

# **Start-Up and Perceived Entrepreneurial Intention of Master-Level Students of Management**

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## **Abstract**

*Various circumstances may influence the entrepreneurial intent of students. The likelihood that a student will engage in entrepreneurial action in the future depends on their entrepreneurial intention. The major goal of the study is to comprehend how master's level management students from Butwal Sub-Metropolitan City's entrepreneurial purpose is influenced by attitude toward behavior, subjective norms, perceived behavioral control, entrepreneurship education, and personality features. Distribution of survey questionnaires to respondents at several master's level management colleges in Butwal is how the basic data for this study was obtained. Of the 271 successful responses, 271 were considered in the analysis. Every variable is subjected to Cronbach's alpha reliability test, which ensures high-reliability results. In this study, multiple linear regression analysis and Pearson's correlation coefficient are used to analyze the observed independent variables (i.e. attitude towards behavior, subjective norms, perceived behavioral control, entrepreneurship education, and personality traits). The association between each factor and entrepreneurial intent is important. The study's findings show that most master's level management students are planning to participate in entrepreneurial projects in the future, which is positive. To raise student knowledge of career options as entrepreneurs, policymakers and academics must get involved early in the process of providing entrepreneurship education. To increase students' motivation, family, friends, and relatives must be encouraged to provide structural support.*

**Keywords:** entrepreneurial intent, students, reliability, future, education

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## **I. INTRODUCTION**

In developing nations, the informal economy accounts for 40-60% of non-agricultural GDP and more than 60% of total non-agricultural employment. Despite its widespread use, one of the most significant problems is that the informal sector absorbs society's most disadvantaged and marginalized people ( Karki & Xheneti, n.d.).The majority of them concentrate on entrepreneur-related elements, such as personal traits or human capital, which are linked to entrepreneurship intention. One of the most important predictors of intents to start a new business venture, according to some, is external environment. And only a few of them focus on the psychological factors that lead to the creation of an intention (Khuong & An, 2016). Entrepreneurship is being stressed in particular in light of the present global economic crisis, which has resulted in widespread unemployment, with entrepreneurship being seen as one of the strategies to reduce it (Dragan et al. 2013). Young people's potential is widely recognized as a contributor to the reduction of unemployment and the development of economic growth and creativity, but they confront a number of unique challenges due to their age. They are a shortage of funds, a lack of company management skills, and outdated views among support financing or providers.

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As a result, to help them develop entrepreneurial enthusiasm and strengthen their abilities, as well as to make their road as a young entrepreneur easier (Ibrahim & Talib, 2014). Entrepreneurs are becoming increasingly crucial in today's society's wealth generation. Examining entrepreneurial intent can help us better understand how it might act as entrepreneurs. Entrepreneurial intention is a state of mind that guides people's attention toward a specific aim (Zhang et al. 2015).

### **Rational of the study**

This study is important for management professionals at the master's level and their future career paths. It gives them a better option for their career development by understanding their intentions, as well as their strengths and weaknesses. They are able to pinpoint their own traits, attitudes, and levels of self-efficacy, which will enable them to determine their intentions with regard to starting a business. This study is crucial for implementing policies regarding the future growth of entrepreneurial programs for management students at the master's level. All of the government-provided programs for students will be used to their maximum potential if there is a clear grasp of the factors influencing entrepreneurial intention among them. Policy makers in Butwal will benefit from this research's insights into the state of entrepreneurship education by being inspired to encourage entrepreneurial intention, which will increase the rate of new business ventures. In order to create courses that would assist close the entrepreneurship gap, it is essential to identify the student's level of entrepreneurial intention right away.

### **Research Gap**

Koirala (2019) conducted the study of entrepreneurial intention of students of Tribhuvan University found that students' perceptions of their likelihood to pursue entrepreneurship as a job in the future were favorably and significantly influenced by their attitude toward action and risk-taking propensity.

Karki & Xheneti (2017) conducted the study on informal women entrepreneur and found that, given the significance of informal activities and the goals of women entrepreneurs, formalization could have a significant impact on the viability of their businesses. Niroula & Bajracharya, (2019) conducted the study of entrepreneurial intention among students of Nepal, including self-efficacy, role models, religion, life experiences, financial considerations, etc., to students in Nepal who desire to start their own businesses. This research has also attempted to determine which factors have the greatest influence on entrepreneurial intention, which factors serve as moderators, and which factors have the least influence on entrepreneurial aspirations among Nepalese students. Results showed that among Nepalese students, self-efficacy, experience, role model, religion, independence, and entrepreneurial intention were related. It is found that no research has been found concerning the entrepreneurial intention of master level of student of management of Butwal sub-metropolitan city. Thus, this study aims to examine the driving factors of entrepreneurial intention among master level students of management of Butwal sub-metropolitan city and to access how the entrepreneurial intention lead to entrepreneurship in future.

### **Research questions**

- Is there any relationship between student entrepreneurial intention and attitude towards behavior, entrepreneurship education, subjective norms, perceived behavioral control, personality traits?

**Research objectives**

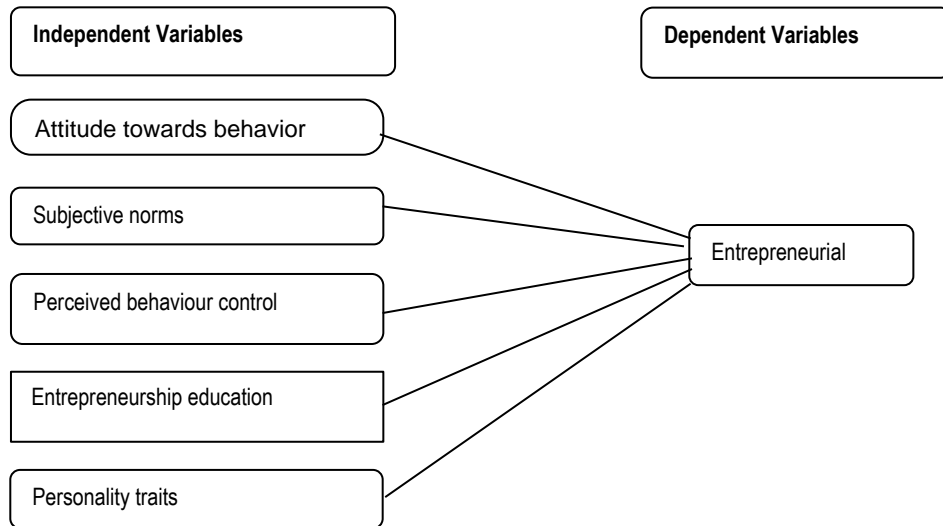
- i. To assess the relationship of subjective norms, personality traits, perceived behavioral control, attitude towards behavior, entrepreneurial education and entrepreneurship intention of master level students of management in Butwal.
- ii. To examine the effect of attitude towards behavior, subjective norms, personality traits, entrepreneurial education, Perceived behavioral control and entrepreneurship intention of master level students of management in Butwal.

**II. REVIEW OF LITERATURE**

**Research Framework**

**Figure 1**

*Research Framework*



*Note: Research framework, 2022*

**Theoretical Review**

Entrepreneurship intention is representation of actions for exploiting a business opportunity by applying entrepreneurial learning of knowledge and skills. Entrepreneurship education is to increase the awareness of entrepreneurship, the basic concepts and knowledge related to entrepreneurship (Bechard & Tolohous, 1998). Researchers have confirmed that entrepreneurial intention effectively predicts entrepreneurial behavior, and entrepreneurial attitudes toward entrepreneurship, in turn, predict entrepreneurial intentions (Ajzen, 1991; Ajzen, 2005).

**Theory of Reasoned Action**

Ajzen (1985) argue that the theory of reasoned action is predicated on the idea that people typically act rationally, taking into consideration the information at hand and either unconsciously or overtly thinking about the consequences of their decisions. The theory

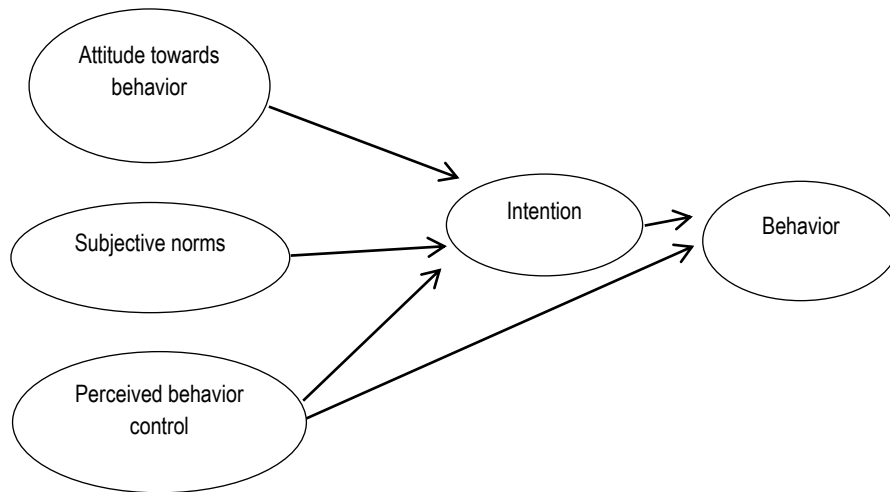
asserts that a person's desire to conduct (or not to perform) a behavior is the immediate determinant of that action, which is consistent with its focus on volitional actions. Konkoly and Perloff (1990) argue that the current study utilized the 1975 theory of reasoned action developed by Fishbein and Ajzen to the area of altruistic behavior. A survey of 245 college students' attitudes and subjective expectations on their intention to leave a charitable bequest in their wills was completed.

**Theory of Planned Behavior**

The theory of planned behaviour (Ajzen, 1991) was derived from the Theory of Reasoned Action (Fishbein, 2008). Ajzen, (1985) found that attitudes toward the behavior, subjective norms, and percep Stions of behavioral control, it is possible to predict intentions to perform a variety of behaviors with high accuracy.

**Figure 1**

*Theory of Planned Behavior*



Note: (Ajzen Model, 1985)

**Empirical Review**

Octaviani et al. (2021) mentioned that the TPB theory model and a number of other factors will be used in this study to examine the factors that may have an impact on students' intentions to pursue entrepreneurship. 222 students with entrepreneurship concentrations from renowned Indonesian universities participated in the data collection. The research hypotheses were put to the test using the structural equation model (PLS-SEM). Evidence of the beneficial effects of the factors examined on Indonesian students' entrepreneurial intentions can be found in the emergence of significant and favorable results across all variables, with the exception of fungibility problems. These findings are then succinctly summarized in the form. Paco et al. (2011) show that need for achievement, self-confidence, and personal attitude positively affect entrepreneurial intention. Furthermore, subjective norms and personal attitude affect perceived behavioral control. These findings

could have a significant impact on knowledge of the contributions of behavioral and psychological theories to the entrepreneurial intention.

Prasodjo and Amelinda (2019) look at the elements that influence undergraduate students' intentions for sustainable entrepreneurship. The study's sample was chosen from among the female students in an economics faculty at one of Jakarta's entrepreneurial institutions. The predictors of student intention were estimated using multiple regression.

Octaviani et al. (2021) uses the TPB theory model along with a number of other factors to examine the variables that may have an impact on students' entrepreneurial intentions (i.e., attitude towards entrepreneurship, subjective norms, perceived behavioral control, innovation, proactive personality, need for achievement, internal locus of control, risk taking propensity, lifestyle integration, social networking, resources, opportunity recognition, fungibility issues, entrepreneurial intention, and pre-start-up behavior). Nguyen (2017) argues that the determinants of entrepreneurial intention of Vietnamese students who major in international business study are evaluated using the theory of planned behavior (TPB) (Ajzen, 1991). 372 final-year students' replies were analyzed using an exploratory factor analysis and multiple regressions. The findings support the notion that a good attitude toward entrepreneurship and a sense of behavioral control are connected to entrepreneurial intention. Subjective norm is ineffective in significantly influencing entrepreneurial intention.

### III. RESEARCH METHODOLOGY

#### Research design

The research design used in this study is descriptive in nature as it describes the collected data in relation to their particular characteristics, such as gender, age group, university, family business background, etc.

#### Population and sample size

In Butwal city, there are two community colleges, one private college, and one public college offering masters' program in management. So, all of those college are included for data collection. There are 831 students enrolled in master's programs in management overall. Sample is limited number of individuals selected to obtain about some characteristic of the population from which it is drawn, quota and convenience sampling method is used. Regarding the suitable sample size for this study, at 95% level of confidence, the formula developed Yamane (1967) is used. This gives the sample size as follows:

$$n = \frac{N}{1 + N \cdot e^2}$$

$$n = \frac{831}{1 + 831 \cdot 0.05^2}$$

$$= 271$$

Therefore, 271 respondents are given the questionnaire. With the assumption of non-response from 271 respondents, i.e. considering some error in response, total 320 questionnaires were distributed.

## IV. RESULT AND ANALYSIS

### Reliability Test

**Table 1**

*Result of Reliability Test*

Particular	Cronbach's Alpha	N of Items
Statements	0.887	30
Variables	0.811	6

*Note:* Output from L.B.C digital library SPSS Version 21

Cronbach's Alpha has been used to measure the reliability of the study, Nunnally (1978) recommended the value of Cronbach's Alpha more than 0.7 is acceptable. As shown in table the Cronbach's Alpha value in this case is 0.887 for 30 statements and 0.811 for 6 variables. This suggests that the variables are highly related to the population, making it possible to do further analysis on the data utilized in this study.

### Correlation analysis

Karl Pearson's correlation coefficient was used to obtain the relationship between the dependent variable (entrepreneurial intention) and independent variables (Attitude towards behavior, Subjective norms, Perceived behavioral Control, Entrepreneurial education and Personality Traits)

**Table 2**

*Results of Pearson's correlation*

Correlation						
Variables	Attitude towards behavior	Subjective norms	Perceived behavioral Control	Entrepreneurial education	Personality Traits	Entrepreneurial Intention
Attitude towards behavior	1					
Subjective norms	.323**	1				
Perceived behavioral Control	.437**	.477**	1			
Entrepreneurial education	.274**	.451**	.374**	1		
Personality Traits	.373**	.439**	.540**	.392**	1	
Entrepreneurial Intention	.585**	.276**	.482**	.357**	.531**	1

*Note:* Output from L.B.C digital library SPSS Version 21 \*\*=significant at 95% confidence level.

Table reflects the results of Pearson's correlation analysis which shows that all the p-values are less than 0.01 ( $p < 0.01$ ) and all coefficient values between entrepreneurial

intention and attitude towards behavior (0.585), entrepreneurial intention and subjective norms (0.276), entrepreneurial intention and perceived behavioral control (0.482), entrepreneurial intention and entrepreneurial education (0.357), and lastly entrepreneurial intention and personality traits (0.531) are significant. All independent variables' correlation coefficients are significant at 5% level of significance.

### Test of multicollinearity

**Table 3**

*Results of Test of Multi-collinearity*

Variable	Collinearity Statistics	
	Tolerance	VIF
Attitude towards behavior	0.77	1.298
Subjective norms	0.659	1.517
Perceived behavioral Control	0.589	1.699
Entrepreneurial education	0.737	1.357
Personality Traits	0.633	1.581

*Note:* Output from L.B.C digital library SPSS Version 21

Above the table indicates that the VIF for all variables are less than 10 and the tolerance factor is more than 0.1. Thus, it can conclude that the variables are free of the problem of multicollinearity. Hence, run the regression analysis for these variables.

### Multiple regression analysis

**Table 4**

*Result of Regression Analysis*

Variable	Beta coefficient	std.error	t-statistics	p-value
(Constant)		0.302	-1.038	0.3
Attitude towards behavior	0.412	0.062	8.193	0.001
Subjective norms	-0.115	0.054	-2.118	0.035
Perceived behavioral Control	0.149	0.066	2.593	0.01
Entrepreneurial education	0.123	0.066	2.392	0.017
Personality Traits	0.299	0.067	5.392	0.001

### Model summary

Model Summary			
R	0.696	R <sup>2</sup>	0.484
Adjusted R <sup>2</sup>	0.474	Std. The error of the estimate	0.46206

F- statistic	49.695	p-value of F- statistic	0.001
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Note: Output from L.B.C digital library SPSS Version 21

From the table, F-value and p-value of the model are 49.695 and 0.001 respectively which is significant at 5% level of significance. So, the model is fitted linearly. R square of this model is 0.484 or 48.4% which means 48.4% of the variation in entrepreneurial intention is explained by variation in independent variables used in this model.

Beta coefficient of five independent variables: Attitude towards behavior, Subjective norms, Perceived behavioral Control, Entrepreneurial education and personality traits are obtained as 0.412, -0.115, 0.149, 0.123 and 0.299 respectively. It donates a percent change in attitude towards behavior, Perceived behavioral Control, Entrepreneurial education and personality traits brings percent positive change in entrepreneurial intention. Similarly, a percent change in subjective norms is characterized by 0.115 percent negative change in entrepreneurial intention.

The fitted model is

$$\text{Entrepreneurial Intention} = \alpha + \beta_1 \text{ Attitude Towards Behavior} + \beta_2 \text{ Subjective Norms} + \beta_3 \text{ Perceived Behavioral Control} + \beta_4 \text{ Entrepreneurship Education} + \beta_5 \text{ Personality Traits} + \xi$$

Where,

$\alpha$  = Constant

$\beta_1, \beta_2, \beta_3, \beta_4, \beta_5$  = Beta coefficient

$\xi$  = Stochastic error term

The final model is:

$$EI = \alpha + \beta_1 A + \beta_2 S + \beta_3 P + \beta_4 E + \beta_5 P + \xi_1$$

Where,

A= Attitude towards behavior

S= Subjective Norms

P= Perceived behavioral Control

E= Entrepreneurship education

P= Personality traits

## V. DISCUSSION

The Pearson's Correlation Coefficient values of entrepreneurial intention with attitude towards behavior, subjective norms, perceived behavioral control, entrepreneurship education and personality traits are 0.585, 0.276, 0.482, 0.357 and 0.531 respectively. Correlation analysis shows that attitude towards behavior, subjective norms, perceived behavioral control, entrepreneurship education and personality traits have positive relationship towards entrepreneurial intention. Researcher obtained p-value of  $0.001 < 0.05$  which means that there is significant relationship between attitude towards behavior and entrepreneurial intention. This result is consistent with Octaviani et al. (2021), Nguyen (2017). Researcher obtain p-value of  $0.035 < 0.05$  which means that there is significant



relationship between subjective norms and entrepreneurial intention. The result consists with Nguyen (2017), Octaviani et al. (2021). From the findings, researcher has obtained p-value  $0.01 < 0.05$  which suggest that there is significant relationship between perceived behavioral control and entrepreneurial intention. The result consists with Nguyen, (2017), Octaviani et al. (2021) which reveals that there is significant relationship between perceived behavior control and entrepreneurial intention. This research result showed that there is significant positive relationship between entrepreneurship education and entrepreneurial intention with correlation coefficient value of 0.357 and p-value of  $0.017 < 0.05$  which is significant. The result consists with Paço et al. (2011). Personality traits have positive relationship towards entrepreneurial intention with correlation coefficient of 0.531 and p-value  $0.001 < 0.005$  which suggest that there is significant positive relationship between personality traits and entrepreneurial intention. This result consists with Octaviani et al. (2021). R square of this model is 0.484 or 48.4% which means 48.4% of the variation in entrepreneurial intention is explained by variation in independent variables used in the model. Entrepreneurship education is the most significant predictor of entrepreneurial intention among students with the coefficient value of 0.357.

## VI. Conclusion and Implication

The study also shows attitude towards behavior and personality traits is the most significant predictor of entrepreneurial intention. By examining the effects of several contextual elements on university students, this study seeks to determine how master's level students perceive their intention to engage in entrepreneurship. Quantitative data analysis and a descriptive research design were employed in the study's approach. The study's participants include four colleges that offer master's level management courses. 271 students from 4 different colleges made up the sample. Data collection was done at random using surveys and the use of questionnaires in the classroom. The dependent variable is entrepreneurial intention, and the independent factors were attitude toward behavior, subjective norms, perceived behavioral control, entrepreneurship education, and personality features. Mean, standard deviation, correlation, mann-Whitney U test, Kruskal Wallis test, and regression analysis were utilized as research techniques.

- Encouragement of structural support from family, friends, and relatives is necessary to boost pupils' motivation.
- For students who are motivated and eager to pursue an entrepreneurial career, the institution has to include more practical orientation and increase financial literacy-related classes with examples.
- The government should design and properly implement relevant policies and initiatives to support the growth of entrepreneurship in the Nepalese economy.

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