio.

Measurement Model

In this study different items were taken to measure the dependent variable and independent variables. Model fitness was assessed with all these variables. The results of reliability and validity test are presented below.

Table 2 presents the construct

reliability and convergent validity measures for each construct in the research model. Construct reliability was assessed using Cronbach’s alpha and Composite Reliability (CR). Additionally, convergent validity was assessed using Average Variance Extracted (AVE). The constructs, namely Entrepreneurial attitude (ATT), Entrepreneurship education (EE), Prior entrepreneurship exposure (PEE), Risk-taking (RT), Self-efficacy (SE), and Entrepreneurship intention (EI), all exhibit strong internal consistency and reliability, as indicated by Cronbach’s alpha values ranging from 0.911 to 0.951 and CR values ranging from 0.938 to 0.962. The constructs also demonstrate satisfactory convergent validity, with AVE values ranging from 0.790 to 0.837.

Table 2

Construct Reliability and Convergent Validity

	Cronbach's alpha	Composite reliability (CR)	Average variance extracted (AVE)
Entrepreneurial attitude (ATT)	0.939	0.956	0.845
Entrepreneurship education (EE)	0.931	0.951	0.828
Prior entrepreneurship exposure (PEE)	0.911	0.938	0.790
Risk taking (RT)	0.931	0.951	0.828
Self-efficacy (SE)	0.951	0.962	0.837
Entrepreneurship intention (EI)	0.944	0.957	0.816

Table 3 illustrates the results of Fornell-Larcker’s criterion for assessing discriminant validity among the constructs in the research model. The values on the

diagonal represent the square roots of AVE for each construct, while the off-diagonal values indicate the correlations between pairs of constructs. Here the diagonal values

Table 3

Discriminant Validity – Fornell Lacker’s Criteria

	ATT	EE	EI	PEE	RT	SE
ATT	0.919					
EE	0.638	0.910				
EI	0.706	0.705	0.903			
PEE	0.496	0.663	0.682	0.889		
RT	0.837	0.708	0.722	0.552	0.910	
SE	0.815	0.689	0.797	0.629	0.812	0.915

are 0.919, 0.910, 0.903, 0.889, 0.910 and 0.915, which are larger than the correlation coefficients with other constructs. This confirms the discriminant validity using Fornell Lacker’s Criteria.

Table 4 presents the results of the

Heterotrait-Monotrait (HTMT) ratio, a technique used to assess discriminant validity. All HTMT ratio values are below the threshold of 0.90, thus affirming the discriminant validity of the constructs.

Table 4
Discriminant Validity – HTMT Ratio

	ATT	EE	EI	PEE	RT	SE
ATT						
EE	0.678					
EI	0.747	0.748				
PEE	0.529	0.721	0.734			
RT	0.897	0.755	0.766	0.593		
SE	0.862	0.727	0.839	0.672	0.861	

Structural Model

Once the reliability and validity of the constructs were established, the structural model was employed to examine the impact

of independent variables on entrepreneurial intention. Figure 2 depicts the path analysis, while Table 5 presents the outcomes of this path analysis.

Figure 2

Path analysis between independent variables and entrepreneurial intention

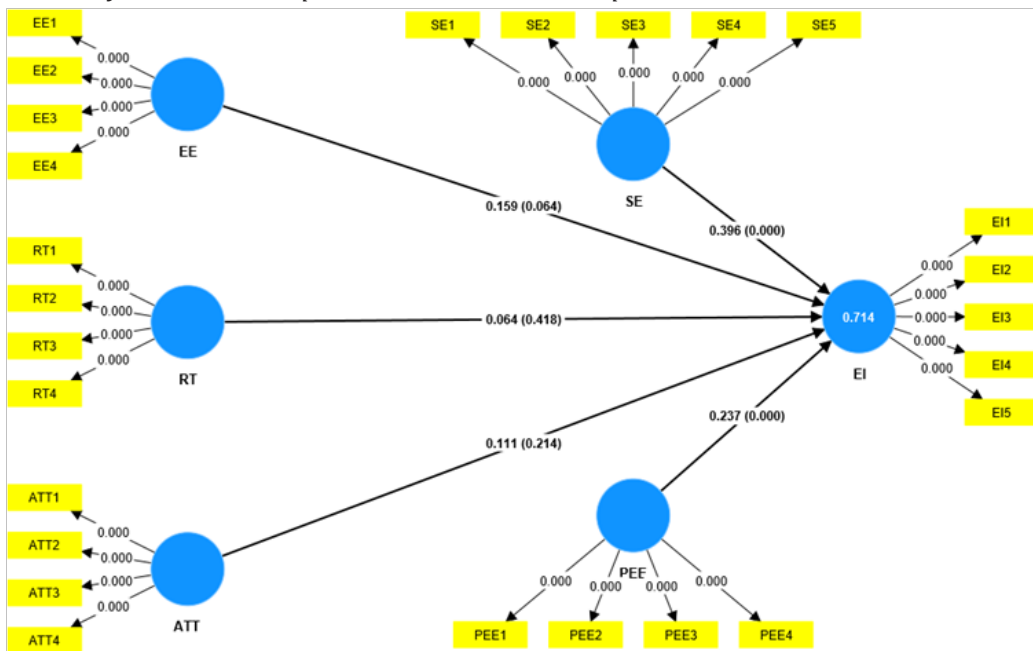


Figure 2 show the relationship between five independent variables (Entrepreneurship education (EE), Risk-taking (RT), Entrepreneurial attitude (ATT), Self-efficacy (SE), Prior entrepreneurship exposure (PEE)) and Entrepreneurial intention (EI). Different measurement items were used to measure the independent and dependent variables. The figure reveals that all items' loadings are significant ($p < 0.05$). The results of path analysis are given in Table 5.

Table 5
Result of Path Analysis

Relation-ship	Coeffi- cients	T-statis- tics	P val- ues
ATT -> EI	0.111	1.242	0.214
EE -> EI	0.159	1.853	0.064
PEE -> EI	0.237	4.249	0.000*
RT -> EI	0.064	0.809	0.418
SE -> EI	0.396	5.393	0.000*

($R^2 = 0.714$)

The impact of each independent variable on entrepreneurial intention is presented in Table 5. The results reveal that prior entrepreneurship exposure (Beta = 0.237 and $p < 0.05$) and self-efficacy (Beta = 0.396, and $p < 0.05$) have statistically significant and positive impact on entrepreneurial intentions. These findings are consistent with the study of Malebana and Mothibi (2023), who found that prior entrepreneurship exposure including prior start-up experience and knowledge of successful entrepreneurs, significantly influence entrepreneurial intention. This is similar with the result of Bagia et al. (2023) and Ahmed (2022), which show that self-efficacy positively and significantly influences students' intentions to become entrepreneurs. However, the study found that entrepreneurial attitude, entrepreneurship education and risk-

taking behaviour have no significant impact on entrepreneurial intention ($p > 0.05$). Further, the coefficient of determination (R^2) explains how well the independent variables in a model can predict the variation in the dependent variable. Here the value of R^2 is 0.714 which shows the moderate effect of independent variables on entrepreneurial intention. It denotes that 71.4 percent variations in entrepreneurial intention were explained by the five independent variables used in the model and remaining 28.6 percent variations in entrepreneurial intention is unexplained by this model.

Conclusion

In conclusion, this study investigated the factors influencing entrepreneurial intention among university students in Himachal Pradesh, India. Through a comprehensive analysis of various factors, it was found that prior entrepreneurship exposure and self-efficacy play significant and positive roles in shaping entrepreneurial intentions among students. This highlights the importance of real-world experience and self-belief in fostering the desire to engage in entrepreneurship. However, the study did not find a significant impact of entrepreneurial attitude, entrepreneurship education, and risk-taking behavior on entrepreneurial intention. These results highlight the need for a more nuanced approach to entrepreneurship education that goes beyond theoretical knowledge, emphasizing practical experience and self-confidence-building strategies. The moderate explanatory power of the model (71.4% R-squared) suggests that there may be other unexplored variables influencing entrepreneurial intention among students, opening avenues for further research in this field. Understanding these factors can aid educational institutions and policymakers in designing more effective entrepreneurial

development programs.

In Himachal Pradesh, where entrepreneurship can be a vital driver of economic growth and job creation, this study provides valuable insights into the factors that shape the entrepreneurial intentions of university students. By acknowledging the influence of prior exposure and self-efficacy, policymakers and educators can better tailor entrepreneurship programs among students. Furthermore, the findings emphasize the importance of encouraging practical experiences, mentorship, and the development of self-confidence to inspire the next generation of entrepreneurs. This research serves as a foundation for future studies and policy initiatives aimed at fostering a vibrant entrepreneurial ecosystem in the region.

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