



UNIVERSITETET I AGDER

# **Entrepreneurial Intention Among Students in Nepal**

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## Abstract:

Many researches have tried to explain why only some people choose to become entrepreneurs and others don't. In this paper, we have tried to figure out the main influencing factors of entrepreneurial intention. Intentions or the behavior of one individual is different from that of the others. The Cognitive approach provides an insight to study the human behavior or thinking, which in turn affects the entrepreneurial intentions. This paper mainly examines the relationship between different factors like self-efficacy, role model, religion, experience, monetary aspect etcetera with the entrepreneurial intention among students in Nepal. Also, this paper has tried to figure out which factor has more influence in entrepreneurial intention, which factor acts as a moderating factor and which factor has less influence in the entrepreneurial intentions among the students of Nepal. Understanding the perception of the youth is important since they are the potential entrepreneurs of the future and their perception can be a contribution to the development of literature.

## Keywords:

Entrepreneurial Intention, Entrepreneurship, Business, Career,

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## Chapter 1: Introduction

Entrepreneurship is a process of creation and of realizing values for entrepreneurs (Morris & Jones, 1999). Entrepreneurship is the process of establishing or setting up any kind of business or businesses to earn profit from it. It is the ability to establish any kind of business and be able to run it smoothly accepting all the risks associated with it. And the person who establishes and runs such businesses are called Entrepreneurs.

### 1.1. Background of the study:

“Your time is limited, so don’t waste it living someone else’s life. Don’t be trapped by dogma – which is living with the results of another people’s thinking. Don’t let the noise of other’s opinions drown out your own inner voice. And most important, have the courage to follow your heart and intuition. They somehow already know what you truly want to become. Everything else is secondary.” says Steve Jobs, Co-founder, CEO, Chairman Apple Inc. Everyone chooses their own path in life and those paths are influenced by their experience, family background, their role model who has made a major impact in their life and so on. Walt Disney says, “All our dreams can come true, if we have the courage to pursue them”. If you really have a very solid intention of being an entrepreneur, then you have to have courage to fulfill your dream.

People will not indulge in starting new firms as a reflex, but rather they consider the option much more carefully and quite well in advance (Krueger, Reilly & Carsrud 2000, Scutjens & Stam 2006). Today’s youth are the potential entrepreneurs of the future. Therefore, it is very important to understand their perception regarding entrepreneurship. Entrepreneurs come up with new innovative ideas which contributes in the growth of the economies of any nation. Hundreds and thousands of students graduate in Nepal every year, but not all of them have the intention to start a business. The evidence from OECD nations showed that less than 10% of young population was involved in starting new ventures during early 2000s (Nolan, 2003).

New businesses created by university students and graduates are a powerful tool to bring new knowledge and strategies to the market which turns out spur productivity growth and job creation (Ferrante, Federici and Parisi, 2016). Therefore, it is very important to understand the intentions of students, whether or not they want to be entrepreneurs in their future. They (university students) signify the major and most capable segment of the future entrepreneurs and their responses are of much importance in encouraging strategy/policy assumptions.

#### 1.1.1. Business environment in Nepal:

Through the privatization of public enterprises since 1992 and the adoption of competition policy since 2007, Nepal has tried to establish a competitive market economy system. Despite all these efforts made in the economic sector, the FDI inflow is very low because of political instability, high cost of doing business, and limited investment opportunities. Not only that, Nepal has poor transportation facility because it is a landlocked country. According to the United States Investment Climate Statement (2013), foreign investment is mainly hampered by political instability, labor unrest, continuing bureaucratic delays and inefficiencies, pervasive corruption, and perennial power shortages.

But business environment in Nepal has changed remarkably in past few years. The 15th annual edition of Doing Business report published by the WB on October 31, 2017 has commended greater corporate transparency in Nepal during last year. According to the report, Nepal's economy ranks third among South Asian countries in terms of business environment. "The region's top ranked economies are Bhutan, in 75th place, India (100), and Nepal (105)," the report states. Advancement in the technology and globalization have exerted changes in the business environment in Nepal. A lot of changes can be seen in the economic sector like increment in private investment, rising economic agenda, use of modern technology, workforce diversity etc. There are some main businesses in Nepal that were operated only by the government like- electricity, transportation, communication etc. But after the liberalization policy pursued by the government,



investments from the private sectors in these businesses have grown significantly. And the government has also been working on providing several infrastructures for the development of business environment in Nepal.

One of the key objectives of Nepalese economic policy is to encourage a fair and transparent business environment for domestic and foreign companies alike (WTO 2012). Business decisions are directly affected by the business environment. The business environment includes all the internal and external factors (customers, employees, management, supply, demand, nature, culture, etcetera) that can directly or indirectly influence the business. A business flourishes only when the business environment is favorable. It is very difficult to achieve economic growth during political instability, strikes, and several other problems. Nepal is facing tardy progress in the business because of various reasons among which political instability is the critical one. And the earthquake (25th April 2015) has made a very bad impact in Nepalese Economy. However, realizing the seriousness of the situation, Finance minister Dr. Ram Saran Mahat has stressed that the new constitution should have a provision to stop (ban) all these so called “bandas” and strikes for at least 10 years from now to uplift the economic situation and create a favorable business environment in the country. And this decision should do no harm to anyone if it is carried out without undermining the principles of labor relations.

## 1.2. Statement of Problem:

Being their own boss was the biggest motivator for Americans to become Entrepreneurs according to a worldwide survey (New York Post, 2018) According to CBS News’ Mark Hendricks, this is because the United States is a place where “individual freedom is highly prized.” Therefore, people would rather work independently than following the rules made by others and working under them. This is not only seen in America but people all over the world have become so concerned about their freedom of choice that they would always choose to become an entrepreneur rather than working under someone.

But this reason alone is not enough to motivate someone to become an entrepreneur. Establishing a business venture is not everyone's cup of tea, only those with determination and other certain characteristics can strive and proffer to set up a business venture. So now, there arises a question, "Is it easy for everyone to become entrepreneur?"

The 2003 Organization for Economic Cooperation and development (OECD) statistics reports that 10% of adult people are interested in starting a business venture (Johnston, 2003). This shows that entrepreneurship or being an entrepreneur is not easy and is not for everyone. Earlier researchers have established that what compels people to have intention of becoming entrepreneurs are their characteristics (Baron and Kenay (1986)). External factors such as availability of capital, Protection of private property and institutions that promote rule of law(Bird B(1998) and personal situations that influence entrepreneurial self-efficacy(education, prior experience role models and social networks) are factors that affects one's entrepreneurial intent (Van Auken etal (2006)). There are several other factors which directly or indirectly affect the intentions of students to become an entrepreneur. Some factors even work as the moderating variables that boots the entrepreneurial intentions.

*The objective of the study is to find out the factors affecting intentions among the students regarding entrepreneurship.* It concerns why the students are attracted towards entrepreneurship today, rather than pursuing a good job in a reputed organization. There are many influential reasons that have attracted students towards entrepreneurship. The primary objective of this paper is to provide evidence on the determinants that influence the students in Nepal to become an entrepreneur rather than pursuing a 9 to 5 job in an organization. According to our responses we got from our research questions, many people were influenced by the people in their circle like their friends and families (role model), some want to be their own boss (independence), some just follow their parent's footsteps (family influence). But mainly this paper focuses to answer the question "What are the main antecedents that nudge the intentions to start a business?"

Why do some people choose entrepreneur as a career and others don't?

From the literature on self-employment, it is evident that there are many factors that workers might consider in choosing between entrepreneurship and employment. Research on worker choices of employment structures has focused on economic, sociological, and psychological factors affecting these choices. On the economic side, economic growth, the availability of work, the availability of start-up capital and credit for self-employment, the tax regime, and the legislative framework impact choices. Not surprisingly, economic models suggest that decisions to start a business are attributable to economic motivation and utility maximization (Campbell, 1992). Here, we are more concerned with the choices of self-employment versus employment rather than the decision to start a business organization.

Therefore, our paper is mainly focused on the determinants or the factors that are influencing the entrepreneurial intentions (decisions) among undergraduate students in Nepal. We have also tried to measure, to what extent has a factor affected the intention.

### 1.3. Research Questions:

Our paper is all about the entrepreneurial intentions among undergraduate students in Nepal. And we are focused to determine the factors that influence the intentions to become an entrepreneur among university students. In order to establish a relationship between the theory and the research we had to answer a question. Therefore, we used following questions as our research questions:

- What factors influence the entrepreneurial intention among college students in Nepal?

We developed a questionnaire with a set of questions and with the help of that questionnaire, we got the answers to the above-mentioned questions.

## Chapter 2: Literature Review and Conceptual framework

Entrepreneurship intention refers to one's intentions to start one's own business or becoming self-employed driven by desire for autonomy and expectation of economic gain (Drost,2010). Davidson (1991) and Katz (1992) stated that starting a business reflects a process in which attitudes and intentions are involved and are based on the development of individual competence, experience and relations to the business context. One's intention towards starting a business can be increased with entrepreneurial education (Tkachev & Kolvereid 1999, Fayolle et al. 2006) by supporting activities and working in entrepreneurial context, such as starting a company and developing ideas (Rasmussena & Sørheimb, 2006, p. 186).

Entrepreneurial intention is a key theme in recent literature however there are limitations in the ability of researcher and practitioners in extrapolating the data to predict future activity (Pitchway and Cope 2007, Bushell et al. 2008:3, Bushell 2013). The entrepreneurial intention approach emerged in the 1980s drawing heavily on Bandura's (1977) social learning theory. From a psychological point of view, the intention to become an entrepreneur has been described as the single best predictor of actual behaviour (Ajzen, 1991; Kolvereid, 1996). According to Astuti and Martdianty (2012), more graduates are seeking jobs rather than becoming entrepreneurs. In contrast, Badulescu and Badulescu, (2013) in their study revealed that PhD candidates (the highest level of academia) have a high entrepreneurial intention with 63% of them having an interest in starting a new venture, and with 1/3 already engaged in a new business.

People will not indulge in starting new firms as a reflex, but rather they consider the option much more carefully and quite well in advance (Krueger, Reilly & Carsrud 2000, Scutjens & Stam 2006). Extant studies on entrepreneurial intentions mostly focus on the impact of business training to determine the level of entrepreneurial skills among students (Gaddam 2008, Gelderen, Brand, Praag, Bodewes, Poutsam & Gils 2008, Souitaris, Zerbinati & Al-Laham 2007, Raab, Stedham &

Neuner 2005). Entrepreneurial intentions are the state of mind guiding and directing the actions of a person towards the development and execution of behaviour (Owoseni & Akambi, 2010).

Bird (1988) defined intentionality as “a state of mind directing a person’s attention (and therefore experience and action) toward a specific object (goal) or a path in order to achieve something (means).” *Entrepreneurial Intention can be defined as the objective to start a firm or business.*

“Fostering entrepreneurship needs a twofold policy that should focus on both the current situation and future prospect of entrepreneurship.” said Turker and Selcuk (2008), in the paper “Which factors affect entrepreneurial intention of University Student.” Before starting any business, people not only analyze the current market scenario, but they also investigate future opportunities and possibilities.

According to a wider conception, entrepreneurship education is defined as “the whole set of education and training activities – within the educational system or not – that try to develop in the participants the intention to perform entrepreneurial behaviors, or some of the elements that affect that intention, such as entrepreneurial knowledge, desirability of the entrepreneurial activity, or its feasibility” (Lin˜a’n, 2004a, p.163, 2004b).

Basu (2008:85) highlighted that taking a course in entrepreneurship enhances “students’ self-efficacy and self-confidence about their ability to become entrepreneurs” and that prior exposure to entrepreneurship has a positive impact on entrepreneurial intent in the future (Basu 2008:85). (Wu, Wu, 2008; Nabi, et. al., 2006; Guerrero, et. al., 2008) define entrepreneurial intention as a state of mind that people wish to create a new firm or a new value driver inside existing organizations. The intention of starting a company is viewed 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 (Audet 2001).

We best predict, rather than explain, any planned behavior by observing intentions toward that behavior—not by attitudes, beliefs, personality, or mere demographics. Intentions are the single best predictor of planned behavior (Bagozzi et al. 1989). Understanding intentions thus proves particularly valuable where the focal phenomenon is rare, obscure, or involves unpredictable time lags—a focal phenomenon such as entrepreneurship (MacMillan and Katz 1992). There are several factors that affect the entrepreneurial intentions, like; Personality traits (self-confidence, risk-taking ability, the locus of control, need of achievement, etc.), Cultural factors (religion), Social factors (role models), Economical factors (monetary aspects), Political factors, Demographic factors, Technological Factors, etc. According to Hisrich (1990), people can be pushed or pulled by situational factors, which are related to their personal backgrounds and present lives.

There are several studies that have been conducted on college students regarding their intentions to become entrepreneurs. Christian (2000), studied on Batak students' intention to be entrepreneurs and found that 65% of the respondent had intention to be entrepreneurs. Another study on Balinese students' intention showed that out of 105 respondents, 39.5% stated their intent to be an entrepreneur and 35% more stated their desire to be entrepreneurs (Lie, 2004). Study by Christine (2004) on Chinese students' intention to be entrepreneurs found that out of 105 respondents, 33.66% stated their intend to be entrepreneurs and 13.86% desired to be entrepreneurs. Similar study done by Gerald (2006) on Javanese students' intention to be entrepreneurs found that out of 194 respondents, 30.4% stated their intent to be entrepreneurs and 22% stated their desire to be entrepreneurs.

## 2.1. Entrepreneurship

In the 1970`s the economies were driven by big companies and little companies were regarded as kind of nuisance (Morganther etal (2007)). However, the trend has changed, since little companies and small businesses are now the engines of the economy worldwide in terms of job and wealth

creation (Morganthaler and Barber2007), Zahra (1999)). According to Garavan and O'Kinneide (1994), the different stories of successful entrepreneurs stimulate the debate on the famous paradigm of “the entrepreneurs are made or born”.

Entrepreneurship is often defined as the opportunistic pursuit of economic wealth via creative initiatives of the individuals operating within a certain environment constrained by limited tangible resources (Austin et al 2006, Mitch et al 2002). “An entrepreneur is someone who creates a new company from scratch” says Brad Feld, founder of TechStars (Ewing Marion Kauffman Foundation, 2017). The act of finding, designing and carrying out a specific type of business which turns technology and the raw materials into an invention can be referred to as entrepreneurship.

Entrepreneurship has been associated with creating economic growth and prosperity, introducing new products, processes, solution and services to consumers and manufacturers, creating most of the new jobs in both developed and transitional economies and providing meaning to individuals who seek autonomy, challenges and an opportunity to be creative (Schramm, 2004, Sexton and Bowman, 1990).

So, the process of developing or running a business or businesses, taking all the risk associated with it is called entrepreneurship.

## 2.2. Entrepreneurs

A person who establishes a business or a set of businesses to earn profit by taking financial risk is known as an entrepreneur. Various successful business owners have defined the term “Entrepreneur” in their own language. Some of them are as follows;

“Someone who can define the business they want to create, see where it is going, and do the work to get there.” **Mark Cuban** – Owner of Dallas Mavericks, Blogger, Shark Tank Investor

“Someone who envisions, creates, and evangelizes an idea that they are absolutely crazy about. That idea (it could be a product, book, consultancy) makes it easier for them to get up in the morning, work ridiculous hours, and keep their brain buzzing. The entrepreneur can work alone, within a company, or in a group, but he/she gets itchy at the thought of working a 9-5 job and following the orders of anyone who isn't efficient and imaginative.” **Manoush Zomorodi** – Author, Media Consultant

### 2.3. Entrepreneurship Intention

Entrepreneurial intention among students can be defined as factors that directly or indirectly affects the decisions of the students to be an entrepreneur or say to establish a business. Intention is very crucial before establishing any business enterprise. Intention is the starting point of pursuing self-employment and starting a business. There is a very limited understanding of factors that influence the EI of young people (such as students) who have not yet started their own business ventures (Veciana, Aponte, & Urbano, 2005).

So, basically, entrepreneurship intention can be defined as the idea of pursuing entrepreneurship and the brainstorming regarding the entrepreneurship.

### 2.4. Research Hypothesis:

A research hypothesis is the hypothesis generated to specify the relationship between some specific variables which are taken from or is based on a particular property of a population or groups. It is a prediction which is more specific and testable. It is a tentative answer to the research question. Researchers develop hypothesis to find answers to the formulated research questions and these hypotheses should be specific, clear and testable.

Some of the variables that we have derived from our research and hypothesis are as follows:



#### 2.4.1. Self-efficacy:

While low job satisfaction can motivate IT professionals to start a business, entrepreneurial intentions can also be influenced by self-efficacy factors (Bandura, 1986; Chen et al., 1998). Self-efficacy is a person's judgment of his/her ability to execute a targeted behavior (Ajzen, 1987). Prior studies have identified self-efficacy as a key contributor to entrepreneurial intentions, either directly or indirectly through influencing perceived feasibility (Krueger, 1993; Krueger et al., 2000).

Self-efficacy acts as a moderating factor and plays an important role to establish relationship between experience and entrepreneurial intention. That means, if an individual's self-efficacy is higher, then the relationship between these independent variables and entrepreneurial intention is stronger. Boyd and Vozikis (1994) for example, proposed that self-efficacy influences the development of entrepreneurial intentions; hence the probability of venture creation. Only few people form intentions about engaging in entrepreneurial activities if they believe there is a high probability of failure. By extension, a person will form the intent to create a new venture, or act upon an existing entrepreneurial intention, only when self-efficacy is high relative to the perceived requirements of a specific opportunity (Boyd and Vozikis, 1994). Skills and performance strategies useful for the entrepreneurial role are likely to be acquired from previous experience as an entrepreneur, even in the case of past failure (Minniti & Bygrave, 2001).

Self-efficacy is the degree of belief a person has in their skills and ability to perform those skills (Bandura, 1997). Bandura (1994) describes four sources of self-efficacy. Mastery experience, Vicarious experience, Verbal (or social) persuasion, and Physiological/affective states. According to Bandura (1994), in mastery experience, a person performs the targeted behavior successfully. Similarly, in Vicarious experience, a person observes someone else perform the similar behavior. Verbal (or social) persuasion is all about having or expressing faith in the person's capabilities and finally, Physiological/affective states is all about correcting misinterpretations. Therefore, there is

a positive relationship between self-efficacy and experience. Self-efficacy is achieved through experience.

*Thus, we can say that:*

*H1a: there is a positive relationship between experience and self-efficacy and*

*H1b: There is a positive relationship between self-efficacy and Entrepreneurial Intention.*

#### 2.4.2. Experience

When scholars have started to explore the motivations and drivers for entrepreneurial behavior among adults of working age, prior experience has been introduced as a novel element to the individual's entrepreneurial behavior theoretical framework (Vinogradov et al. 2013). Past experiences are expected to have generated attitudinal configurations towards entrepreneurial intention (Kautonen et al. 2011). It is well accepted that people's prior experience may facilitate entrepreneurship (Shane, 2000; Ardichvili et al., 2003). However, little empirical research exists that examines how different types of experiences influence entrepreneurial intention (Sigrist, 1999; Shane, 2000). Shane (2000) said that prior knowledge about markets, customer problems, and knowledge about how to serve markets will influence individuals' discovery of opportunities, thus influencing entrepreneurial behaviors. Prior experiences like job experience, Education experience, startup experience etc. influences the entrepreneurial intentions.

You are mention experience in the previous hypothesis. That is OK, but make a link to this in the text above (for H1c)

Thus, we can say that,

*H1c: There is a positive relationship between Experience and entrepreneurial intentions.*

### 2.4.3. Role Model

A family business tradition also influences the entrepreneurial behaviours of individuals (Basu & Goswami, 1999; Duchesneau & Gartner, 1990). Through working in a family business, people can acquire certain business ideas and skills to start their own or continue their families' businesses. The tourism industry is dominated by family businesses (Getz & Carlsen, 2005), parents being a potential influential E. Gurel et al. / *Annals of Tourism Research* 37 (2010) factor on their children's intention to continue with an existing business or start a new business (Altinay & Altinay, 2006). Similarly, it has been found that national culture plays an influential

Information related to economic opportunity is distributed unevenly across economic marketplace participants (Kirzner 1979). This affects both the opportunities for arbitrage in the existing economy and the opportunity to create new ventures. It has been argued that individuals develop unique knowledge that produces a state of readiness, or "absorptive capacity," allowing some individuals to be more alert to new venture opportunities and create and develop a larger variety of implementation possibilities than those without such knowledge corridors (Kirzner, 1979). Schenkel et al. (2009) point out that implicit within human capital theory is the presumption that the cognitive ability of individuals is increased by the accumulation of knowledge stocks such that it allows some individuals to perceive and act more efficiently and effectively in the marketplace through new venturing activity than others (Kirzner, 1979). Thus, we can postulate that:

*H2: there is a positive relationship between role model and entrepreneurial intention.*

### 2.4.4. Altruism

Altruism towards others is a person's drive to develop other people regardless of the returns (Choongo et al., 2016). Altruism refers to any behavior that is designed to increase another person's welfare, and particularly those actions that do not seem to provide a direct reward to the person who performs them (Batson, Ahmad, & Stocks, 2011; Dovidio, Piliavin, Schroeder, & Penner, 2006; Penner, Dovidio, Piliavin, & Schroeder, 2005). Moral norm-activation theory by

Schwartz (1977) suggests that behavior become more probable when one is aware of its consequences. People usually start something if the consequence is good. Many NGOs and INGOs have been established to help and provide selfless services to those in need. Therefore, altruism can be viewed as a major factor that influence a person's entrepreneurial intention. Thus, we can postulate that:

*H3: there is a positive relationship between Altruism and entrepreneurial intention.*

#### 2.4.5. Monetary Aspect

Attitude towards money should be relevant to understand different individual entrepreneurs' perspective towards issues like towards role of money in providing autonomy and freedom of choices and its symbolic meaning of achievement (Schwarz et al., 2009). Money is both good as symbol/ terminal value and as means/instrumental value in that individuals associate money with power and status, feeling of happiness, wealth and respect from others and achievement and success within the society (Schwarz et al., 2009). Differences in the value of money have been explained by differences in values and culture and personal motivation (Schwarz et al., 2009). The relationship between the intention to start one's own business and individual's attitude towards money, independence, risk, and work effort has been investigated by Douglas (1991). Results of his empirical study suggest that individuals with a more positive attitude towards independence (autonomy), risk and money are characterized by a higher willingness to become entrepreneurs. A favorable attitude towards money refers to individuals who view high incomes as a symbol of success (achievement) and a means to attain autonomy, freedom and power (Lim and Teo, 2003). Such features are often connected with the picture of successful entrepreneurs. Thus, we can postulate that:

*H4: There is a positive relationship between monetary aspects and entrepreneurial intention.*

#### 2.4.6. Independence

Desire for independence is the most frequently mentioned factor to new business start-up (Douglas & Fitzsimmons, 2005). Generally, individuals who possess high need for independence will seek for careers with more freedom (Lee & Wong, 2004). Teenagers in Hispanic and African American who like entrepreneurship are motivated by motivational factors such as desire for independence (Wilson et al., 2004). These findings show that students with a strong desire for independence have a higher level of entrepreneurial intention. Thus, we can say that:

*H5: There is a positive relationship between independence and entrepreneurial intention.*

#### 2.4.7. Religiosity

The likelihood of being religious has a stronger influence on people, specifically on personal attitude towards entrepreneurial activity, compared to the irreligious group of people (Wibowo, 2017).

The likelihood of being religious has a stronger influence on people, specifically on personal attitude towards entrepreneurial activity, compared to the irreligious group of people (Wibowo, 2017).

According to Uppal (2001, p. 20), “The people of South Asia are deeply religious and all facets of their lives including their endeavors to achieve material advancement are affected greatly by religious beliefs and values.” The main religions followed in Nepal are Hinduism, Buddhism, Islam, Christianity etc. As the majority of people in Nepal are Hindus, this religion may influence the choice to become an entrepreneur. Thus, we can say that:

*H6b: there is a positive relationship between Religiosity and entrepreneurial intention.*

From the finding and all the literature review that was carried out we came out with eight different factors. We developed conceptual model we try to find the interrelationship between the variables and test our research hypothesis.

### 2.5. Proposed Model

From the theoretical Prediction and finding by the other researchers we came up with this model. In model we try to see the relationship between the factors that we came across and we proposed hypothesize model.

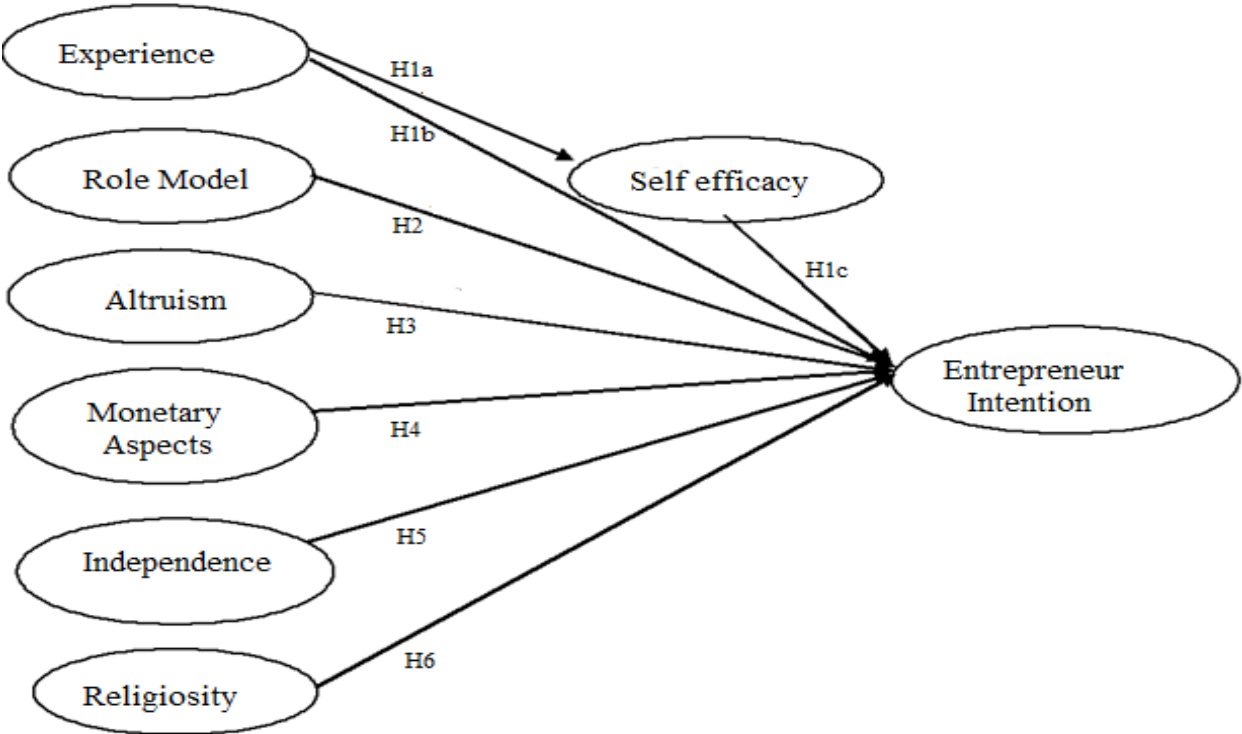


Fig 1: Proposed Hypothesis Model

Entrepreneurial Intention is the intention to start one's own business or becoming self-employed. In this research we are trying to find what are the intention of the student of Nepal in terms of pursuing career as entrepreneur. From different literature reviews we picked out seven different factors that influence the Entrepreneurial Intention. So, we have eight different variables including Entrepreneurial intention that have been placed in the proposed model. As seen in the figure, we have dependent variables, independent variable and the moderating variables. Entrepreneurial Intention is the dependent variable. And Experience, Role Model, Altruism, Monetary Aspect, Independence, Religiosity are independent variables. Self-efficacy acts as a moderating variable. This variable has also been suggested by various researchers because it is influencing, and it enhances the understanding of entrepreneurial intentions. Basically, this model shows the relationship between different variables.

## Chapter 3: Research and Methodology

This research is carried out among the undergraduate students of four different colleges of Nepal. Those students who are doing their bachelor's degree and are in their last year of studies were the respondents of our research questions. Students were from different faculties. Those specializing in Mass communication, Information Technology and in Business Studies were taken into consideration in order to get the overall view regarding Entrepreneurial Intention. The quantitative questionnaires were handed to respondent and their responses were collected and analyzed.

Quantitative Research is carried out to find the Entrepreneurial Intention among the student and factors that play key role in determining the entrepreneurial Decision.

### 3.1. Sampling Method

Sampling is the process of selecting a representative group from a given population. Target population are the group from which samples are drawn. Samples are respondents or group of individuals who take part in the research investigation (McLeod, S. A. 2014). Sample for this Research was taken from four different colleges of Nepal located in the capital city, Kathmandu. Students from different faculty were taken into consideration in order to get more relatable and accurate sample. Questionnaire was handed to 268 students from four different colleges. Out of which 206 were taken as the sample size i.e. approximately 77% of response rate.

### 3.2. Data Collection

We collected primary data for our studies. Questionnaire is the main tool used in this study for collecting data (Research). "A questionnaire is defined as a research instrument that consists a set of questions or other types of prompts that aims to collect information from a respondent.

Questionnaires were developed in 1838 by the Statistical Society of London." (Bhat, A. 2018).



Self-completion and Structure Questionnaires were designed and used in the study. Questionnaires was carried out in seven point Likert scale. The scale includes the choice 1 (Totally disagree), 2 (disagree), 3 (slightly disagree), 4 (neutral), 5 (slightly agree) 6 (agree) and 7 (Totally agree). (For example: Being an entrepreneur implies more advantages than disadvantages to me) the participants had to choose from seven-Point Likert scale. Questionnaire also included basic description like age, gender, level of study etc.

The questionnaire was reported and approved by our Supervisor. English language was used in the questionnaires as the medium of teaching in the colleges is English. Also, pilot test was carried among 15 student and found that questionnaire was suitable for collecting the data. Due to limitation of online accessibility, Questionnaire was carried out manually in papers.

### 3.3. Reliability and Validity

“The idea behind reliability is that any significant results must be more than a one-off finding and be inherently repeatable.”(Martyn Shuttleworth .2008). If we tend to get same result over and over time again then we can say our research is reliable. On the same condition, same experiment the result should be same. “Validity encompasses the entire experimental concept and establishes whether the results obtained meet all of the requirements of the scientific research method.”(Martyn Shuttleworth .2008). So, the questionnaire with standard set of questions was prepared under the supervision of supervisor which covered all the relevant issues of the study. One of the goals of all the researcher is to reduce the measurement Error.

Cronbach's alpha was used to measure reliability. “Cronbach’s alpha is a measure used to assess the reliability, or internal consistency, of a set of scale or test items.” (Chelsea Goforth.2015). Cronbach’s alpha Value above .7 is reliable.

We have run a test to check the reliability of the model and that test can be seen in the next chapter (figure 2: Cronbach’s alpha). We also have run a test to check the Validity of the model and that

test can be seen in the next chapter Fig 5: Factor Correlation Matrix and Fig 7: Table of Regression.

Here you should give the results of the validity test your ran. Or, if it is coming later in this paper you should tell the reader where they can find it.

### 3.4. Measurement of Variable

Measurement of variable were taken from past studies of entrepreneurial intention. Ideas and knowledge for questionnaire were also borrowed from the previous theory.

From the different literatures we figured out different variables and their influence over the Entrepreneurial intention.

#### 3.4.1. Dependent Variable

Entrepreneurial intention is our dependent variable. Inspired by: Liñán & Chen's (2009), Kuckertz et al. (2010), Grilo & Thurik (2005), Shneor and Jenssen (2014). As a measure of Entrepreneurial intention, we use question like:

- I am ready to do anything to be an entrepreneur
- My professional goal is to become an entrepreneur
- I will make every effort to start and run my own firm
- I am determined to create a firm in the future
- I have very seriously thought of starting a firm
- I have the firm intention to start a firm some day

### 3.4.2. Independent Variable

Experience seems to be a factor that motivates students to pursue their career as an entrepreneur. If an individual is capable enough to do something on their own, then we can say that they are motivated, so we have chosen experience to be one of the factors. So, for measuring this factor we considered things like being involved in any kind of entrepreneurial experience or directly being the owner of any company. Inspired by (Sigrist, 1999; Shane, 2000), Vinogradov et al. (2013)). We used the questions like

- I have entrepreneurial experience
- I have experience in starting up a firm/ firms
- I have experience in managing my own company
- I have self-employment experience
- I have owned and managed my own company before

Role model are those who influence the decision of an individual and role models may be family members or the idol icons or may be someone you know. Inspired by (Getz & Carlsen, 2005), (Kirzner, 1979), Schenkel et al. (2009). For measuring this factor, we designed questions which included being motivated by other entrepreneur or following their footsteps.

- I am personally familiar with successful entrepreneurs
- In my network of friends and colleagues there are successful entrepreneurs
- I regard some of the entrepreneurs I know as role models
- I admire some of the entrepreneurs I know
- I would like to follow the example of some of the entrepreneurs I know
- Some entrepreneurs I know have been a source of influence for me

Altruism towards others is a person's drive to develop other people regardless of the returns. A behavior that motivates people to do something for others selflessly. We wanted to see if this factor really influenced the entrepreneurial intention. Inspired by (Choongo et al., 2016), Schwartz (1977). We used the questions like

- I have given directions to a stranger.
- I have given money to charity.
- I have given money to a stranger who needed it (or asked me for it).
- I have donated goods or clothes to charity.
- I have done volunteer work for a charity.

Monetary aspects are the motivation or the drive that individuals get in order to do something on their own so that they can be rich. It seems people prefer choosing entrepreneurial carrier over the daily job if they want to make more money. Inspired by (Schwarz et al., 2009), (Lim and Teo, 2003), Douglas (1991). For measuring this, we had question which focused on importance of money and money being the motivational factor.

- Money is important
- Money is an important factor in the lives of all of us
- Money Represents my achievement
- Money is how we compare each other
- I am motivated to work hard for money
- It would be nice to be rich
- My life will be more enjoyable, if I am rich and have more money.

Many people desire for independence and new business startup is one of the reasons for that. (Douglas & Fitzsimmons, 2005). People love their freedom; they want to be their own boss. Many people are attracted towards entrepreneurial career in order to be their own boss. Inspired by (Douglas & Fitzsimmons, 2005), (Wilson et al., 2004). We also used the questions like

- It is very important for me to gain the freedom of being my own boss.
- Allows you to spend plenty of time away from work at rest or undertaking recreational activities.
- Allows you to earn enough money by doing the things that you like to do best
- Does not require you work long hours every day, such that you can spend plenty of time at home and/or taking part in social activities.

Righteousness is the level of faith that an individual has over religion perspective According to Uppal (2001, p. 20), “The people of South Asia are deeply religious and all facets of their lives including their endeavors to achieve material advancement are affected greatly by religious beliefs and values.”. Inspired by (Wibowo, 2017), (2001, p. 20). We use question like  
For measuring this we had question like

- In general, I consider myself very religious
- Compare to most of my peers I consider myself Very religious

### 3.4.3. Moderating variable

The relationship between experience, and entrepreneurial intention is moderated by self-efficacy, such that the higher the individual’s self-efficacy, the stronger the relationship between experience, and entrepreneurial intentions. Inspired by (Bandura, 1986; Chen et al., 1998(Ajzen, 1987). Vozikis (1994) (Minniti & Bygrave, 2001). We also used the questions like

- To start a firm and keep it working would be easy for me
- I am prepared to start a viable firm
- I can control the creation process of a new firm
- I know the necessary practical details to start a firm
- I know how to develop an entrepreneurial project
- If I tried to start a firm, I would have a high probability of succeeding

### 3.5. Data Analysis Method

Data analysis is carried out by using Structural equation Modeling. “Structural equation modeling (SEM) grows out of and serves purposes similar to multiple regression, but in a more powerful way which takes into account the modeling of interactions, nonlinearities, correlated independents, measurement error, correlated error terms, multiple latent independents each measured by multiple indicators, and one or more latent dependents also each with multiple indicators” (Gaskin, J., (2016)). Analysis like Exploratory factor analysis, Path Diagram, Confirmatory factor analysis and hypothesis testing are carried out. SPSS and AMOS are used as the means of software for the Analysis of data. AMOS is a statistical software which stands for Analysis of Moment Structure. AMOS is the added modules of SPSS and specially used for structural Equation Modeling, Path analysis and Confirmatory factor analysis.

## Chapter 4: Result and Finding

In this Chapter we analyzed and interpreted the data. We tried to answer the research question and tried to figure out whether we should accept or reject the hypothesis.

### 4.1. Descriptive finding

We handed out the questionnaire to 268 students, out of which 206 were taken as the sample size that approximately counts to 77% of the response rate. Out of total respondents, 55 percentage were female, and 45 percentage were male. In the Question, “Have you ever taken an entrepreneurship course and/or training before?”, 32 percent of responses were positive. That means they have/had been a part of entrepreneur course and 68 percent of them were not a part of entrepreneur course. Respondents were from different faculties out of which 19 percent were from Information technology, 30 percent were from Journalism, 37 percent were from Marketing and 14 percent were from Finance.

### 4.2. Data Screening

Data Screening was carried out from all the responses we received. Missing data were figured out. We went thoroughly through all the responses to check whether the respondents have filled out all the questions and the responses that were not complete were not included as a part of the sample. Normality test was carried out in order to find the normal distribution of data set. Skewness and Kurtosis was examined (Gaskin, J. 2016).

### 4.3 Factor Analysis

Factor analysis technique was carried out to summarize data and figure out the relationship and patterns of the variables. We used Exploratory Factor Analysis to identify the factors with the group of variables. Confirmatory factor analysis (CFA) is a statistical method used for verification

of the factor structure of a set of observed variables. We also used CFA for the analysis, which is used for testing the hypothesis of the relationship between observed variables and their underlying latent constructs. (Suhr, D. D. 2006)

#### 4.3.1. Reliability

Cronbach's alpha was used to measure reliability. “Cronbach’s alpha is a measure used to assess the reliability, or internal consistency, of a set of scale or test items.” (Chelsea Goforth.2015). Reliability is the degree to which construct measurement is free from and error and which help to provide consistent results. Also, if we have Cronbach’s alpha Value greater than 0.7 then we can say that we have a good reliability which is appropriate for exploratory analysis (Gaskin, J., 2016). All the alphas were above .07 in our test.

Factor Label	Cronbach’s alpha
Intention	.955
Self-efficacy	.952
Role Model	.952
Experience	.948
Altruism	.904
Religiosity	.951
Monetary Aspect	.867



Independence	.923
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Fig 2: Cronbach's alpha

### 4.3.2 Exploratory Factor Analysis

“Exploratory factor analysis (EFA) decomposes the covariance or correlation matrix of the centered values (residuals if the model includes covariates) of a sample of multivariate observations by relating these values to a smaller number of latent variables (‘factors’) that are interpreted on the basis of their relationships (‘loadings’) with the observed variables.” (O'Malley, A. J., & Neelon, B. H. 2014). With the use of SPSS, we conduct EFA. We use maximum likelihood with the Promax rotation on the factor analysis in SPSS to check the variable loaded together and its adequacy correlation.

Kaiser-Mayer Olkin Measure of sampling adequacy explains us to what extent our data is suited for factor analysis. Since, Kaiser-Mayer Olkin Measure of sampling adequacy plays an important role for accepting the sample adequacy, we got .891 from our data which implies that our data is adequate. Also, from communalities (Appendix 1) all the values are more than .3 so we can say that our data are adequate (Gaskin, J. 2016).

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.		.895
Bartlett's Test of Sphericity	Approx. Chi-Square	8908.002
	df	861
	Sig.	.000

Fig 3: KMO and Bartlett's Test

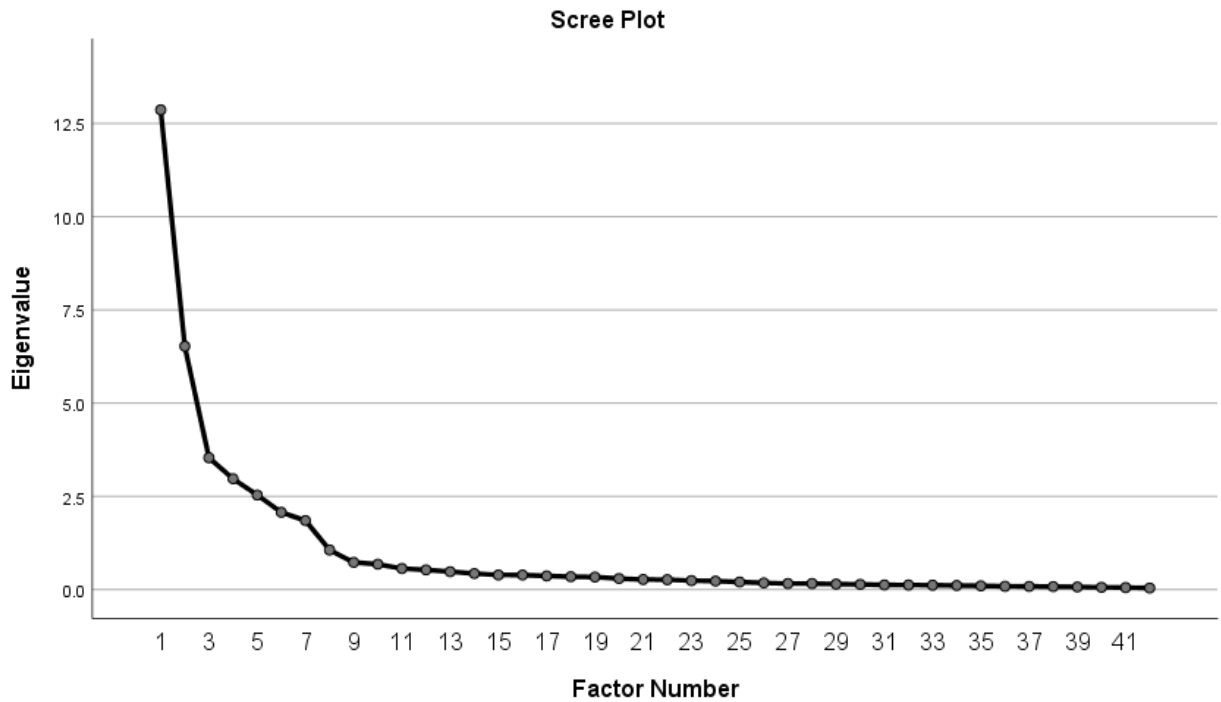


Fig 4: Scree plot figure of Exploratory Analysis

Scree Plot shows the Eigenvalue at the Y-axis and the component number on the X-axis. The point where the slope curve is clearly leveling off this indicate the number of factors that should be generated. With the help of table, we can decide number of factors to retain based on eigen value and cumulative percentage of variance. From the scree plot we retained Eight factors since scree plot graph shows eight factors are having Eigen value above 1.

Factor loading is stated through pattern matrix generated with the maximum likelihood extraction method and Promax rotation method. Pattern matrix (appendix 2) gives all the factors their loading items with similarity with Exploratory factor analysis. (Gaskin, J. 2016). Name of the factors were

Role model, Experience, Self-efficacy, Altruism, Intention, Independence, Monetary aspects and Religiosity.

Correlation matrix of all eight factors identified matrix with good correlations amongst factors. Also, from the evidence of discriminant validity, we can check from factor correlation matrix. If we take all the non-diagonals value into consideration, we can see that all of them don't have value above 0.7 (Gaskin, J. 2016).

**Factor Correlation Matrix**

Factor	1	2	3	4	5	6	7	8
1	1.000	.312	.434	.245	.472	.677	.006	.177
2	.312	1.000	.161	.479	.015	.561	-.152	-.075
3	.434	.161	1.000	-.040	.332	.502	.319	.317
4	.245	.479	-.040	1.000	.052	.189	-.166	-.089
5	.472	.015	.332	.052	1.000	.344	.082	.199
6	.677	.561	.502	.189	.344	1.000	.008	.126
7	.006	-.152	.319	-.166	.082	.008	1.000	.144
8	.177	-.075	.317	-.089	.199	.126	.144	1.000

Fig 5: Factor Correlation Matrix

#### 4.4 Structure Equation Model:

“Structural equation modeling (SEM) grows out of and serves purposes similar to multiple regression, but in a more powerful way which takes into account the modeling of interactions, nonlinearities, correlated independents, measurement error, correlated error terms, multiple latent independents each measured by multiple indicators, and one or more latent dependents also each

with multiple indicators. SEM may be used as a more powerful alternative to multiple regression, path analysis, factor analysis, time series analysis, and analysis of covariance.” (Gaskin, J., 2016). SEM has two types of model that is measurement model and the structural model. In measurement model we find the relationship between observed and unobserved variables. Measurement model can be represented as the Confirmatory Factor Analysis (CFA). From the Structural model we can specify how the latent variable directly or indirectly influence the value of another latent variable in the hypothesized model.

#### 4.4.1. Confirmatory Factor Analysis

Confirmatory factor analysis (CFA) is a statistical method used for verification of the factor structure of a set of observed variables. CFA is also used for testing the hypothesis of the relationship between observed variables and their underlying latent constructs. (Suhr, D. D. 2006)

Metric Observed	Value	Recommended
Cmin/df	1.652	Between 1 & 3
Comparative Fit INDEX (CFI)	.953	>.950
Root Mean Square Error of Approximation (RMSEA)	.056	<.060
PCLOSE	.078	>.050
Standardized Root Mean Residual (SRMR)	.0504	<.090

Tucker Lewis Index (TLI)	.946	>.950
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Fig 6: Model fit Table

We use different statistical fit to determine how well the model fits to the data. From the table above, we can say that our model is fit. All the value we got are acceptable.

#### 4.4.2. Validity and Reliability

	CR	AVE	MSV	MaxR(H)	int	role	self	alt	ind	exp	mon	rel
int	0.938	0.792	0.531	0.952	<b>0.890</b>							
role	0.952	0.800	0.531	0.972	0.729	<b>0.894</b>						
self	0.938	0.791	0.356	0.945	0.597	0.337	<b>0.889</b>					
alt	0.843	0.576	0.188	0.862	0.349	0.434	0.089	<b>0.759</b>				
ind	0.901	0.695	0.382	0.908	0.618	0.529	0.205	0.284	<b>0.834</b>			
exp	0.958	0.885	0.245	0.987	0.266	0.242	0.495	0.023	-0.003	<b>0.941</b>		
mon	0.876	0.588	0.071	0.887	0.016	0.042	-0.152	0.078	0.266	-0.181	<b>0.767</b>	
rel	0.951	0.867	0.097	0.956	0.125	0.137	-0.068	0.076	0.311	-0.056	0.150	<b>0.931</b>

Fig 7: Table of Regression

For testing Convergent Validity, we calculated the AVE. Since for all the factors we have the value of AVE above .5, we can evidence the convergent validity. For testing Discriminant validity, we calculated the Square root of AVE, since Square root of AVE is greater than interactor correlation on the matrix. (i.e. MSV < AVE). For reliability test we have evidence of Value of CR greater .70. (i.e. CR >.70).

We have convergent validity as evidence by AVE all above .5 i.e. AVE >.5

We have Discriminant validity as Square root of AVE greater than interactor correlation v on this matrix.

MSV < AVE

We have reliability as evidence by CR All above .7 i.e. CR > 0,7

#### 4.4.3. Common method Bias

Harman single factor test was used for checking the common method bias. We use SPSS for getting total Variance Explained. We can conclude that data does not consist of common method bias because the variance explained by single factor is less than 50 percent.

Total Variance Explained			
Factor	Extraction Sums of Squared Loadings		
	Total	% of Variance	Cumulative %
1	12.083	28.769	28.769

Fig 8: Total Variance Explained

#### 4.4.4. Hypothesis testing in Structural model

A research hypothesis is the hypothesis generated to specify the relationship between some specific variables which are taken from or is based on a particular property of a population or groups. It is a prediction which is more specific and testable. It is a tentative answer to the research question. Path analysis was carried out in Amos and for checking the model fit we observed following evidence.

Metric Observed	Value	Recommended
Cmin/df	1.631	Between 1 & 3
Comparative Fit INDEX (CFI)	.952	>.950
Root Mean Square Error of Approximation (RMSEA)	.057	<.060
PCLOSE	.063	>.050
Standardized Root Mean Residual (SRMR)	.0734	<.090
Tucker Lewis Index (TLI)	.945	>.950

Fig 9: Model fit table

We used different statistical fit to determine how well the model fits to the data. We can say that our model is fit because all the value we got are acceptable.

AMOS version 25.0 was used to assess the degree to which variable are related. The standardized regression weights are used since we can compare directly the relative effect of each independent variable on the dependent variable. (Gaskin, J., 2016).

Hypothesis	Standardized Estimate	S.E.	C.R.	P	Remarks
There is Positive relationship between Self efficacy and Experience	.500	.062	6.968	***	Accepted
There is positive relationship between Self-efficacy and Entrepreneurial Intention	.411	.050	7.407	***	Accepted
There is Positive relationship between Experience and Entrepreneur intention	-.057	.038	-1.093	.274	Reject
There is Positive Relationship between Role model and Entrepreneur intention	.455	.066	6.253	***	Accept
There is positive relationship between Altruism and Entrepreneur intention	.049	.036	.934	.350	Reject
There is positive relationship between Monetary aspect and Entrepreneurial intention	-.046	.052	-.935	.350	Reject
There is positive relationship between Independence and Entrepreneur intention	.333	.065	5.101	***	Accept
There is positive relationship between religiosity and Entrepreneur intention	-.004	.036	-.088	.930	Reject

Fig 10: Standardized Regression Estimates of the Model



Accordingly, we could see that Entrepreneurial Intention is significantly and positively associated with Self efficacy (standardized estimates = 0.50, C.R. = 7.407) and Self efficacy is significantly and positively associated with Experience (standardized estimates = 0.062, C.R. = 6.968). Thus, Hypothesis 1a and Hypothesis 1c are accepted. Also, Entrepreneurial Intention significantly and positively is not associated with Experience (standardized estimates = 0.50, C.R. = 7.407). So H1b is rejected. Similarly, Role model and entrepreneurial intention (standardized estimates = 0.66, C.R. = 6.253) and Independence and entrepreneurial intention (standardized estimates = 0.65, C.R. = 5.101) have significant and positive relationship so H2 and H5 are accepted. Further, Altruism and entrepreneurial intention (standardized estimates = 0.36, C.R. = .934), Monetary Aspect and entrepreneurial intention (standardized estimates = 0.52, C.R. = -.935) and Religiosity and entrepreneurial intention (standardized estimates = .036, C.R. = -.088) were not significant. So H3, H4 and H6 are rejected. The result we derived from our hypothesis and testing is presented in the figure below:

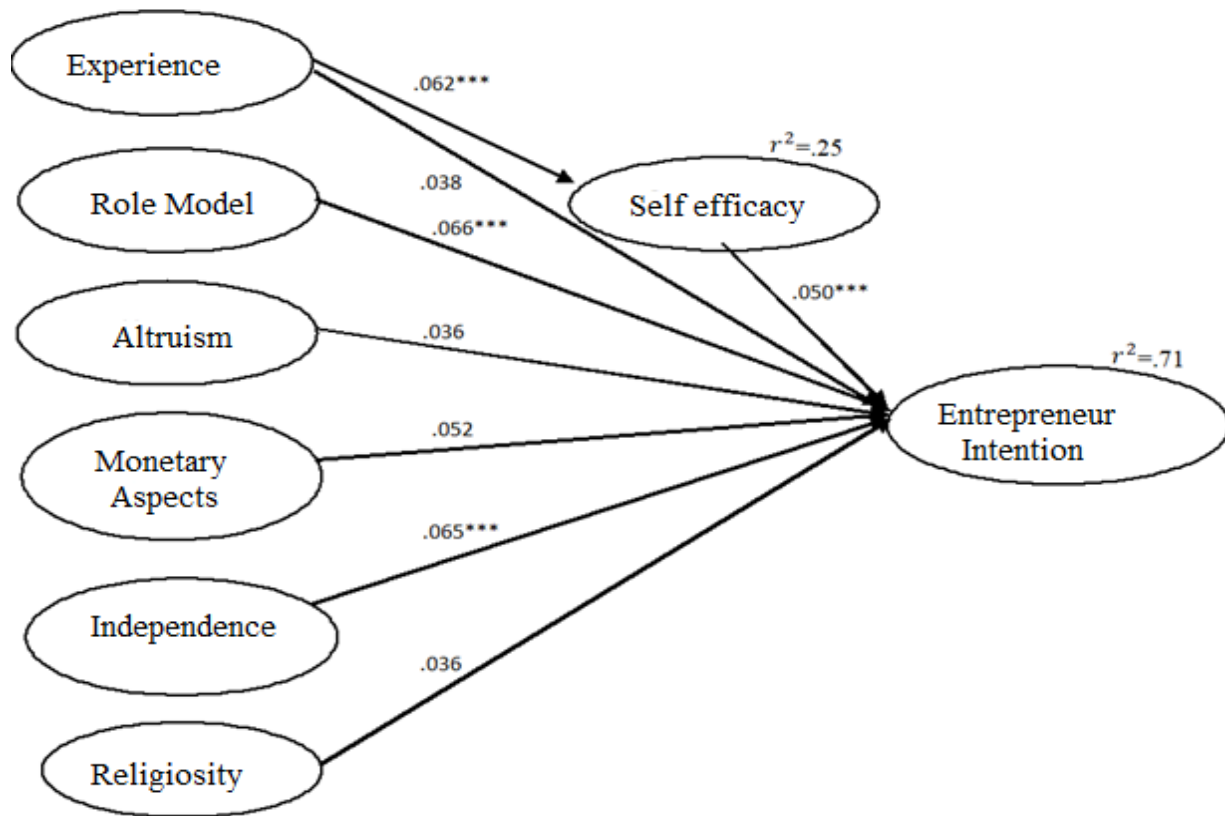


Fig 10: Proposed model with result

From the table we can identify that four of our hypotheses were accepted and four of them were rejected. We could figure out that the relationship between experience and self-efficacy, self-efficacy and intention, role model and intention and independence and intention seem to be significant. So, this hypothesis was accepted. Religiosity, Experience, Monetary aspect and Altruism do not seem to be significant, so we reject this hypothesis. Here in the above figure, we can see the relationship between the factors that we have established from our survey. Many factors are accepted and has certain relationship with each other, and many are rejected.

Self-efficacy is the degree of belief a person has in their skills and ability to perform those skills (Bandura, 1997). Bandura (1994) describes four sources of self-efficacy. Mastery experience, Vicarious experience, Verbal (or social) persuasion, and Physiological/affective states, as stated earlier. There is a positive relationship between self-efficacy and experience. With experience come self-efficacy. People encounter different things in the different stages of life. They gain experience from everything they do. Once they gain experience, they gain confidence and trust their instincts and trust themselves. Experience boosts self-efficacy in a person. Therefore, there is a positive relationship between self-efficacy and experience. Self-efficacy is achieved through experience.

In our finding we can see that there is also a positive relationship between self-efficacy and entrepreneurial intention. If a person trusts his/her inner instinct or we can say that if a person believes that s/he can achieve something, then there arises an intention to do something. Self-efficacy boosts one's intention to become an entrepreneur.

Political instability is a major issue today in the country (Nepal). As mentioned earlier in the business environment section, according to the United States Investment Climate Statement (2013), foreign investment is mainly hampered by political instability, labor unrest, continuing bureaucratic delays and inefficiencies, pervasive corruption, and perennial power shortages. Therefore, despite of having experiences, people hesitate to spend in a new project. They don't want to risk their resources and money in a new business.

Job security may also be another reason. If someone works for a company, s/he do not have to worry about their monthly pay. They are somewhat secured and sure that they will get a certain amount by the end of the month. They also would not be responsible and do not have to bear the losses incurred by the company. Therefore, there is a negative relationship between experience and entrepreneurial intention.

We are all influenced by someone in our life, be it a family member, a friend or a famous person. And we consider them as a role model. We want to be like them, we try to act like them to some extent and we are influenced by their works. These are our role models. Role models directly or indirectly enhance our intention to become an entrepreneur. There is a positive relationship between role models and entrepreneurial intention.

Money is always a motivator. People work to earn money. It may not be true for 100% of the population, but it is true in a general scenario. But in our case study, monetary aspect is rejected. It may be because people do not always work for money, some may prioritize quality of life over financial and material things. According to Behavioral research, only temporary compliance is produced by money, incentives and rewards.

Second reason may be that different people are motivated by different things. “Motivation is much less about external prodding or stimulation, and much more about what’s inside of you and inside of your work.”-Clayton Christensen

Third reason may be Growth. We may not be motivated to do anything, if our work has no purpose. We always need to feel like we are growing somehow and moving forward. Therefore, people may work to grow more rather than looking for money.

Altruism is all about helping others selflessly. Different people have different motives to establish a business. And those motives may differ from place to place, cultures to cultures and countries to countries. According to our survey, there is no significant relationship between altruism and entrepreneurial intention. This may be because people first want to grow themselves before thinking about others. They want to make themselves able to help others before helping them.

In our finding, we can see that there is no significant relationship established between religiosity and entrepreneurial intention. The population of Hindus in Nepal is comparatively higher than other religions which is approximately 81%. The so-called cast system is still in practice in Nepal that is there the existence of division of labor, according to which people follow the occupation that has been followed by the people of their cast since the early period of time. This limits the

innovative ideas according to Audretsch, D. B., Boente, W., & Tamvada, J. P. (2007) in their paper Religion and Entrepreneurship. But in contrast, Islamic religion views entrepreneurial intention positively according to Mohd Dali, N. R. S., Abdullah, M., Hisham, S., Azman, A. R., Nordin, S. N., Muhammad, I., & Farah, M. Y. (2014) in their paper “The relationships between religiosity and entrepreneurial intention”. Because of the domination of Hindu religion in Nepal, we found that the relationship between religiosity and entrepreneurial intention is not significant.

## Chapter 5: Conclusion:

The main purpose of our study was to depict the relationship between the independent variables that has positive or negative effect in entrepreneurial intentions among university students in Nepal. Our findings provided the hypothesized relationship between self-efficacy, experience, role model, religiosity, independence and entrepreneurial intention among students in Nepal. More specifically, this study demonstrated positive relationship between independence and entrepreneurial intention. And showed that despite of being a moderating variable, Self-efficacy also has a positive relationship with the entrepreneurial intention, and it plays a vital role in enhancing the students' intention to become an entrepreneur.

The findings of our studies may be valuable for any entrepreneurial educators. The positive and influential relationship between independence and entrepreneurial intention shows that independence is very much important for any idea to flourish. Especially in the countries like Nepal, where independence is not valued much, people struggle a lot to become independent. Let us take an example;

Nepal has the third highest rate of child marriage in Asia—37 percent of girls marry before 18, and 10 percent by 15. In 2016, the government launched a national strategy to end child marriage by 2030, but action on operationalizing and implementing the plan has since stalled (World report of 2019 by Human Rights Watch). People are still forced to work or do things against their will. Being a male dominated nation, mostly females must face such problems. Independence is lacking. They must face many restrictions even in order to do a simple work. Therefore, education regarding the importance of independence is very much necessary. And “Independence” is one of the major variables that elevates entrepreneurial intention.

## 5.1. Limitation of Study and Future Research Direction:

Although this paper provides a good knowledge and understanding about the factors that directly or indirectly affect entrepreneurial intentions among students in Nepal, it has few limitations too. Firstly, while conducting the questionnaire, a total of 268 samples were collected but among those we took only 206 samples for our testing. This is because few of them were not reliable samples, they were not filled out properly. Taking a bigger sample for testing would have been time consuming. Therefore, because of time constraint, we were only able to take a limited number of samples from the students in Nepal.

Second, we only used university students as the participants of this survey which may affect the measuring of the actual career choice because the actual intention of those students may change later in their life.

Finally, even though the questionnaire used for the survey in this paper is valid and reliable, it may not have captured all the aspects or capabilities, or skills required in order to establish a business.

Further research can examine whether the model that has emerged from this study is reliable or can explain the entrepreneurial intentions in other context but not just in the universities. Further studies should be done to find out whether the students having entrepreneurial intentions establish business in the future or not. Not only that, further research should also examine other hypothesized mechanisms such as outcome expectations (physical, social, and self-evaluative) and socio-structural factors (facilitators and impediments) through which self-efficacy influences entrepreneurial behavior (Bandura 2012).

# Appendix

## Appendix 1 Communalities

	Extraction
intention1	.771
intention2	.834
intention3	.837
intention4	.861
intention5	.862
intention6	.834
selfefficacy2	.831
selfefficacy3	.842
selfefficacy4	.867
selfefficacy5	.831
Independence1	.670
Independence3	.687
Independence4	.627
Independence5	.740
Independence7	.780
Independence8	.669
Rolemodel3	.829
Rolemodel4	.898
Rolemodel5	.876
Rolemodel6	.943
Experience1	.874
Experience2	.832
Experience3	.902
Experience5	.870
Alturism2	.630
Alturism4	.732
Alturism5	.687
Religiosity1	.873
Religiosity2	.864



Religiosity3	.865
Religiosity4	.832
Religiosity6	.894
Religiosity7	.833
monetaryaspect6	.783
monetaryaspect7	.943
monetaryaspect8	.787

Pattern Matrix<sup>a</sup>

Appendix 2

	Factor							
	1	2	3	4	5	6	7	8
Rolemodel_E	.981							
Rolemodel_C	.951							
Rolemodel_D	.894							
Rolemodel_B	.859							
Rolemodel_A	.749							
rolemodel	.677							
Selfefficacy_C		.927						
Selfefficacy_B		.927						
Selfefficacy_A		.877						
Selfefficacy_D		.835						
Selfefficacy		.807						
Independence_C			.900					
Independence_F			.874					
Independence_G			.788					
Independence_D			.769					
Independence_A			.713					
Independence_E			.708					
Experience_D				.969				
experience_B				.964				
Experience				.907				
Experience_A				.872				
Experience_C				.700				
Altrismus_G					.862			
Altrismus_F					.839			
Altrismus_C					.796			
Altrismus_H					.751			
Altrismus_I					.690			
Altrismus_A					.617			
Intention_C						.926		
Intention_D						.877		
Intention_B						.839		
Intention_E						.828		
Intention_A						.794		
Intention						.650		
MonetaryAspect_D							.839	

MonetaryAspect_F							.828	
MonetaryAspect_B							.802	
MonetaryAspect_C							.660	
MonetaryAspect_E							.640	
Religiosity_A								.960
Religiosity								.932
Religiosity_B								.922

## Reflective Notes:

Being an entrepreneur is a choice. Many people choose to become an entrepreneur over regular jobs (working for other organizations). In this paper, we have focused mainly on the intentions of students to become an entrepreneur. Different people have different opinions and they are influenced by different factors. Here in this paper, we first tried to find out the factors influencing entrepreneurial intentions and the relationship between those factors. We did a small survey among the students of Nepal who were in their final year of bachelor's degree. We carried out the survey among 268 students. We prepared a questionnaire with the help of our supervisor and used that for our survey. Carrying out the survey was not an easy task, but we finally were able to accomplish it with the help of friends and families.

From the survey, we were able to find out different factors that directly or indirectly affected entrepreneurial intentions among undergraduate students in Nepal. The focus of this paper is to find out the factors/ independent variables that directly or indirectly affect entrepreneurial intentions. We found many factors that has positive and many factors that have negative relationship with entrepreneurial intention. We also ran several tests to confirm the relationship between these independent variables with entrepreneurial intention. Many of them were accepted and many of the obvious factors were rejected. Factors like self-efficacy, role model, independence were accepted and factors like Experience, Altruism, Monetary aspect and religiosity were rejected.

From our research we concluded that, independence is an important factor for any entrepreneurship intention to flourish in the countries like Nepal. People value their independence. And with independence comes self-efficacy. If people are independent, they do things in their own way, they live their life in their own way which further teaches them to trust their abilities. And this brings confidence in them to carry out different tasks and that may further give rise to the intention to become an entrepreneur. Not only that, we are motivated or influenced by different people in our

lives. Everyone has their role model whom they follow and appreciate. Role model may be family members, friends or any famous personalities. We are directly or indirectly influenced by our role models in our life. We want to be like them and do something as they do it. So, role models are the biggest influencing factor that give rise to entrepreneurial intention in an individual.

Similar survey is carried out in different countries like Indonesia, Spain, China, Italy etcetera. The factors that has positive significant relationship with entrepreneurial intention in the context of Nepal may not be the same as other countries. For example, entrepreneurial intention among the students in Indonesia is stronger compared to that of Norwegian students because the social status and salary payment enjoyed by the employees is higher compared to those of the entrepreneurs (Kristiansen, S., & Indarti, N. (2004)).

Entrepreneurship is all about innovation. Innovation is not merely the ideas but the ideas that are brought into action. In this paper we have discussed about the general ideas or the intentions that are generated because of the influence of the different factors. Students are the entrepreneurs of tomorrow. Therefore, we tried to study their opinions through our questionnaire in this research. Learning and innovation go hand in hand. “Innovation comes out of great human ingenuity and very personal passions” says Megan Smith. We have tried to depict the factors that influence students’ intention to become an entrepreneur. Just having an extraordinary idea is not enough to be an entrepreneur. There are different factors that must support those ideas and a favorable environment for those ideas to flourish. Therefore, here we have tried to establish a relationship between those factors and their compatibility with entrepreneurial intention.

Entrepreneurship is all about paving the path for the future entrepreneurs. Half of the new businesses fail, but those that succeed can be the example and creator for the other businesses. Some businesses can also learn from the failure of the other. Therefore, being an entrepreneur is not as easy as it seems to be. It brings more responsibilities. Older businesses set an example for the new ventures. Not only that, they contribute a great deal in uplifting the countries’ economy.

There are certain ethical and cultural factors as well that has affected entrepreneurial intention among students in a significant way. For example, different cultures have different religions, their beliefs are different. In Christianity, Bible asks people to work and earn their own living.

As mentioned earlier, further research can examine whether the model that has emerged from this study is reliable or can explain the entrepreneurial intentions in other context but not just in the universities. Further studies should be done to find out whether the students having entrepreneurial intentions establish business in the future or not. Not only that, further research should also examine other hypothesized mechanisms such as outcome expectations (physical, social, and self-evaluative) and socio-structural factors (facilitators and impediments) through which self-efficacy influences entrepreneurial behavior (Bandura 2012).

MSc in Business Administration at University of Agder provided us with the opportunity to learn about business, innovation, internationalization, responsibility and ethics. We have tried to present our knowledge regarding the “Factors affecting entrepreneurial intentions among students in Nepal” in this paper.

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