

# Antecedents of Entrepreneurial Intentions: A Conceptual Framework

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## Abstract

Entrepreneurship is considered to be an important input in fuelling the economy. It is an attractive career choice for people particularly in the economies where unemployment is a serious issue. However, studies across the world have mostly confirmed that developing nations show low rate of entrepreneurship activities as compared to the developed nations. Therefore, various studies have been dedicated toward establishing the reasons behind low rate of entrepreneurship among various nations. Studies on the determinants of entrepreneurial intentions have been inconclusive. Literature suggests various pull and push factors that help in developing entrepreneurial intentions. Therefore, the current study discusses about the possible antecedents of entrepreneurial intentions that make it feasible as well as desirable as a career choice. The study also suggests a conceptual model that discusses about the factors that could be instrumental in developing entrepreneurial intentions.

**Keywords:** Entrepreneurship, Entrepreneurial Intention, Entrepreneurial Behaviour, Education

## Introduction

Education and scientific inquiry has for many years been fuelled by the desire that is 'discovery of truth'. We are now realising that education should be able to enable knowledge to solve real problems with an emergent economic effect. Entrepreneurship can be considered to be a process that flows through the stream of time. Any individual's decision to start his own venture has always been seen as a key milestone in the entire start-

up process. The meaning of entrepreneurship is usually confined to describing it as the ability to create a business, to establish an enterprise, or to start a venture, however entrepreneurship is the ability to generate wealth and is an interaction between opportunities and an able individual which is accompanied by a large degree of complexity and risk. It is also worth mentioning that Entrepreneurs do not only create wealth but also increase the standard of living. This may not only be attributed to an increase in the economic activity and wealth of a nation but the direct impact of what entrepreneurship is all about, innovation to counter problems.

The recognition of the importance and impact of an entrepreneurial mindset on the growth of an economy and shaping the course of future generations of a nation can serve as a key tool in generating a stream of entrepreneurs & new thriving businesses. Such a stream of entrepreneurs and a positive Entrepreneurial culture is pivotal to the economic prosperity of any country, Entrepreneurship gives birth to the acceptance of innovation as the key to prosper, succeed and survive. The value that Entrepreneurs add to a society or a culture cannot be limited to economics, value addition in terms of employability is also the result of a positive entrepreneurial culture. 'It is important to note that these entrepreneurial innovations are usually the basis of disruptions in the market and give rise to multiple competitors which help the economy to swell. It is however pertinent to mention that this mindset would be weak without a robust intent. The intent to start a company can be seen as the best predictor of its creation; however, it is uncertain how this evolves in time and why a long period may elapse between the time the intention was formed and the time when the potential entrepreneur starts the activities leading to its creation.

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## Research Problem

Keeping in view the importance of entrepreneurship as a career option or as an important input in the economic development of a country, it is important to understand the factors that lead to entrepreneurship development. The current study thus, aims to understand the factors that could develop the entrepreneurial intentions within an individual using various models from the literature. The basic aim of the study is to develop an integrative conceptual model that encompasses all possible antecedents of entrepreneurial intentions.

## Objectives

- To study various factors which are instrumental in determining entrepreneurial intentions;
- To provide a conceptual framework that explains the possible antecedents of entrepreneurship intentions.

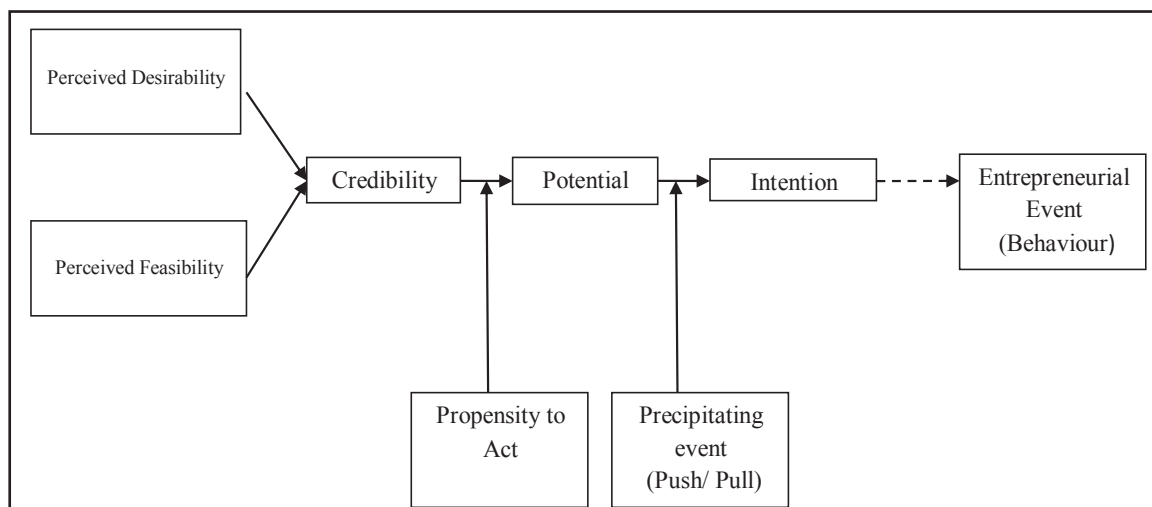
## Methodology

Data has been collected from various secondary sources of information like articles, research papers, journals, proceedings, reports, etc. Various studies conducted across the world regarding entrepreneurial intentions were considered. On the basis of such researches, a conceptual framework is developed taking inputs from

various models proposed by different authors from time to time.

## Literature Review

The growth of youth unemployment and sluggish economic growth have turned the attention of researchers towards developing policies that will promote the spirit of entrepreneurship and smoothen the progress of new venture creation (Giacomin, Janssen, Guyot, & Lohest, 2011). Therefore, understanding the phenomenon of entrepreneurial behaviour is quite important. The intention to initiate a start-up is considered to be the single best predictor of entrepreneurial behavior (Ajzen, 1991, 2001; Fayolle, 2006; Kolvereid, 1996). Shapero and Sokol (1982), proposed the Entrepreneurial Event Theory which considered perceived desirability and perceived feasibility as the two main antecedents of entrepreneurial behaviour. While perceived feasibility represents the degree to which people consider themselves able to carry out certain behaviour; perceived desirability means the degree to which a person feels attracted towards certain behaviour. According to the theory, perceived desirability of the end behaviour is affected by attitude and subjective norms while the perceived feasibility is informed by an individual's level of human, social and financial capitals which are conducive for engaging in the end behaviour.



Source: (Shapero & Sokol, 1982)

**Fig. 1: Entrepreneurial Event Theory**

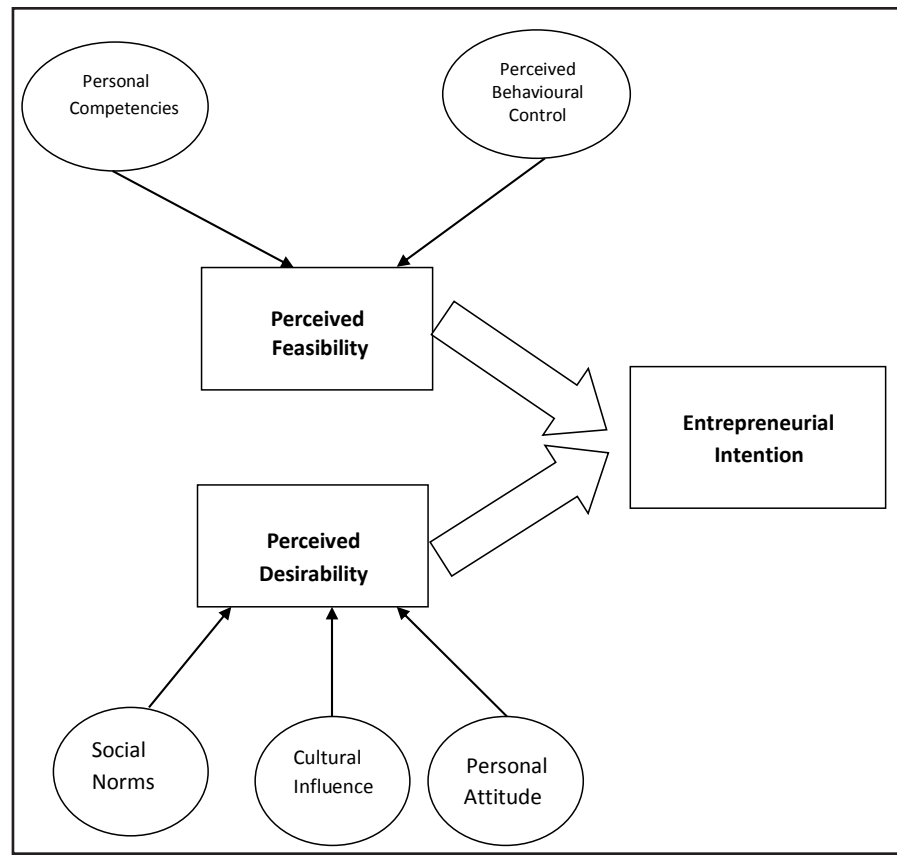
The theory of planned behavior (Ajzen, 1991) also postulates that one of the strongest determinants of behaviour is behavioural intentions. The theory proposes that there are three antecedents of intentions which are; subjective norms, attitude towards behaviour & perceived behavioural control. Boyd and Vozikis (1994) proposed entrepreneurial Intention Model (EIM) and believed that the factors such as the political or economic climate and individual's abilities and personality can affect one's thought for venture creation, which in turn creates entrepreneurial intention. The most important point of this model was that the concept of self-efficacy was brought in as an intermediary between thoughts concerning venture creation and entrepreneurial intention. Chen, Greene, and Crick (1998); (Green & Krick, 1998) also expanded the conception of perceived feasibility by including the concept of entrepreneurial self-efficacy relevant to entrepreneurial intention and success. It was also found that the perceived desirability is driven by expectations of outcomes, while perceived feasibility is driven by perceived entrepreneurial self-efficacy (Krueger, Reilly, & Carsrud, 2000). Douglas and Shepherd (2002) in their study found that people with a positive attitude towards risk and independence show a strong intention to be self-employed. Segal, Borgia, and Schoenfeld (2005) found out that entrepreneurial intentions are influenced by tolerance for perceived feasibility, risk, and net desirability, significantly. It was found out by Ozaralli and Rivenburgh (2016), statistically that a significant relationship between the personality attributes of innovativeness, optimism, risk-taking propensity and entrepreneurial intention exists.

Attempting to establish the causes that determine the entrepreneurial intentions, Iakovleva and Kolvereid (2009), made an effort to combine the Theory of Planned Behaviour and SEE model into an integrative model and stated that the intention to become self-employed is indirectly influenced by attitude, subjective norms and perceived behavioural control through the desirability-feasibility construct. Solesvik, Westhead, Kolvereid, and Matlay (2012) in a similar integrative study involved themes from SEE and TPB and found out that those who report the formation of entrepreneurial intentions generally have a higher level of perceived feasibility, positive attitude & perceived desirability toward the entrepreneurship and perceived behavioural control.

## Conceptual Framework

There have always been wide discussions about the factors that are believed to influence the entrepreneurial intentions. As propounded by various authors across the world, development of entrepreneurial intentions within an individual may depend upon different factors. Most of the studies suggest that entrepreneurial intentions depend upon the degree to which an individual considers himself/herself capable of carrying out certain behaviour and the extent to which an individual feels attracted towards a given behaviour. They represent the perceived feasibility and perceived desirability for start-ups. Both of these factors influence an individual's value system (Shapiro & Sokol, 1982; Ajzen, 1991). There can be numerous factors that affect the dimensions of feasibility and desirability. Such factors may be related to an individual's personal factors or the environment that surrounds him. Personal factors may include personality traits (Shaver, 1995), individual's attitude (Ajzen, 1991), entrepreneurial competencies (McClelland, 1965; Garzon, 2010), self-efficacy (Boyd & Vozikis, 1994; Chen et al., 1998). It can thus be established that the personal factors affect the perceived feasibility for entrepreneurial behaviour. Another important element i.e. perceived behavioural control which is the perception of an individual towards easiness/difficulty in the fulfilment of the behaviour of interest (Ajzen, 1991) also contributes towards the entrepreneurial intention by way of influencing perceived feasibility. Therefore, perceived feasibility is affected by personal competencies of an individual for entrepreneurship and the perceived behavioural control.

On the other hand, individuals are also affected by the environment in which they live. Close environment shapes the values and beliefs of an individual. The close environment (family and friends) exerts its influence directly on the cognitive values from an early stage and reinforces the beliefs that shape the individual's perceptions of potential careers (Grootaert & Bastelaer, 2001; Uphoff, 2000). Culture influences the entrepreneurial intentions of an individual; culture includes social, moral, ethical values, norms and beliefs. The social environmental factors also influence the individual's entrepreneurial intentions. However, these factors may exert either positive or negative influence on the intentions. Social environmental factors may include legal rules, government support, political situation, etc. (Stephen, Urbano, & Van Hemmen, 2005).



Source: Author

**Fig. 2: Antecedents of Entrepreneurial Intention**

### Role of Education in Developing Entrepreneurial Intentions

Education is very important in building entrepreneurial mindset (Lee et al., 2006). Education can also prepare an individual for entrepreneurship by providing necessary knowledge and developing relevant skills that could improve the self-efficacy and effectiveness of the potential entrepreneur (Gorman, Hanlon, & King, 1997). Literature suggests that the emergence of positive attitudes towards entrepreneurship is influenced by Education and family experience (Carr & Sequeira, 2007; Souitaris, Zerbinati, & Al-Laham, 2007). The significance of experience and education was earlier highlighted because of the increased knowledge it provides (Cooper, 1993). Kolvereid and Meon (1997) suggested that students with an entrepreneurship major have stronger entrepreneurial

intentions than other graduates. Education level influences entrepreneurial intentions through its effect on personal attitude (Wu & Wu, 2008). Fayolle and Gailly (2015) concluded from their research that entrepreneurial education affects the perceived behavioural control and attitudes towards entrepreneurial behaviour. Therefore, it could be said that education affects the entrepreneurial intentions of individuals by affecting various components of perceived desirability and perceived feasibility as discussed in the model.

### Conclusion

The study is based on the factors that influence the entrepreneurial intentions. It is concluded that entrepreneurial intentions depend upon the perceived feasibility and perceived desirability of individuals which

are influenced by various personal and environmental factors. The factors that influence the perceived feasibility are personal factors and perceived behavioural control while the factors that have an influence on perceived desirability are social norms, cultural influences and personal attitude. It is also concluded that education plays an important role in developing the entrepreneurial intentions by affecting various factors that are instrumental in exercising entrepreneurial behaviour. The study may be further validated by testing the relationships empirically which could bring a clearer picture of the proposed framework.

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