

Impact Of Perceived Feasibility And Perceived Desirability On Entrepreneurship Behaviour Of Commerce Students In Gujarat

Dr. Mahendra Maisuria^{1*}, Kamal Vyas²

Abstract

Entrepreneurs and entrepreneurship are arguably the pillars on which economic health of societies was built. Their role has been highlighted in opportunity creation through new ventures and maintenance of existing ones (Evans, 1942; Leibenstein, 1968). To become an entrepreneur, an individual needs to take action in identifying opportunities, deriving a plan to take advantage of the opportunity, executing the plan, and constantly monitoring and adjusting the plan. What then impels some but not others toward action and keeps them going? We believe a person's developing sense of self as an entrepreneur represents a powerful motivating force that can help explain why some individuals choose and continue to engage in entrepreneurial activity and why others do not. This study concludes that perceived desirability and perceived feasibility are the key indicators of the entrepreneurship intention and both has the statistically significant impact on entrepreneurship intention.

Introduction

Entrepreneurship has emerged as a crucial driver of economic growth and innovation worldwide. In recent years, there has been a growing recognition of the significance of entrepreneurship in fostering economic development, creating employment opportunities, and addressing societal challenges. Particularly in the context of India, entrepreneurship is increasingly seen as a key solution to the country's burgeoning youth population and the need for job creation. As such, understanding the factors that influence entrepreneurial intentions and behaviors among the youth, particularly students, has become a focal point for researchers, policymakers, and educators.

Gujarat, a vibrant state in western India, has been a hub of entrepreneurial activities owing to its conducive business environment, strong industrial base, and proactive government policies. Within Gujarat's educational landscape, commerce students represent a significant demographic group with substantial potential to contribute to the entrepreneurial ecosystem. The commerce education system in Gujarat is renowned for its emphasis on practical learning, business acumen, and financial literacy, making commerce students prime candidates for entrepreneurial ventures.

This research aims to explore the impact of two key psychological constructs, namely perceived feasibility and perceived desirability, on the entrepreneurship behavior of commerce students in Gujarat. Perceived feasibility refers to an individual's assessment of the practicality and attainability of starting a new venture, including factors such as perceived resources, skills, and opportunities. On the other hand, perceived desirability relates to the attractiveness and appeal of entrepreneurship, encompassing aspects such as autonomy, creativity, and social impact.

Understanding the interplay between perceived feasibility, perceived desirability, and entrepreneurship behavior is essential for several reasons. Firstly, it can provide insights into the underlying motivations and decision-making processes that drive individuals, especially students, towards or away from entrepreneurship. Secondly, it can inform the design of educational interventions and policy initiatives aimed at fostering an entrepreneurial mindset and culture among

¹Research Guide, Associate Professor, C.U.Shah City Commerce College

²Research Scholar, Gujarat University

students. Thirdly, it can offer practical implications for stakeholders involved in entrepreneurship promotion, including educational institutions, government agencies, and industry bodies.

Prior research has established a theoretical foundation for understanding the role of perceived feasibility and perceived desirability in shaping entrepreneurial intentions and behaviors. The Theory of Planned Behavior (TPB), developed by Ajzen (1991), posits that attitudes, subjective norms, and perceived behavioral control influence individuals' intentions to perform a behavior, which in turn predicts their actual behavior. Perceived feasibility and perceived desirability can be seen as components of perceived behavioral control, influencing individuals' confidence in their ability to pursue entrepreneurship and their inclination towards entrepreneurial activities.

Moreover, the Entrepreneurial Event Model (Shapero & Sokol, 1982) suggests that perceived desirability and perceived feasibility play a pivotal role in triggering entrepreneurial intentions and actions. According to this model, individuals are more likely to engage in entrepreneurial behavior when they perceive opportunities as desirable and feasible. These theoretical frameworks provide a lens through which to examine how perceived feasibility and perceived desirability shape entrepreneurship behavior among commerce students in Gujarat.

While previous studies have investigated various factors influencing entrepreneurial intentions and behaviors, there remains a gap in the literature regarding the specific context of commerce education and its implications for entrepreneurship. By focusing specifically on commerce students in Gujarat, this research seeks to address this gap and contribute to a deeper understanding of the factors driving entrepreneurship within this demographic group.

Literature Review

Prior to initiating models to assess entrepreneurial intention, numerous studies have delved into two primary approaches. The first approach primarily focused on examining psychological characteristics, general dispositions, and personality traits (Singh, Prasad, & Raut, 2012). Meanwhile, the second approach centered around demographic factors such as gender, ethnic groups, and age (Singh, Prasad, & Raut, 2012). However, these two approaches faced criticism due to conceptual ambiguity, methodological limitations, and a lack of explanatory power, highlighting the non-validity of their findings.

In response to these limitations, a shift towards intention-based models gained momentum. Researchers recognized the importance of individual characteristics in shaping entrepreneurial intentions and subsequently devised models that addressed these factors (Boyd & Vozikis, 1994; Krueger & Carsrud, 1993). These models drew heavily from foundational theories such as the Entrepreneurial Event Model (Shapero & Sokol, 1982) and the Theory of Planned Behavior (Ajzen, 1991).

The Theory of Planned Behavior, an extension of the Theory of Reasoned Action (Fishbein & Ajzen, 1975), played a significant role in shaping subsequent models. In Krueger and Brazeal's model, perceived feasibility, akin to Shapero's concept, corresponds to perceived behavioral control in the Theory of Planned Behavior (Singh, Prasad, & Raut, 2012). This expanded model incorporates perceived feasibility as a non-motivational factor influencing entrepreneurial intention. Moreover, perceived feasibility has been equated with feasibility in studies assessing entrepreneurial intention (Krueger, Reilly, & Carsrud, 2000; Peterman & Kennedy, 2003). Additionally, perceived self-efficacy has been utilized in place of perceived behavioral control in the Theory of Planned Behavior (Conner & Armitage, 1998). Wang, Lu, & Millington (2011) further suggested that perceived feasibility in the Entrepreneurial Event Model aligns with self-efficacy in Ajzen's planned behavior model (Ajzen, 1991).

Krueger and Brazeal's model underscores the significance of addressing two key constructs in the Theory of Planned Behavior: attitude toward the act and social norms. Nimalathasan & Achchuthan (2012) found that entrepreneurial motivation and self-employment intention were significantly influenced by the desirability of self-employment. Feasibility for self-employment, individual tolerance for risk, and perceived government and non-governmental support did not exhibit causal relationships with entrepreneurial intention. Similarly, Wang, Lu, & Millington (2011) partially

supported the Entrepreneurial Event Model, indicating positive impacts of perceived desirability and feasibility on entrepreneurial intention.

Empirical studies further shed light on factors influencing entrepreneurial intention. Thrikawala (2011) revealed that gender, family business experience, type of study program, and year of study program significantly impacted entrepreneurial intention among academics, while family financial ability did not correlate with intention. Moreover, Davidsson (1995) suggested that an individual's conviction regarding the suitability of starting and running their own firm is the primary determinant of entrepreneurial intention. Kumara (2012) found statistically significant positive correlations between entrepreneurial belief, attitude towards self-employment, and entrepreneurial intention. The Entrepreneurial Potential Model, cited by Crant (1996) and Veciana et al. (2005) and supported by Guerrero, Rialp, & Urbano (2006), highlighted a strong relationship between variables in the model. Additionally, Veciana, Aponte, & Urbano (2005) discovered that while students had a positive perception of the desirability of starting a new firm, they did not necessarily perceive it as feasible.

Research Methodology

A total of 150 commerce students participated in the present study. Samples are selected from all three the semester (Second, Fourth and sixth). Samples are selected on the basis of the judgement of the researchers. Single cross sectional descriptive research design method is used for this study. Data were collected from primary and secondary sources. To get an insight into the research area and to develop the hypothesis, the information was collected from various books, journals, and websites and research projects. Structured Questionnaire was administered to respondents to get information. Scale were adopted from past literature.

Data analysis

Demographic Profile of the Respondent

Demographic profile of the respondents indicate that majority of the respondent were male (65.4%), Majority of the respondents live in the urban area (73.2%). 53.4 % of the student were in the last year of their commerce study (6th Semester). Majority of the respondents has the family income of more than 5 lakh (49.4%).

Regression model

The main objective of the study is to check the impact of the perceived feasibility and perceived desirability on the entrepreneurship intention of the commerce students. In the multiple regression analysis, average score of the entrepreneurship intention is inserted as the dependent variable and average score of the perceived feasibility and perceived desirability inserted as the independent variables.

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	63.295	2	31.647	70.009	.000 ^b
	Residual	66.451	147	.452		
	Total	129.745	149			
a. Dependent Variable: Entrepreneurial Intention						
b. Predictors: (Constant), Perceived Feasibility, Perceived Desirability						

Table 1 indicate that F value of proposed model is 70.009 with sig value of 0.0000 which conclude that proposed model is statistically significant at 5 percent level of significant.

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.698 ^a	.488	.481	.67234

a. Predictors: (Constant), Perceived Feasibility, Perceived Desirability

Model summary table show the R square value of 0.488, Which indicate that Predictors: namely perceived feasibility and perceived desirability can explain approximately 48.8 % percent of the variance in the dependent variable (entrepreneurship intention).

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1.363	.256		5.333	.000
	Perceived Desirability	.424	.045	.563	9.531	.000
	Perceived Feasibility	.314	.047	.395	6.689	.000

a. Dependent Variable: Entrepreneurial Intention

Table 3 provide the individual effect of the independent variable on the Entrepreneurial Intention. Two independent variables namely perceived feasibility and perceived desirability has shown the positive impact on the entrepreneurial Intention.

Perceived Desirability has accounted highest impact on entrepreneurial Intention with the standardized beta weight of 0.563, followed by Perceived Feasibility with the standardized beta weight of 0.395. Overall regression model can be written as below

$$\text{Entrepreneurial Intention} = 1.363 + 0.563 (\text{Perceived Desirability}) + 0.395 (\text{Perceived Feasibility}) + \text{error}$$

Conclusion and implication of the study

The findings of this study provide valuable insights into the factors influencing entrepreneurial intention among commerce students in Gujarat. Perceived Desirability emerged as the strongest predictor of entrepreneurial intention, with a standardized beta weight of 0.563, indicating its substantial impact on students' inclination towards entrepreneurship. Following closely, Perceived Feasibility also exhibited a significant influence on entrepreneurial intention, with a standardized beta weight of 0.395. These results underscore the importance of both perceived desirability and feasibility in shaping students' intentions to pursue entrepreneurial endeavors.

The model summary table further elucidates the predictive power of the model, with an R square value of 0.488. This indicates that the predictors, namely perceived feasibility and perceived desirability, can collectively explain approximately 48.8% of the variance in entrepreneurial intention among commerce students in Gujarat. While this leaves a considerable portion of the variance unaccounted for, it highlights the significance of perceived desirability and feasibility as key determinants of entrepreneurial intention within this demographic group.

Implications:

The findings of this study carry several implications for educators, policymakers, and stakeholders involved in entrepreneurship promotion and education:

Educational Interventions: Given the significant influence of perceived desirability and feasibility on entrepreneurial intention, educational institutions should design curricula and programs that foster an entrepreneurial mindset among commerce students. Incorporating practical experiences, exposure to real-world entrepreneurial ventures, and mentorship opportunities can enhance students' perceptions of desirability and feasibility, thereby stimulating their entrepreneurial intentions.

Policy Initiatives: Policymakers should prioritize initiatives aimed at enhancing the perceived desirability and feasibility of entrepreneurship among youth, particularly in regions like Gujarat. This may involve creating supportive ecosystems, providing access to resources and funding, and promoting entrepreneurial role models to inspire and guide aspiring entrepreneurs.

Awareness Campaigns: Stakeholders in the entrepreneurial ecosystem, including industry associations, chambers of commerce, and community organizations, can collaborate to launch awareness campaigns highlighting the benefits and opportunities associated with entrepreneurship. By showcasing success stories and addressing misconceptions, these campaigns can enhance the perceived desirability of entrepreneurship and dispel perceived feasibility barriers.

Research and Evaluation: Further research is warranted to delve deeper into the factors influencing entrepreneurial intention among commerce students in Gujarat and to explore additional variables that may contribute to the variance in intention. Longitudinal studies tracking students' entrepreneurial trajectories and the effectiveness of interventions can provide valuable insights for refining educational practices and policy interventions.

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