

Entrepreneurial Intentions: The Influence of Individual Factors

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ABSTRACT:- The present study is conducted to find out the entrepreneurial intention of Sudanese's students. The study is conducted on a sample of respondents in public and private universities in Sudan. The results indicate that entrepreneurial intention of Sudanese's students are positive influence by (Optimism and Locus of control) while Entrepreneurial Intention has not positive influence by Risk taking. The study contributes to the existing body of literature related to entrepreneurship and the concept of entrepreneurial university. The study also recommends future course of action.

Keywords: Entrepreneurship intention, Optimism, Locus of control, Risk taking

I. INTRODUCTION

Entrepreneurship comes with many promises and is viewed differently by different stakeholders. Policy makers focus it from view point of economic competitiveness in global markets and employment creation opportunities. Entrepreneur focuses it from opportunity exploitation perspective that would yield high gains and a meaningful career (Kuckertz & Wagner, 2010).

Promoting entrepreneurship in the society which is riddled with enormous economic and social challenges is essential and that this should start at early age and policies designed to incorporate this promotion in the educational institutions for fostering entrepreneurial skills in the youth of society (World Economic Forum, 2009). Lenan and Chen (2009) are of the opinion that promoting strong and friendly entrepreneurial culture through policy reforms like legal frameworks that facilitate firm creation are important for transmitting message of value entrepreneurship can add to the people.

So, there is an urgent need to conduct research in entrepreneurship in order to understand the individual factors that lead students to participate in entrepreneurship as well as to contribute to the understanding of this area. However, this study is expected to help government institutions, agencies, academics, leading teachers, consultants to find appropriate solutions to promote and encourage students in entrepreneurship at universities and in the community.

II. LITERATURE REVIEW

Entrepreneurial Intention

Entrepreneurship intent can be defined as a person's intention to choose to be an entrepreneur in his or her career. People with entrepreneurial intentions plan to take calculated the risks, raise the required resources and set up their own businesses. Entrepreneurship intent is to start entrepreneurial procedures.

Bird (1989) believes the intention of entrepreneurship is a state of mind that directs a person's intentions and actions towards entrepreneurship. When, Linan and Rodriguez (2009) defined entrepreneurial intent as someone's effort to work entrepreneurially, also (Khan, 2013: 187-188). Hmieleski and Corbett (2006: 48) believe that the intention of entrepreneurship is the intention to establish high-growth businesses. Pruett (2012: 94) believes that entrepreneurial intentions are plans to pursue careers in business ownership.

Optimism

Entrepreneurship begins with the search for an opportunity and then the decision to exploit that opportunity hence, individual differences in optimism about the particular opportunity may influence the whole process (Shane and Venkataraman, 2000). Again, as psychological well-being and personal accomplishments are found to be associated with EI hence, an optimistic sense of perceived self-efficacy could increase the level of persistence by promoting beliefs in accomplishing a task at uncertain circumstances. Therefore, optimism as a personality trait when attached with self-efficacy beliefs then we can see an optimal functioning which may lead to EI formation followed by entrepreneurial success. (Roy et al., 2017)

Risk taking propensity

Risk taking propensity define as a tendency to take or avoid risks. (Ozaralli, 2016) Numerous authors confirmed that there is a positive direct relationship between risk-taking propensity and EI. This exploit we mean to say that it is not risk taking propensity that directly impact individuals’ EI, but its perceived self-efficacy which makes the individuals with higher risk propensity, feel assertive about the task they need to accomplish while pursuing an entrepreneurial career. As entrepreneurship, cannot be pursued without taking personal and financial risk hence, individuals with high risk-taking propensity would feel more comfortable in uncertain situations. (Roy et. al., 2017).

Locus of control

Other than global self-efficacy, entrepreneurship which requires task-specific or state self-efficacy finds its association with various cognitive variables, and locus of control has been a prominent one. Hence, entrepreneurial self-efficacy is more relevant with an internal locus of control other than external locus of control. Additionally, internal locus of control, through the manifestation of core evaluation of individual’s coping skills and persistence toward an intended outcome may inspire to pursue an entrepreneurial career. Thus, entrepreneurial self-efficacy being explicitly oriented toward perceived behavioral capabilities. (Roy et. al., 2017).

III. METHODOLOGY

Research Goal

The survey was conducted to find out the entrepreneurial intention and the influence individual factors to Sudanese student in public and private universities in Sudan. For the purpose self-administered questionnaire was used in the survey.

Sample and Data Collection

The questionnaires were addressed to 384 undergraduate students in public and private universities in Sudan Only 348 students responded, resulting in 90.6 % response rate. The data were analysed using (SPSS & AMOS v 25) approach to Structural Equation Modelling (SEM).

Data analysis

To assess the degree of correspondence between the manifest variables and latent construct of innovativeness a uni-dimensional CFA model (Figure 4.1) has been conceptualized and tested for its psychometric properties. The result of CFA model show in table (5.19).

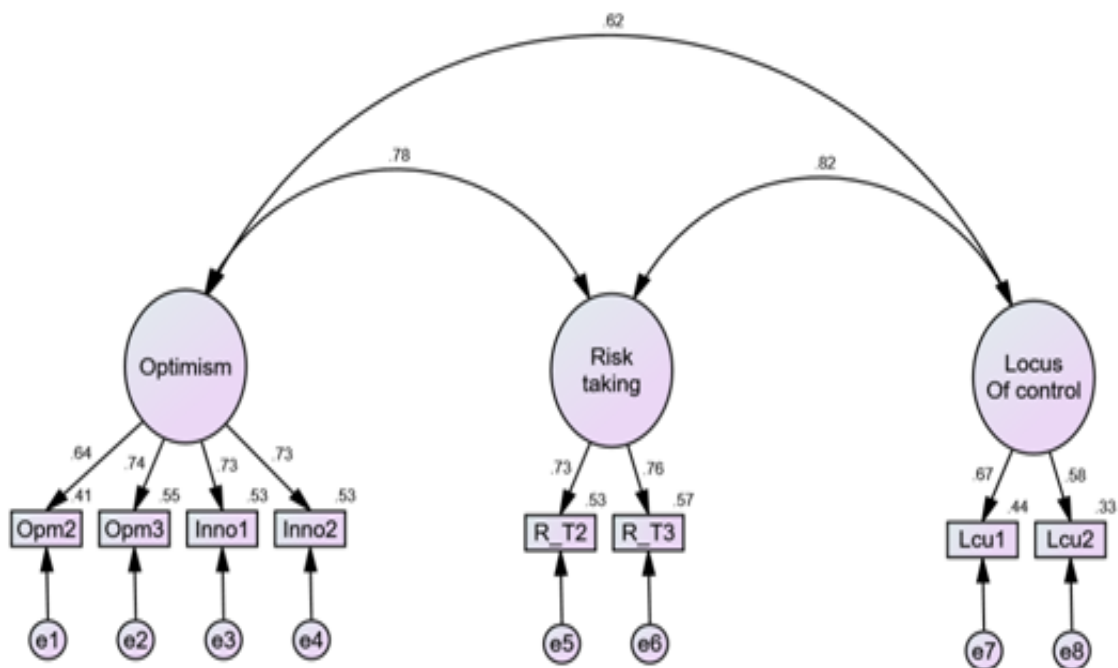


Figure 5.4 CFA Model for Personality Traits

Figure (5.4) show Confirmatory Factor Analysis (CFA) Which is considered is the next step after exploratory factor analysis to determine the factor structure of your dataset. In the EFA we explore the factor structure (how the variables relate and group based on inter-variable correlations); in the CFA we confirm the factor structure we extracted in the EFA, the structural model of Confirmatory Factor Analysis (CFA) reveals the same measures that can be calculated to determine goodness of fit show in Table (5.19)

Table 5.19 Model Fit Indices of individual factors

Parameter	Measurement Model	Structural Model
Chi-square	26.797	26.797
Degree of Freedom	17	17
Normed Chi-square (Chi-square/ Df)	1.576	1.576
GFI	1.000	1.000
AGFI	0.900	0.900
NFI	0.989	0.989
CFI	0.987	0.987
RMR	0.047	0.047
REMSA	0.044	0.044

Congratulations, your model fit is excellent!

The convergent validity of the construct of Personality Traits has been assessed through standardized factor loadings, AVE and CR. Table 4.6 reveals that standardized factor loadings for all items were above the suggested cut-off of 0.50 (Hatcher, 1994), with a minimum of 0.65, and were all significant at 1% level of significance. The AVE meets the criterion of .50. High score of CR (i.e. 0.6) confirms the internal consistency of the scale items.

Table 5.20 Psychometric Properties of individual factors

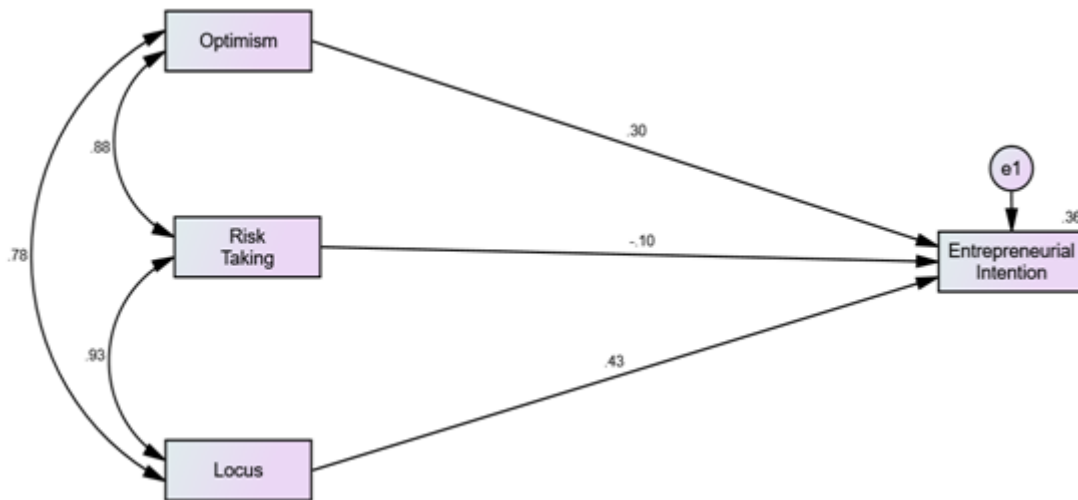
	CR	AVE	MSV	ASV			
Risk taking	0.638	0.553	0.664	0.639	0.744		
Optimism	0.651	0.506	0.615	0.501	0.784	0.711	
Locus	0.693	0.388	0.664	0.526	0.815	0.623	0.623

Validity Concerns

Discriminant Validity: the square root of the AVE for Risk_taking is less than one the absolute value of the correlations with another factor. Discriminant Validity: the square root of the AVE for Optimism is less than one the absolute value of the correlations with another factor. Discriminant Validity: the square root of the AVE for Locus is less than one the absolute value of the correlations with another factor. Reliability: the CR for Risk_taking is less than 0.70. Convergent Validity: the CR for Risk_taking is less than the AVE. Discriminant Validity: the AVE for Risk_taking is less than the MSV. Discriminant Validity: the AVE for Risk_taking is less than the ASV. Reliability: the CR for Optimism is less than 0.70. Discriminant Validity: the AVE for Optimism is less than the MSV. Reliability: the CR for Locus is less than 0.70. Convergent Validity: the AVE for Locus is less than 0.50. Discriminant Validity: the AVE for Locus is less than the MSV. Discriminant Validity: the AVE for Locus is less than the ASV.

Results and hypotheses testing

To assess the impact of Emotional Competencies, such as Self-awareness, self-regulation, motivation, empathy and social skills on entrepreneurial intension, structural equation modeling has been employed and a measurement model of these constructs has been assessed. Figure 2 reveals that reflective indicators has been used for the measurement of latent constructs and non-causal relationship has been studied among different constructs, by drawing double headed arrows.



Figures 2 Structural model estimation to full model

The structural model reveals the same value of model fit shown in Table 2 , all the model fit indices for the structural model were not only significant but remain same as in the measurement model. The low index of R square (i.e. 0.36) justifies the underlying theoretical model, When Optimism goes up by 1 standard deviation, Entrepreneurial Intention goes up by 0.304 standard deviations. the probability of getting a critical ratio as large as 2.903 in absolute value is .004. In other words, the regression weight for Optimism in the prediction of Entrepreneurial Intention is significantly different from zero at the 0.01 level, and When Risk taking goes up by 1 standard deviation, Entrepreneurial Intention goes down by 0.098 standard deviations. the probability of getting a critical ratio as large as 0.529 in absolute value is .597. In other words, the regression weight for Risk taking in the prediction of Entrepreneurial Intention is not significantly different from zero at the 0.05 level, and When Locus goes up by 1 standard deviation, Entrepreneurial Intention goes up by 0.434 standard deviations. the probability of getting a critical ratio as large as 3.158 in absolute value is .002. In other words, the regression weight for Locus in the prediction of Entrepreneurial Intention is significantly different from zero at the 0.01 level, Details are shown in the (Table 3).

Table 3 Model Fit Indices and Path Coefficients of individual factors (Multi-dimensional) and entrepreneurial intention

Parameter	Measurement Model	Structural Model
Chi-square	0	0
Degree of Freedom	0	0
Normed Chi-square (Chi-square/ Df)	0	0
GFI	1.000	1.000
AGFI	0	0
NFI	0.989	0.989
CFI	0.986	0.986
RMR	.000	.000
REMSA	.029	.029
Path Analysis		
R- Square		0.36
Path Details	Critical Ratio	Path Coefficients
Entrepreneurial Intention<--- Optimism	2.903	.004***
Entrepreneurial Intention<--- Risk_taking	-.529	.597 NS
Entrepreneurial Intention<--- Locus	3.158	.002***

*** Significant at .05 level ** Significant at .01 level NS Not Significant

IV. CONCLUSION

The paper aim to determine the relationship between the Personality Traits and entrepreneurial intention, the result show the regression weight for Risk taking in the prediction of Entrepreneurial Intention is not significantly different from zero, nonetheless, the regression weight for Optimism in the prediction of

Entrepreneurial Intention is significantly different from zero, the regression weight for Locus in the prediction of Entrepreneurial Intention is significantly different from zero.

The results of the study were agreed with (José Carlos et al 2017) make a study to understand the people's ability to create a business and self-employment as a strategy of progress and independence. In university students in Spain and Portugal regarding entrepreneurial intention and potential using the PROE instrument (Pessimism, Realism, Optimism and Entrepreneurship). And found a significant difference between entrepreneurial intention and entrepreneurial potential, realism, and optimism. And also there is a difference between the Spanish and Portuguese populations, for the Portuguese students, entrepreneurial intention and economic motivation are more important, whereas for the Spanish students, the creation of social networks is more relevant when initiating a venture.

And also consistent with (M. Obschonka et al 2018) Found risk-taking did not show the typical correlations with the entrepreneurial variables as in the general entrepreneurship literature (e.g., Hisrich et al., 2007; Nieß & Biemann, 2014; Stewart Jr. & Roth, 2001) was surprising as entrepreneurs are typically seen as risk-takers. It might be fruitful to delve into this topic in future refugee studies, particularly as there is such an increased interest in unlocking the entrepreneurial spirit in migrants and refugees (Baycan-Levent & Nijkamp, 2009). There are several explanations for this finding such as the culture specific meaning of risk-taking. Another potential explanation comes from cross-cultural research indicating that risk-taking shows remarkable group differences as a function of culture but also of socio-economic conditions. In their global analysis, Mata, Josef, and Hertwig (2016) More research is necessary to get a better understanding of the relationship between risk-taking and entrepreneurial intentions. Future research should also address the interesting question whether and to what degree personality factors such as risk-taking, general self-efficacy.

The key contribution of this research is the empirical evidence of the individual factors affecting on students' intention. The implication of this study to policymakers and educators is, apart from offering entrepreneurship courses; the universities should consider other factors to motivate the students to become an entrepreneur.

The limitation of this research is its sample size, which only consists of some public and private universities in Sudan. The finding may not represent the whole population of undergraduate students in Sudan. And also the student sample has just consisted of bachelor students who are in their final years of study. Further research may consider including other not student real entrepreneur.

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