

Case Report

Investigating the factors affecting university students' entrepreneurial intentions (Case study: Islamic Azad University of Rasht)

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ABSTRACT

Unemployment is considered as one of the most important social and economic challenges of the present world, and as its consequence so many complexities appear in the society. Since our country is now struggling with this matter, it is urgent to achieve a solution to end the current situation. We will not reach to such solution unless in the shadow of creativity, innovation, and concentration on entrepreneurship. Due to the importance of the issue, the current study has investigated the factors affecting university students' entrepreneurial intentions. The population consisted of all students of the Islamic Azad University of Rasht. Krejcie and Morgan's table of sample size determination was utilized, to determine the sample size from the premised population. Bearing in mind the population size, which was higher than 10000 persons, sample size was measured 370 persons; and using the available non-probability sampling technique, 500 questionnaires were distributed among students and 428 acceptable questionnaires were extracted and analyzed. 12 research hypotheses of Kolmogorov-Smirnov goodness-of-fit tests and structural equations modeling were utilized for data analyzing and testing. In terms of the method and nature, this is a descriptive-survey research and in terms of objective, is a practical study. The findings revealed that personal views, mental health norms, perceived behavior control, inner locus of control, risk-seeking, self-confidence, need of success, tolerance of ambiguity, and becoming innovative are of factors affecting university students' entrepreneurial intentions. The research also revealed that mental health norms and personal views have positive effects on perceived control of behavior, and mental health norms have positive effects on personal views.

Keywords: entrepreneurship, university, entrepreneurial intention, creativity, innovation.

INTRODUCTION

Employment challenges or job issues are considered as one of the most important complexities of the current environment of our country; and according to the population growth in the last two decades, it can be viewed as the most important social challenge of the future decades (Barani et al. 2009, p 74). On the other hand it is crystal clear that due to the decrease of control taking policies, settlement of affairs to non-governmental part, and limitations of facilities, it is impossible for the government to provide job opportunities for all university students and graduates (Howell & Avolio, 2002). Our countries' universities have recently inclined towards teaching entrepreneurship, aimed high at teaching entrepreneurship to enhance students' knowledge and skill, and have expanded the process of teaching entrepreneursh

ip; however the recruitment of the educated stratum in job environment has problems owing to the lack of skills and abilities which haven't been completely acquired in the university (Arasti et al. 2011). Students and graduates have found out that when they enter protean, dynamic, and complex job environments, factors such as globalization, competition, and quick development of technology, make great changes in job opportunities; the employers' change their minds and prefer employees with entrepreneurship inclinations and behaviors. Therefore provoking entrepreneurship intentions would be one of the best methods of employing such graduated people, in order to develop businesses with the help of their instructional skills (Ardagna & Lusardi, 2008). Entrepreneurs are in fact the motor power of society's econo

mic growth, and have significant role in making changes and economic progresses in countries (Sohrabi et al, 2015). The traditional economics system have put so much focus on price and overlooked the importance of invention and innovation; but nowadays entrepreneurs help society with their invention, innovation, and creation of what is newer and better (Koi et al. 2012).

Theoretical Framework

Entrepreneurship means developing business, transferring resources, turning the opportunities to achievements, and delivering new products, and leads to self-employment, other income, or creation of added value. Entrepreneur is a person who benefits the available resources, uses creativity, discovers opportunities, and welcomes the risks to develop a business (Salazar, 1997). Having identified the proper variables, a network of relationships must be developed in order for proposing the relevant hypotheses and then testing them. The conceptual model of the research, for examining the relationships between variables, will be used as follows. Based on this model, 9 factors of personal views, mental health norms, perceived control of behavior, inner locus of control, risk taking, self-confidence, need for success, tolerance of ambiguity, and becoming innovative, as the independent variables affect the dependent variable i.e. entrepreneurial intention. Some researchers believe that entrepreneurs are capable of coming to terms with ambiguous, imperfect, uncertain, unorganized, and unclear information and situations effectively (Heidari, 2009). Innovation is an important prerequisite of entrepreneurship that it can be claimed it is impossible to become an entrepreneur without innovation. In fact innovation is the main element in the process of entrepreneurship and development of new businesses (Heidari, 2009). Internal locus of control is a feature which shows person's tendency in controlling anything in life; in other words people who doesn't relate a feedback to their own performance and relate it to fortune or think that it is in the control of other people, believe in external locus of control; and those who relate events to their own characteristics and behaviors, believe in internal locus of control (Heidari, 2009). Mental health norms reflect the social stress that a person

feels when performing a behavior; in other words people consider a special group as their reference and regulate their behavior in line with the reference's needs (Fayolle et al. 2006, 707). Mental health norms are part of society's culture. Society's culture consists of a set of common thoughts, activities, values, and beliefs (Karimi et al. 2010, 44). In this approach, entrepreneurship is related to social-cultural backgrounds, culture is viewed as its determining factor, and the proportion between ideological factors and economical behaviors is considered necessary for the development of entrepreneurs in society. Mental health norms are generally defined as beliefs of a person, persons, or especial groups that distinguishes the behaviors people ought to perform. Therefore it is possible to investigate the environment of the organization through concentrating on mental health norms i.e. the impacts of the impressive people or the superior authorities on persons under consideration (Litch & Siegel, 2003, 511). Perceived control of behavior is people's beliefs in the way of facilitating value creation through innovative interactions, risky activities, and dynamic processes in the organization environment (Fini et al. 2012). The most obvious characteristics of entrepreneurs is the need for success. Mac Clelland's publications in need for success proves the existence of psychological characteristics in entrepreneurs. In his theory, he introduces three characteristics about the need for success: 1. personal responsibility in problem solving, goal setting, and goal attaining through personal attempts. 2. balanced risk-seeking which is dependent of performance skill, and 3. awareness of the consequences of implementing the decision. He concluded that the pressing need for success leads people to get involved in entrepreneurial behaviors (Heidari, 2009). On the other hand risk-seeking is discussed in approximately all definitions of entrepreneurs. Risk-seeking either financial or mental or social, is a part of entrepreneurship. In fact risk-seeking refers to the lower levels of losses with less amount of profits (Heidari, 2009). According to these facts, the conceptual model of the research, derived from the model utilized in the research performed by Ferreira et al. (2012), would be as follows:

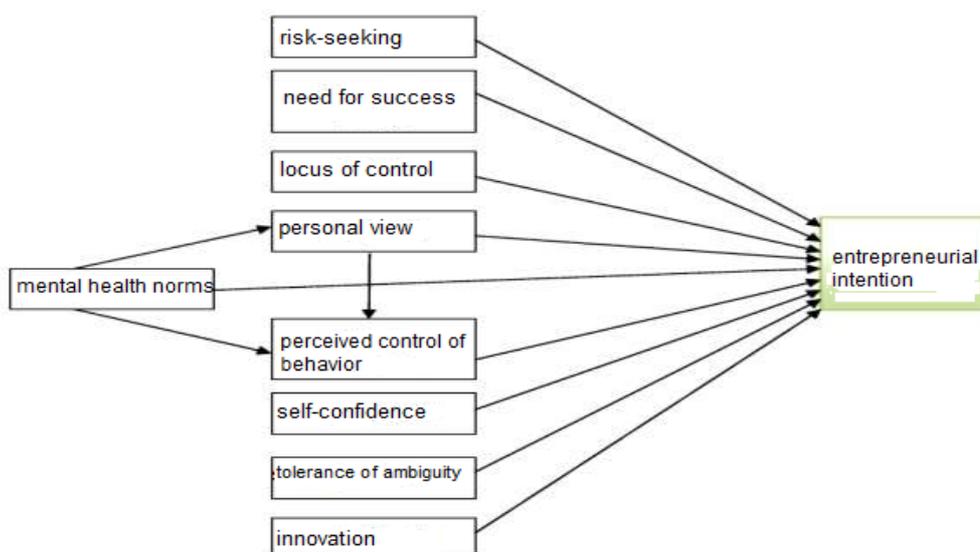


Figure 1: the research model (Ferreira et al. 2012)

METHODOLOGY

In terms of the data collection method or the research design, the current study is a descriptive one which describes sample features and generalizes them to population. Descriptive researches have various kinds and ours is a survey one. This is also a practical research, in terms of the objective. The population of the research consists of all students of Azad University of Rasht who are more than 10000 in number. Krejcie and Morgan's table of measuring sample size from premised population, was utilized to determine the sample size. Therefore sample size is considered 370, based on the population size which is more than 10000 persons. The sampling method of the research is available non-probability sample technique. In order for gathering more responses, 500 questionnaires were distributed among the students of the Islamic Azad University of Rasht, and 428 acceptable questionnaires were extracted and analyzed. In this research the data are collected through questionnaires. The questions are designed so that respondents select the options based on the Likert scale consisting of 5 responses from totally agrees to totally disagree.

Analysis of the results

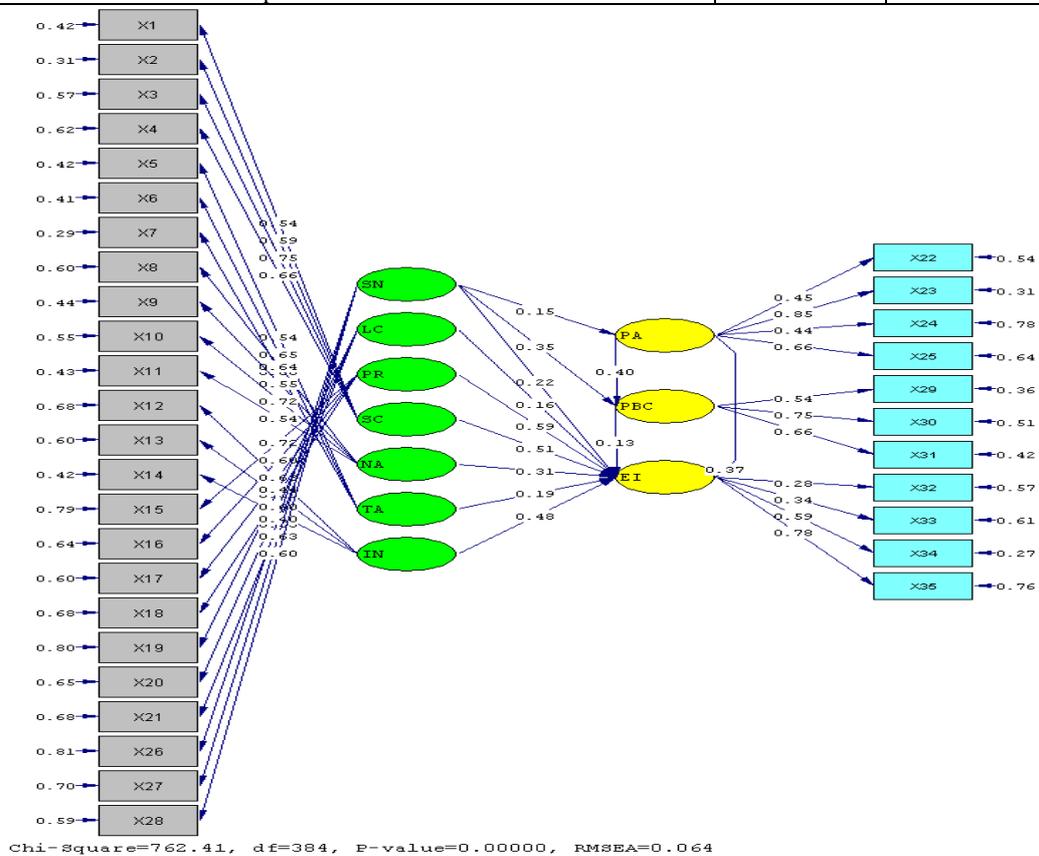
The results of the structural equations modeling test revealed that all research hypotheses have significant route coefficient and thus are accepted.

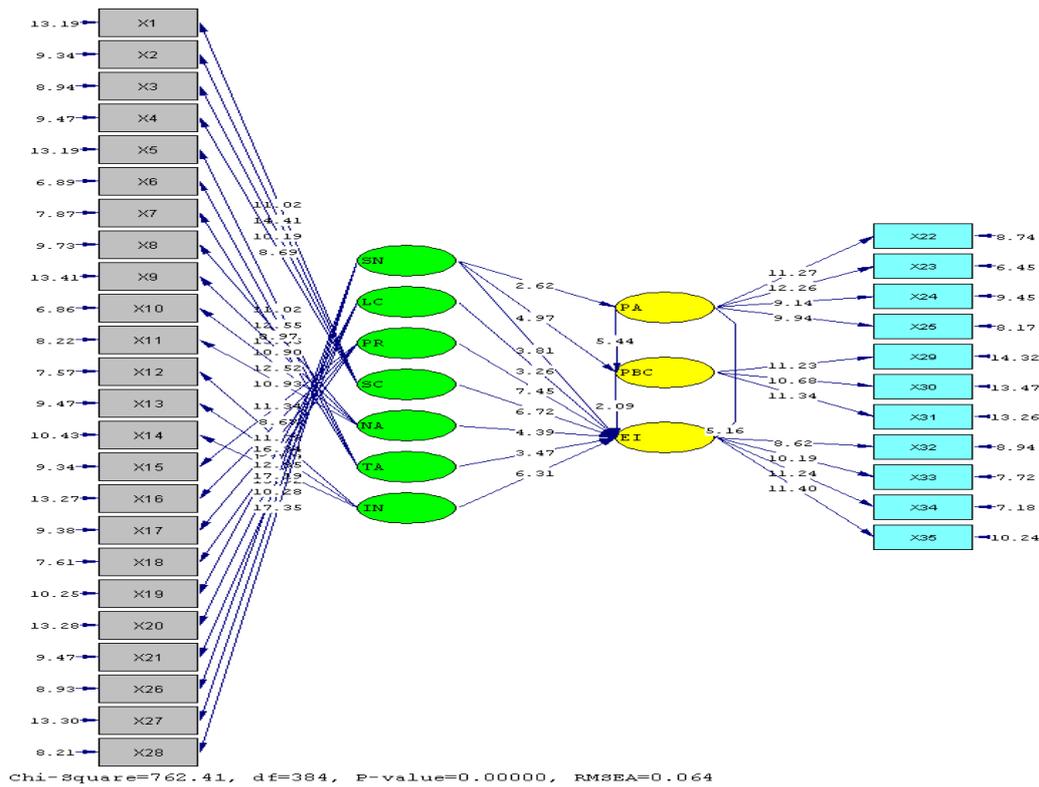
hypothesis	description	route coefficient	t statistics	results	explained variation (R2)
1	Mental health norms have positive effects on personal views.	0.15	2.62	accepted	0.886
2	Mental health norms have positive effects on entrepreneurial intention.	0.22	3.81	accepted	
3	Mental health norms have positive effects on perceived control of behavior.	0.35	4.97	accepted	
4	Personal views have positive effects on perceived control of behavior.	0.40	5.44	accepted	
5	Personal views have positive effects on entrepreneurial intention.	0.37	5.16	accepted	
6	Perceived control of behavior has positive effects on entrepreneurial intention.	0.13	2.09	accepted	
7	Internal locus of control has positive effects on entrepreneurial intention.	0.16	3.26	accepted	
8	Risk-seeking has positive effects on entrepreneurial intention.	0.59	7.45	accepted	
9	Self-confidence has positive effects on entrepreneurial intention.	0.51	6.72	accepted	

10	Need for success has positive effects on entrepreneurial intention.	0.31	4.39	accepted	
11	Tolerance of ambiguity has positive effects on entrepreneurial intention.	0.19	3.47	accepted	
12	Innovation has positive effects on entrepreneurial intention.	0.48	6.31	accepted	

direct and indirect effects and all variables

Route direction	Direct effects	Indirect effects	Total effects
Mental health norms → personal views	0.15	–	0.15
Mental health norms→entrepreneurial intention	0.22	–	0.22
Mental health norms→Perceived control of behavior	0.35	–	0.35
Personal view →Perceived control of behavior	0.40	–	0.40
Personal view → entrepreneurial intention	0.37	–	0.37
Perceived control of behavior → entrepreneurial intention	0.13	–	0.13
Internal locus of control → entrepreneurial intention	0.16	–	0.16
Risk-seeking → entrepreneurial intention	0.59	–	0.59
Self-confidence → entrepreneurial intention	0.51	–	0.51
Need for success → entrepreneurial intention	0.31	–	0.31
Tolerance of ambiguity→ entrepreneurial intention	0.19	–	0.19
innovation→ entrepreneurial intention	0.48	–	0.48
Mental health norms→ personal view → entrepreneurial intention	-	0/15*0/37;0/05	0.05
Mental health norms → perceived control of behavior → entrepreneurial intention	–	0/35*0/13;0/04	0.04
Personal view → perceived control of behavior → entrepreneurial intention	–	0/40*0/13;0/05	0.05
Mental health norms→ Personal view → perceived control of behavior → entrepreneurial intention	–	0/15*0/40*0/13;0/007	0.007





CONCLUSION

Since our country is now struggling with the unemployment, it is urgent to achieve a solution to end the current situation. We will not reach to such solution unless in the shadow of creativity, innovation, and concentration on entrepreneurship. Due to the importance of such issue, the current study has investigated the factors affecting entrepreneurial intentions of Islamic Azad University of Rasht students. In order to show the relationship between variables, 12 hypotheses were proposed. The findings of the causal model of the research revealed that personal views, mental health norms, perceived control of behavior, inner locus of control, risk-seeking, self-confidence, need for success, tolerance of ambiguity, and becoming innovative are of factors affecting university students' entrepreneurial intentions. The research also revealed that mental health norms and personal views have positive effects on perceived control of behavior, and mental health norms have positive effects on personal views; these findings are in line with the results of the previous researches performed by Koue et al. (2012), Ferreira et al. (2012), Altinay et al. (2012), Gourel et al. (2010), 2010Rahmaniyan Kushki et al. (2012),

and Barani et al. (2009). The research findings showed that the model utilized in the research, appropriately predict the factors affecting entrepreneurial intentions of university students and help the government and authorities of academic instruction to identify such factors and provide the ground so that people become more interested in entrepreneurship and play a significant role in the economy of the country independent of the government. Such goals definitely require the cooperation of families and people's attempts in enhancing the spirits of entrepreneurship. Therefore strengthening university students' entrepreneurial spirits, as the motor power of the country's economy, will be beneficial in solving economic challenges of the society.

Suggestions

According to the literature review, analysis of the collected data, the conclusions made in the form of structural model, and the results of the hypotheses the following suggestions are proposed: 1. leading instructions in a direction that positive mindset and viewpoints be created in students; and designing instructional systems so that the entrepreneurship culture become institutionalized i

n students to encourage them to become entrepreneurs.

2. identifying the modern approaches of entrepreneurship instruction and implementing them in universities and presenting the subject of creativity and entrepreneurship for students of all fields to enhance their knowledge of entrepreneurship and proper understanding of the concept of entrepreneurship and innovation.

3. inviting successful entrepreneurs to lecture in universities and hold workshops, and following them as the role model, in order to develop positive mindset and view toward entrepreneurship students.

4. Attaching importance to innovative activities, and providing financial and non-financial facilities in order to support students' entrepreneurial plans and for successful management of entrepreneurial affairs and reaching the goals.

5. persuading students to implement family members' job experiences, communicating family and friends' entrepreneurial knowledge and experience to students with the aim of enhancing their interest in entrepreneurship and provoking their sense of innovation and entrepreneurship.

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