

Entrepreneurial intention of the undergraduates: A study of final year students in Rajarata University of Sri Lanka

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Introduction

Entrepreneurship has been important in recent years due to its contributions to national economy and the society at large (Gerba, 2012). Entrepreneurship contributes to the economy by reducing one of major economic problem of unemployment. Although Sri Lanka has more educated work force, the unemployment rate in Sri Lanka increased to 4.2 percent in 2016 (Central Bank of Sri Lanka, 2016). Self-venturing has been identified as one of main solutions for unemployment in the country. When considering Sri Lankan current context, it is important to identify youths' intention to be an entrepreneur. Youth is the power full force in a country because youth unemployment leads to various economic and social issues. According to the available data there are 41,000 unemployed graduates in Sri Lanka (Ceylon News Paper, 2016). A greater percentage of fresh graduates passing out from universities have a preference in searching for a wage employment rather exploring the opportunities for an entrepreneurial career. According to a recent study of the Ministry of Tertiary Education and Training "about 73 percent who had passed out as graduates were unemployed", Thus unemployment is a persistent problem in the country even among the "educated" youths (Ilmudeen, 2009). Entrepreneurial graduates have been identified as a viable option to solve the problem of graduate unemployment and get them involved in the economic activities. Studies conducted in various countries found that entrepreneurial intention of undergraduates and graduates are determined by a range of factors (Keat & Shuhymee, 2012, Lee et al., 2012, Wu & Wu, 2008). However, findings of those studies are yet inconclusive and loaded with vague assertions. Thus, the present study examined the factors influencing the entrepreneurial intention among final year undergraduates of the Faculty of Management Studies, Rajarata University of Sri Lanka.

Methodology

This study is grounded on theory of planned behaviour (TPB), theory of the entrepreneurial event (EET), entrepreneurial support model (ESM), integrated conceptual model (ICM), Taramisi Sama-Ae model and the model proposed by

Ahmed et al. (2010). Through a comprehensive review of literature the study identified five major independent variables, attitudes toward behaviour, subjective norms, perceived behaviour control, personal traits and entrepreneurial education that may have effect on entrepreneurial intention. The study collected data from 100 (48 male and 52 female) final year students of Faculty of Management Studies in Rajarata University of Sri Lanka. This population was selected because they have a strong foundation regarding business-related knowledge and they are currently in the critical stage to decide their future career path. Researchers used simple random sampling technique in selecting the sample. A structured questionnaire was used in the data collection. The questionnaire was undertaken in both English and Sinhala language. The questionnaire was basically based on TPB model, ESM model and Ahmed et al. (2010) model. All closed ended constructs in the questionnaire comprised with various items on Likert Type five – point scales ranging from 1- strongly disagree, to 5 – strongly agree. Descriptive statistics, correlation analysis and regression analysis were employed in the data analysis.

Results and discussion

Table 1 shows the descriptive statistics and result of correlation analysis. Mean values indicate that selected undergraduates have a favorable mind-set for the entrepreneurial context. The correlation coefficient for the relationship between attitudes toward behavior and entrepreneurial intention is 0.765 and it is significant at 0.05. So that it can be concluded that there is a positive and significant relationship between attitudes toward behavior and entrepreneurial intention. Social norms are also shown a positive relationship with entrepreneurial intention. Moreover, perceived behavioral control, entrepreneurial education and personal traits are also positively correlated with entrepreneurial intention.

Table 1 Descriptive statistics and results of correlation analysis

	A	B	C	D	E	F
A. Attitudes toward behavior	(3.96)					
B. Social norms	.387**	(3.16)				
C. Perceived behavioral control	.575**	.575**	(3.36)			
D. entrepreneurial education	.450**	.322**	.397**	(3.95)		
E. Personal traits	.638**	.423**	.548**	.480**	(3.83)	
F. Entrepreneurial intention	.765**	.406**	.649**	.497**	.707**	(3.67)

** Correlation is significant at the 0.01 level (2-tailed), (XXX.) mean

To evaluate whether there is a significant difference between male and female on entrepreneurial intention, independent samples test was performed. The result reveals that male undergraduates ($M= 3.85$) have a higher level of entrepreneurial intention than that of female ($M=3.50$) ($t=2.221$, $p<.05$). In addition, undergraduate from business families ($M=4.167$) have shown a higher level of entrepreneurial intention than other students who are not from business families ($M=3.56$) ($t=3.051$, $p<.05$).

Table 2 presents the result of regression analysis. R square and F- value indicate that the overall regression model is significant and fitted to the data. The regression coefficients indicate that attitude toward behavior, perceived behavioral control; personal traits have significant effect on entrepreneurial intention. However, social norms, entrepreneurial education have no any significant effect on entrepreneurial intention of the selected undergraduates.

Table 2 Result of regression analysis

Variable	Unstandardized Coefficients		Standardized Coefficients	T	Sig.
	B	Std. Error	Beta		
	Adj. R ² = 0.691 F Value = 45.232 Sig F = 0.000				
(Constant)	-1.644	.387		-4.251	.000
Attitude toward behaviour	.584	.108	.425	5.407	.000
Social Norms	-.059	.092	-.045	-.648	.519
Perceived Behavioural control	.356	.116	.242	3.064	.003
Entrepreneurial Education	.130	.095	.090	1.365	.176
Personal traits	.387	.109	.279	3.555	.001

Conclusion

This study found that entrepreneurial intention of undergraduates is driven by attitudes towards entrepreneurship, perceived behavioral control and personal traits. The results revealed that male students have higher level of entrepreneurial intention than that of female students. Thus, curriculum of the relevant degree programs should be enriched with specific courses that help to develop positive attitudes towards entrepreneurial intention, perceived behavioural control and personal traits among the undergraduates to promote entrepreneurial intention among them. In addition, present entrepreneurial education in the university needs to be revised by accommodating extra curricular activities to develop undergraduates with tacit knowledge required for entrepreneurial behavior.

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