

## Factors which Influence Students Entrepreneurship Intentions: The Role of Education Programs, Subjective Norms and Perceived Behavioral Control

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### Abstract

The entrepreneur aim is a very important factor, which is considered as a key element in youth employment and the development of the country's welfare. Literature suggests that same of factors which influence entrepreneurship intention are education programs, subjective norms and perceived behavioral control. This study was conducted based on an intentional sample, which consisted of master's student, respectively the first year Business Administration and Public Administration, in Economic Faculty of Tirana University. The sample is composed with 63 people. The empirical analysis is based in the main two elements: first, the use of a standardized instrument and secondly, statistical analysis, factor analysis, correlation and linear regression. The study shows that education programs and subjective norms don't relate positively with the entrepreneur aim. On the other hand, it emerges that perceived behavioral control has a positive impact on the development of entrepreneurial goal.

**Keywords:** subjective norms, perceived behavioral control, entrepreneurship intention, educational programs.

### 1. Introduction

Entrepreneurial intention has grown into a relevant scientific topic attracting the attention of many managerial researchers. Recognizing the factors influencing entrepreneurial intention is increasingly being addressed and analyzed as an important factor in the fields of entrepreneurship and business. Nowadays, entrepreneurial intention is seen as a major factor promoting economic activity (Wettstad, 2005). Countries displaying a higher level of entrepreneurial venture feature a lower unemployment level (Audretsch, 2002). Nevertheless, entrepreneurial activity levels are generally low, as evidenced in a 2001 study of the adult population in OECD-member states, where less than 10% were involved in engaging in some form of new enterprise (Nolan, 2003).

Investing in promoting entrepreneurial intention is therefore seen as a valid reason, and a major measure in stimulating economic growth and raising employment rates (Liñán, 2011). In such a context, the role of entrepreneurial education, as a valuable instrument positively influencing people's entrepreneurial intention, could be viewed as crucial (Miranda et al., 2009). As such, entrepreneurial educational initiatives and courses are being taken into serious consideration by many people, for their promising outcomes in triggering "entrepreneurial awareness" and interest in undertaking entrepreneurial activities and career development.

However, education is not the only variable influencing the increase of entrepreneurial intention. Several researchers argue that personality traits are another majorly influencing factor in the aforementioned function (Krueger and Carsrud, 1993). Other studies reveal the importance of social groups; such as family members, friends, peers and other acquaintances; in exerting their pressure on entrepreneurial orientation (Liñán, 2011). And the factors already listed aren't exhaustive in "modifying" entrepreneurial intention either, as many other influencing elements have been brought to attention; such as the economic, legal and political environment (Giacomin, 2011).

Based on original research, our study's purpose is to further contribute in researching several of the factors shaping entrepreneurial intention and their influence on it. This has been realized by conducting an empirical analysis. First, through a questionnaire model serving as an instrument designed to incorporate several of the variables viewed as explanatory of entrepreneurial intention expression by other researchers. Then; by using statistical methods such as

factorial analysis, correlation and regression; we measure the observed results.

## 2. Theoretical Approach and Hypothesis Development

### 2.1 Entrepreneurship intention

Entrepreneurial intention refers to "the behavior exhibited with the intention of starting a business", individually or as part of a group (Krueger and Carsrud, 1993). Generally, intentions behind a specific behavior are critical for understanding that same behavior (Ajzen and Fishbein, 1980). Several researchers describe entrepreneurial intention as a mentally-induced aspiration towards the creation of a new firm or expanding the existing business. Different authors have analyzed entrepreneurial intention by considering several factors as variables: some by scrutinizing individual-level elements (such as personal motivation, attitudes, civil status, social relationships...etc.), whereas others have looked into factors such as educational programs, subjective norms or perceived behavioral control. Part of the research literature on entrepreneurial intention stresses the importance of entrepreneurial education as an influencing factor (De Jorge-Moreno et al., 2012, Lee et al., 2005). They argue that college-educated people are more likely to act on their entrepreneurial intentions (Arenius and Minniti, 2005). Liñán et al. (2011) found that the most relevant variables conditioning entrepreneurial intention were personal attitudes and perceived behavioral control (PBC). They also found that subjective norms positively relate to entrepreneurial intention, thus concluding that family and "important others" affect a person's intention to manifest entrepreneurial behavior.

### 2.2 Educational programs

The importance of finding a positive causal relation between entrepreneurial education and intention is supported by the growth of students's interests in such programs, which was consequently followed by an increase in the offering of entrepreneurship-based courses and programs (Mars et al., 2008). Preliminary evidence suggests entrepreneurial attributes can be positively influenced by entrepreneurial educational programs and that such programs and courses are able to portray entrepreneurship as a viable career option and encourage a favorable attitude towards it (Gorman et al., 1997). However, a major and continuous point concerning interested parties, involves the varied typology of entrepreneurship-based educational programs and their efficiency. Even though results attained by implementing educational programs aimed at the entrepreneurial intention model are encouraging, some authors suggest they be treated with reservations (Bae, 2014). Considering all of the above, our hypothesis is formulated as follows:

**Hypothesis 1:** An entrepreneurial educational program positively relates to students' entrepreneurial intention.

### 2.3 Subjective norms

This concept is based on the "Planned Behavior Theory", proposed by Ajzen in 1988. According to the theory, people's normative beliefs on what others expect from them, result in the creation of a perceived social pressure, otherwise known as "subjective norms" (Ajzen, 1991). According to Shapero and Sokol (1982), the model of what they refer to as "entrepreneurial occurrence" includes, among other components of subjective norms, the "perception of desirability". Desirability perception has a considerable impact on entrepreneurial intention because of people's internal values's systems and, most importantly, it depends upon social system, family, mentors, colleagues and education (Liñán et al., 2011). A study on the development of students's entrepreneurial intention concluded that students having higher confidence in their skills, because of previous exposure to entrepreneurial experience, are less likely to be influenced by perceived social norms (Klyver, 2007). Subjective norms are relevant also when compared to other variables, based on a study which found that entrepreneurial educational programs contributed by increasing students's subjective norms and entrepreneurial intent, and inspired them to pursue an entrepreneurial career (Souitaris, 2007). Consequently, we suggest the subsequent hypothesis:

**Hypothesis 2:** Subjective norms positively relate to students' entrepreneurial intention

### 2.4 Perceived behaviour control

Perceived behaviour control plus subjective norms are one of the most important components of the Theory of Planned Behavior of Ajzen's. The theory assumes that with the increase of resources and opportunities that individuals think they have, so the controlled perceived behaviour (PCB) will be even greater will be greater (Ajzen, 1991). The theory

continues with the provision that the perceived behaviour control has a motivating function due to the purpose actions. This means that if people believe they have less or no control over the necessarily resources to lead you to a certain behavior, then even if the behavior is perceived as positive or desirable ones, their willingness to execute that certain behavior will be minimal. At this point, two are the elements of the enterprise will serious implications for the perceived behaviour control, which are environmental supporting and impact (Bullough, 2014). The first element is associated with the former government as a supporting ones, by funding schemes and fiscal policies, local context through physical infrastructure, the financial and services supporting, even the universities thanks to their resources and logistics ones as a supporting entrepreneurial behavior.

**Hypothesis 3:** The perceived behavioral control is positively related to the students entrepreneur goals.

### 3. Methodology

#### 3.1 Sample

As the main purpose of this study is to observe whether there is a positive relation between entrepreneurial purpose and the three independent variables hypothesized as influential, accordingly: educational programs, subjective norms and the perceived behavior control; the sample of this research was conceived to be composed by students already exposed to entrepreneurial educational programs. 63 last year students, who were doing their Scientific Master Degree in Public Administration and Business Administration, at the Faculty of Economy at University of Tirana took part in this research. Nothing but an intentional sampling technique on no probability was chosen, so that the individuals who have taken part in entrepreneurial educational programs could be selected. The main reasons to this selection are: first, because last year students are closer to choosing their professional career than others and second, because these students belong to a certain age group disposed to entrepreneurial intention. This type of sampling has been used in other similar studies and has resulted in a descent way of gathering data (Reynolds et al., 2000).

#### 3.2 Instrument

The type of Entrepreneurial intention is considered as essentially important in order to analyze the aim of being an entrepreneur. Thus, it was essential to use an instrument which would measure the intentions and the other variables of this model. For this purpose, a questionnaire has been built. This last is based on the theoretical and empiric current literature of the factors which affect the entrepreneurial intention. Thus, our instrument has been checked and built on the basis of the instruments used by other researchers, such as Chen et al. (1998) and Krueger and Carsrud (1993). Our instrument is built in 10 sections. The questions are measured by Likert scale from 1 to 5 and they are continuous. Nunnally and Kotsch (1983) suggest that the models which use questions with many scales are more reliable than those with one or two option scales to give the required answer. The first part is the section which gives information about the human capital stock and demographic information which doesn't directly affect the purpose of this research, but it is indeed a part used to describe the sample that is being studied.

The other sections indicate information on factors such as: professional affection, educational programs, subjective norms, attitude towards risk, the perceived behavior control, protective barriers, personal skills and optional behavior as well as entrepreneurial trend and attitudes as important factors, which affect the entrepreneurial intention. The purpose of this instrument is to analyze the concept of the students' entrepreneurial intention and the importance they give it, for both, the business development and the economic growth.

### 4. Data Analyses

#### 4.1 Cronbach – Alpha and the factorial analysis

This type of analysis enables us with the use of the right questions which perfectly measure the questions' reliability and consistency. This leads to a reliability towards our models and the results which will come out after the analysis of the data.

In the analysis of our model we have used Cronbach-Alpha and factorial analysis as tools which indicate reliability/consistence in the answers. In our case, the variables with the .0.8 coefficient have been taken into consideration. For the dependent variable, which in our case is the entrepreneurial intention, we have a Cronbach-Alpha 0.858 instead. From the factorial analysis we have taken into consideration all the questions of section C2, which we

have later taken into further scrutiny for correlation and regression. The three dependent variables we have used in our model are"

Educational Programs, Subjective Norms, and the Perceived Behavior Control.

In the educational programs the D5 section of questions has been selected with a Cronbach-Alpha 0.926, showing a high stability in the given answers. The subjective norm is the variable which contains code F1. After the factorial analysis the Cronbach-Alpha is 0.836.

Questions F1\_1 and F1\_2 have been removed, in order to only take those questions with a high consistence on their answers. This led to a growth in Alpha and also enabled us with the creation of a one and only factorial component. The perceived control of behavior is the other independent variable used in our model. Its code is E1 and it is a section that contains 7 questions in all. During the factorial analysis a question has been removed, respectively E1\_7, which brought to one component only with a Cronbach-Alpha 0.873.

**Table 1:**

**Cronbach Alpha and Factorial Analysis**

Component	Questions	Cronbach-Alpha
Entrepreneurial Intention (E1)	C2	0.858
Educational Programmes	D5	0.926
Subjective Norms	F1 excep. (F1_1 dhe F1_2)	0.836
Perceived Behavioral Control (PBC)	E1 excep. (E1_7)	0.873

#### 4.2 The coefficient of correlation

Based on the coefficient of correlation analysis we reach the conclusions below (we focus only at the column" entrepreneurial intention):

Firstly, educational programs have a positive relation of average strength (0.313) with entrepreneurial intention, which means that, when the educational programs increase, we expect the entrepreneurial intention to increase as well, or vice versa.

(Explanation: This coefficient does not result as important because the safety level is quite low [sig.=0.145]. Furthermore, statistical discipline advises us to increase the number of cases in order to improve our security related to this coefficient. Secondly, the perceived behavior control results in a positive relation of low strength (0.227) with the entrepreneurial intention factor.

Lastly, the subjective norms result in a positive relation of low strength (0.054) with the entrepreneurial intention.

**Table 2:** Correlations

		Entrepreneurship intention	Educational programs	Perceived behavioral control	Subjective norms
Entrepreneurship intention	Pearson Correlation	1	.313	.227	.054
	Sig. (2-tailed)		.145	.129	.722
	N	46	23	46	46
Educational programs	Pearson Correlation	.313	1	.387*	-.182
	Sig. (2-tailed)	.145		.029	.319
	N	23	32	32	32
Perceived behavioral control	Pearson Correlation	.227	.387*	1	.243
	Sig. (2-tailed)	.129	.029		.055
	N	46	32	63	63
Subjective norms	Pearson Correlation	.054	-.182	.243	1
	Sig. (2-tailed)	.722	.319	.055	
	N	46	32	63	63

\*. Correlation is significant at the 0.05 level (2-tailed).

#### 4.3 Regression

The coefficient of estimating the model (R square) results in level 0,26, which means that 26% of the variable

(movements) of entrepreneur intention is estimated by the factors in interest gathered together.

**Table 3:** Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.510 <sup>a</sup>	.260	.144	.92463172

a. Predictors: (Constant), Educational programs, Perceived behavioral control, Subjective norms

ANOVA analysis reports that the model is not important because the importance of criteria F (fisher) is 0.118. That means that Fisher's value has decreased in the area in which the basic hypothesis is kept (F=2.23).

Let's emphasize that a model may be called important in cases when the importance (sig) is reported to be higher than 0.05. This means that if we do the same study in the same population but with different choices, then we would expect the results of this model to be the same for at least 95% of the cases.

**Table 4:** ANOVA<sup>a</sup>

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	5.720	3	1.907	2.230	.118 <sup>b</sup>
Residual	16.244	19	.855		
Total	21.964	22			

a. Dependent Variable: Entrepreneurship intention

b. Predictors: (Constant), Educational programs, Perceived behavioral control, Subjective norms

#### 4.4 The coefficients

Constant- is an unchangeable coefficient which is not interpreted (but for special cases). As such it is not good to be involved in this model. It doesn't result as important for our model (sig=0.209).

Educational programs, as a factor itself, is unimportant for estimating the entrepreneur intention, as its importance results higher than 0.05 (sig=0.36). This suggests that educational programs do not affect the student's entrepreneur intention.

The perceived behavior control is reported as an important factor in estimating the entrepreneur intention, as it results that its importance is higher than 0.1 (sig=0.061). We should remember that, the importance level 0.05 is preferable, but researchers are also often happy with level 0.1. The standardized coefficient of this factor is calculated to be 0.41.

This means that, in the case when our choice has been standardized (dividing its every element to the certain standard deviation), with the increase of the perceived control of behavior with 1 unit, we expect the student's entrepreneur intention to increase with 0.41 units.

Subjective norm is the last factor being analyzed. As its importance reaches level 0.398, whereas we require it to be at least lower than 0.1, it results unimportant for the explanation of entrepreneur intention. This factor, as well as the educational programs, does not affect the student's entrepreneur intention.

**Table 5:** Coefficients<sup>a</sup>

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.277	.213		-1.302	.209
1 Educational programs	.219	.233	.196	.938	.360
Perceived behavioral control	.472	.237	.410	1.993	.061
Subjective norms	-.185	.214	-.179	-.864	.398

a. Dependent Variable: Entrepreneurship Intention

## 5. Discussions

This study aims to indicate the factors which promote students' entrepreneur intention and orientation. Liñán et al. (2011) has shown that educational programs, subjective norms and the perceived control of behavior are some of the factors which explain the relation with entrepreneur intention. Our model, too, has been mainly based on Liñán et al. (2011) and Liñán (2009). This model intends to show whether students' entrepreneur intention is affected by educational programs and/or various courses related to entrepreneurial and entrepreneurial intention they follow. We also want to see what influence subjective norms and the perceived control of behavior have in entrepreneurial intention.

To our opinion, the most important thing to learn from this empirical analysis is that the decision to set up a business is dependent not only on feasibility and desire, but on individual orientation as well. From the educational perception, this means that the training and entrepreneurial education should be taken into consideration, because they highly promote the individuals to undertake entrepreneurial actions and do business. Authors such as Liñán et al. (2011) say that education is important and furthermore, it affects the entrepreneurial intention. They show positive relations between these variables and they do believe that if individuals follow entrepreneurial education courses and programs, their desire to undertake entrepreneurial actions will increase. However, our study results show that there is a lack of relation between educational programs and entrepreneurial intention. As factors, educational programs are unimportant in estimating the purpose of the enterprise as a result of its importance being higher than 0.05. ( $\text{sig}=0.36$ ).

Despite the increase of entrepreneurial educational curriculum, there are some paradoxically considerations regarding these programs' role in students' entrepreneurial intentions. Despite previous significantly exposure to entrepreneurial field, either our research or some others show a lack of influence in entrepreneurial intention (Fayolle, 2015).

In the research it is indeed shown a positive relation between subjective norms and entrepreneurial intention. However, this doesn't result true in our model. Maybe it is a result of our limitations. Furthermore, in our model the perceived control of behavior has been included as a factor thought to positively affect the entrepreneurial intention (Liñán, 2011). Our research has shown a positive relation between these two variables, too. The last is shown in the relevant analysis. Its importance is higher than 0.1. ( $\text{sig}=0.061$ ).

## 6. Analysis Limitations

The submitted analysis has encountered some restrictions. Among them we could mention the existence of correlation between independent variables, as it is the case of the perceived control of behavior and educational program, for which the correlation coefficient is reported to be 0.387. However, for as long as strength level doesn't appear highly strong, it doesn't concern our analysis.

The sample, which is a technique mainly used in qualitative research, could be included in restrictions. Another would be the limited (small) measure of our sample. In such researches, where factorial, correlation and regress analysis are integrated, it is advisable to use choices with a high number of valid cases

## 7. Conclusions

Our study tries to explain the relationship between independent variables and entrepreneur goal. 63 people have participated in this study of which 17% are male and 83% female. Our results support just one of the three hypothesis. Data analysis we get from this study has conclude to us that educational programs are not an important factor to the study, as it importance turns out greater than 0.05 (  $\text{safety/reliability}= 0:36$ ). Likewise, subjective norms are not relevant to the study ( $\text{safety/reliability} = 0061$ ), and the controlled perceived behaviour is important and is positively related to the dependent variable. The importance of perceived behavioral controls shown by the fact that  $\text{safety/reliability} = 0061$ . Also, the analysis shows that our studing model is not important because  $\text{safety/reliability} = 0.209$ .

These results come from empirical analysis like: factor analysis, correlation and linear regression, associated with a number of limits. Multicollinearity and the small number of samples are the main limitations of our model.

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