

Social Entrepreneurial Intent

Social Entrepreneurial Intent:

What drives Indian Students

By

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To my parents, for their unshakeable faith.
And to my wife and daughter, for their love and light.

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This book is dedicated to changemakers who continue to push the boundaries of possibility in social entrepreneurship. May it serve as both a companion and a catalyst in your journey.

Thank you, all of you, for being part of mine.

CHAPTER ONE

SETTING THE STAGE

Background

India is a vibrant hub for social enterprises, leading the world in their number and constantly innovating to tackle pressing social and developmental issues across a multitude of sectors (Bhalla, 2014). These enterprises are the brainchild of social entrepreneurs—passionate individuals who craft business models that are not only efficient and sustainable but also geared toward addressing unmet societal needs. Unlike conventional businesses, their primary focus is social impact rather than profit (Mair & Marti, 2006; Prabhu, 1999).

Take Sulabh International, for example—a shining beacon in the realm of social entrepreneurship. Founded by Bindeshwar Pathak in 1970, Sulabh International was born out of a vision to eradicate the inhumane practice of manual scavenging and to revolutionize sanitation in India. The harsh reality in India was that poor sanitation plagued millions, giving rise to over 50 diseases such as diarrhoea, typhoid, and cholera. The situation was especially grim for rural women, who were forced to resort to open defecation during pre-dawn or post-sunset hours, enduring not only health risks but also a severe compromise of dignity and safety. Furthermore, the grim practice of manual scavenging, predominantly carried out by certain marginalized communities as a hereditary occupation, highlighted entrenched social inequities (Pathak, 2001).

In response, Pathak's Sulabh International introduced affordable and safe sanitation technologies, bringing about a revolutionary change. Over the last 45 years, Sulabh has created an expansive and commercially viable sanitation model. The Sulabh Sanitation Movement has led to the construction of 1.3 million household toilets, designed 54 million government toilets, and established more than 8,000 community toilet blocks. As a result, 640 towns have been declared free of manual scavenging, and 15 million people now use pay-per-use toilets every day

(Pathak, 2013). Impressively, Sulabh's public toilets achieve financial breakeven within 8-9 months, with the organization now valued at over Rs. 300 Crores (Krishna, 2014).

Beyond improving sanitation, Sulabh International has also played a pivotal role in social rehabilitation. The organization proudly claims to have liberated over 60,000 individuals from the shackles of manual scavenging, helping them reintegrate into society with dignity (Kothandaraman & Vishwanathan, 2007). Sulabh's journey is a testament to how innovative and sustainable business models can effectively address deep-rooted social issues.

Sulabh is just one among many social enterprises in India that are making a difference. Conserve India is another notable example. Originally focused on reducing plastic pollution, Conserve India employs rag pickers to collect and segregate plastic waste, providing them with fair wages and identity cards. This initiative not only tackles environmental challenges but also uplifts marginalized communities by offering them a stable livelihood and a sense of identity.

The impactful work of such social enterprises has not gone unnoticed. Prestigious platforms like the Tata Social Enterprise Challenge and the India Social Entrepreneur of the Year award recognize and promote these innovative solutions. These initiatives celebrate the efforts of social entrepreneurs, emphasizing the importance of sustainability and scalability in creating lasting social impact.

India's social entrepreneurship ecosystem is among the most dynamic globally, with an estimated 2 million social enterprises actively contributing to the country's development (Intellect, 2019). However, despite this thriving environment, there's a pressing need for deeper research into the motivations and intentions behind social entrepreneurship, especially among the younger generation, such as Indian students. This study aims to delve into these aspects, uncovering what drives the next wave of social entrepreneurs in India.

Defining Social Entrepreneurs and Social Entrepreneurship

To truly appreciate the role of social entrepreneurship, it's crucial to understand what it entails. At its core, social entrepreneurship is about addressing societal challenges by operating within market systems (Ernst,

2011). It steps in where traditional businesses, driven by profit motives, and governments, often limited by bureaucratic priorities, fall short in meeting societal needs (Mair and Marti, 2009; Weerawardena, McDonald, & Mort, 2010). This dynamic creates what scholars call an "institutional void," a gap that social entrepreneurs aim to fill.

While scholars offer various definitions, they all agree on the essence: social entrepreneurship is about creating social value through innovative solutions. Boschee (1995) describes social entrepreneurs as individuals who skillfully balance ethical obligations with the realities of the market, ensuring their ventures contribute to the greater social good. Similarly, Bornstein (2004) highlights that these individuals use traditional entrepreneurial activities to tackle social problems, while Perrini (2006a) emphasizes their role in generating new value by driving transformation.

Dees (1998) provides a more detailed characterization, viewing social entrepreneurs as change agents in the social sector. They are mission-driven, relentlessly seeking new opportunities to create social value, and they operate with a mindset of constant innovation, adaptation, and learning. Dees also points out their strong sense of accountability to those they serve, which distinguishes them from conventional entrepreneurs. This accountability ensures they measure success not just by financial returns but by the tangible social impact they create.

Mort, Weerawardena, and Carnegie (2002) take a multidimensional view of social entrepreneurship, highlighting its blend of entrepreneurial spirit and social purpose. They stress the importance of clear purpose, ethical action, and the ability to create social value through innovative, proactive, and sometimes risky decision-making.

The Emergence of Social Entrepreneurship

The concept of social entrepreneurship might seem modern, but its roots stretch back centuries. Bornstein and Davis (2010) argue that what we now call social entrepreneurs were once known as visionaries, philanthropists, and reformers. This idea emerged during the Enlightenment in the 17th century, a time when private sector entrepreneurship began to rise in response to the constraints of feudalism, religious dominance, and social injustices like slavery. As private enterprise expanded, governments shifted their focus away from social responsibilities, leading to gaps that non-profits and humanitarians sought to fill.

In India, the seeds of social entrepreneurship can be traced back to ancient times, when kings used public taxes to address social needs. This practice reflected a belief in the state's role in social welfare. However, even after India's independence, social inequalities rooted in caste and class remained prevalent, underscoring the limitations of government, private sector, and non-profit efforts in addressing these deep-seated issues.

The modern wave of social entrepreneurship gained significant traction with Mohammed Yunus's pioneering work in Bangladesh. Yunus's creation of the Grameen Bank revolutionized the way we think about poverty alleviation. By offering microloans to the poor, he enabled them to start small businesses, transforming them into entrepreneurs who could lift themselves out of poverty. This model, which sustained itself through interest payments, provided a new lens for viewing not-for-profit ventures.

Bill Drayton, founder of Ashoka, played a pivotal role in popularizing the term "social entrepreneurship." Ashoka has since become a global beacon, supporting social entrepreneurs by providing business consulting, networking, and financial backing. This support network has spurred the growth of social entrepreneurship worldwide, with numerous organizations now offering funding, infrastructure, and opportunities for collaboration.

Major Organizations Supporting Social Entrepreneurship

Several key organizations have been instrumental in fostering social entrepreneurship globally. Table 1.1 lists some of these influential entities:

Organization	Founder	Founding Year	Location
Ashoka	Bill Drayton	1980	USA
Skoll Foundation	Jeff Skoll	1999	USA
Omidyar Network	Pierre Omidyar	2004	USA
Schwab Foundation for Social Entrepreneurship	Klaus Schwab	1998	Switzerland

These organizations provide essential support to social entrepreneurs, helping them scale their impact and create sustainable solutions to some of the world's most pressing problems. Their work underscores the growing

recognition and importance of social entrepreneurship in today's global landscape.

Social Entrepreneurship and Commercial Entrepreneurship

Social entrepreneurship and commercial entrepreneurship may seem similar at first glance, but they differ fundamentally in their missions, approaches, and impact. Austin, Stevenson, and Wei-Skillern (2006) outline four key distinctions:

1. **Market Failure:** Both social and commercial entrepreneurship emerge from different types of market failures. Social entrepreneurship addresses societal needs unmet by the market due to a lack of profitability, whereas commercial entrepreneurship thrives on market opportunities for profit.
2. **Mission:** The primary mission of social entrepreneurship is to create social value and address societal issues, while commercial entrepreneurship focuses on profit generation.
3. **Resource Management:** Social enterprises often face constraints in managing financial and human resources, as they prioritize mission over profits, leading to challenges in offering competitive compensation.
4. **Performance Measurement:** Measuring social impact is inherently more complex than the straightforward financial metrics used in commercial entrepreneurship. Social enterprises must assess qualitative and long-term outcomes.

According to Dees (1998), the social mission is explicit and central for social entrepreneurs. For business entrepreneurs, profit is the ultimate goal, with social impact being a means to achieve it. Brown and Covey (as cited in Prabhu, 1999) contrast the two, highlighting that while commercial enterprises focus on products and services for financial viability, social entrepreneurial organizations aim to bring transformative change to their environment.

Nicholls (2006) points out two defining traits of social enterprises: a strategic focus on social impact and innovative approaches to achieving their missions. In contrast, commercial enterprises often prioritize wealth

maximization and may not prioritize innovation as a core strategy. Chell (2007) emphasizes that the centrality of the social mission sets social enterprises apart, while Santos (2012) notes that commercial ventures aim for value capture, whereas social enterprises strive for value creation that benefits society.

Doherty, Haugh, and Lyon (2014) argue that social enterprises embody a dual mission of serving a social cause while maintaining financial sustainability. This duality makes them hybrid organizations, as described by Pache and Santos (2012), blending elements of private, public, and non-profit sectors.

The Social Entrepreneurship Landscape in India

India, home to a significant rural population, faces numerous challenges related to basic infrastructure, such as sanitation, healthcare, and electricity (Intellectap, 2018). These deficiencies contribute to socio-economic underdevelopment, resulting in widespread poverty, unemployment, and illiteracy. Over the past two decades, the emergence of social enterprises has played a crucial role in addressing these issues, driving social and economic development for underserved communities.

India's social entrepreneurial movement has gained considerable momentum, with nearly 2 million social enterprises addressing critical needs (Intellectap, 2018). These enterprises have significantly improved access to essential services for marginalized populations, driven by a dynamic start-up ecosystem, supportive policies, and increased investment from domestic and international sources.

Investment in scalable and sustainable social start-ups has surged, with social enterprises raising \$1.6 billion in equity capital from 2004 to 2011 (Intellectap, 2019). This vibrant ecosystem includes not only entrepreneurs but also a network of support providers offering financial and non-financial assistance. The government plays a crucial role by maintaining a regulatory framework and monitoring impact sectors, while academic institutions, incubators, and corporate partners contribute to the ecosystem.

Despite its potential, social entrepreneurship in India faces significant challenges, including limited access to financial support and skilled manpower. Regulatory hurdles, such as those posed by demonetization and the Goods and Services Tax (GST), further complicate growth. Many social enterprises struggle with funding, often available only to successful

ventures, and a perception issue where beneficiaries expect free services akin to those offered by NGOs.

A major obstacle for social entrepreneurs in India is the lack of a distinct legal framework. Social ventures must register under existing laws, such as the Societies Registration Act of 1860, The Companies Act of 1956, or The Indian Trusts Act of 1882 (Mary et al., 2017), complicating the process for establishing social enterprises.

The Importance of Understanding Social Entrepreneurial Intentions

India is a land of stark contrasts—an emerging economy with vast human potential but plagued by persistent social and environmental challenges. Despite advancements in technology and economic reforms, issues like poverty, unemployment, and environmental degradation persist, calling for innovative, multidisciplinary approaches. Social entrepreneurship emerges as a vital solution to these pressing problems, offering affordable and sustainable ways to improve societal well-being.

Understanding the motivations and intentions behind social entrepreneurship is crucial for fostering this sector. By exploring what drives individuals to embark on social entrepreneurial journeys, we can better support and cultivate this field, enhancing its contributions to India's socio-economic development.

Exploring the Motivations Behind Social Entrepreneurship

India's mounting social challenges necessitate innovative solutions, many of which are provided by social entrepreneurs. However, the motivations behind choosing this path remain under-explored. This study seeks to uncover the determinants of social entrepreneurial intentions, particularly among Indian students, who represent a promising pool of future social entrepreneurs.

By examining these intentions during the pre-founding phase of social enterprises, we aim to offer insights that could shape social entrepreneurship education and support systems, ultimately fostering a robust ecosystem capable of driving socio-economic change in India and other developing countries facing similar challenges.

Objectives of the Study

Imagine a world where young people are inspired to tackle pressing societal problems through innovative solutions. This study dives into understanding what drives students to take up the noble path of social entrepreneurship. Here's what the study aims to uncover:

1. **Pinpointing Influencers:** What sparks the desire to become a social entrepreneur? The study aims to identify the key factors that influence these intentions, like a detective uncovering hidden clues in human motivation.
2. **Building a Roadmap:** Using these insights, the study aims to create a clear, detailed model to explain how social entrepreneurial intentions are formed, much like sketching a map to guide future changemakers.
3. **Assessing the Ripple Effect:** It's not just about identifying factors; the study also examines how these elements impact students' intentions, like ripples spreading out from a stone dropped in water.
4. **Unpacking the Mediation Mystery:** What role do attitudes play in shaping intentions? This study dives deep to explore how attitudinal factors mediate the journey from awareness to action.

Limitations of the Study

Every research project has its boundaries, like a stage with curtains that define the scene. While this study sheds light on important aspects of social entrepreneurial intentions, it's essential to recognize its limits:

1. **A Focus on India:** The study looks only at Indian students, which means its findings might not fully apply to other countries with different cultural or economic contexts.
2. **The Final-Year Lens:** The sample includes only final-year business students from undergraduate and postgraduate programs, offering a narrow perspective that might not capture the broader student population.

3. **Small but Insightful:** With 294 participants, the sample size provides valuable insights, but it's not large enough to claim universal truths.
4. **Snapshot in Time:** Since the data was collected at a single point, it doesn't account for how intentions might evolve over time.
5. **Self-Reported Data:** The study relies on students' own accounts of their motivations, which can sometimes be influenced by biases or inaccuracies.

Despite these limitations, the research offers a valuable starting point for understanding social entrepreneurial intentions, paving the way for future studies to build on its findings.

Chapters

This research unfolds like a story, told across six chapters, each adding a piece to the puzzle of understanding social entrepreneurial intentions.

Chapter One: Setting the Stage

The opening chapter paints a vivid picture of the challenges India faces, from poverty to illiteracy. It introduces the concept of social entrepreneurship and showcases inspiring examples of changemakers who've tackled these problems head-on. The chapter also outlines the study's objectives and acknowledges its boundaries, setting the foundation for the journey ahead.

Chapter Two: Understanding Social Entrepreneurial Intent and associated Factors

Here, we dive into the world of intentions—what they mean, why they matter, and how they drive entrepreneurial actions. By exploring existing research, this chapter connects the dots between entrepreneurial intentions and the specific motivations behind social entrepreneurship.

Chapter Three: Conceptual Model and Theoretical Framework

Like assembling the pieces of a puzzle, this chapter develops the conceptual model that guides the study. Drawing from Ajzen's **Theory of Planned**

Behavior (1991) and using Pareto analysis, it identifies the key factors influencing social entrepreneurial intentions and explains how they interact.

Chapter Four: Research Design and Data Collection

Every great study needs a solid plan. This chapter explains how the research was conducted, from designing a detailed 66-item questionnaire to using powerful statistical tools like SPSS 23.0 and AMOS 23.0 for analysis. It's like laying out the detective's toolkit before solving a mystery.

Chapter Five: Insights into Social Entrepreneurial Intent

In this chapter, the findings come to life through tables, figures, and models. Confirmatory factor analysis sharpens the focus on key variables, while Structural Equation Modeling tests the hypotheses. By analyzing demographic differences through t-tests and ANOVA, the chapter offers rich insights into what drives social entrepreneurial intentions.

Chapter Six: Implications and Future Directions

The story concludes with reflections on what the findings mean for social entrepreneurship in India. This chapter discusses the study's contributions to the field and highlights practical implications for educators, policymakers, and aspiring social entrepreneurs. It also sets the stage for future research, encouraging others to continue exploring this dynamic field.

CHAPTER TWO

UNDERSTANDING SOCIAL ENTREPRENEURIAL INTENTIONS AND ASSOCIATED FACTORS

The Rise of Social Entrepreneurship: Understanding Intentions

Social entrepreneurship is like a young tree growing in the vast forest of business and innovation. While the broader field of entrepreneurship has been around for centuries—rooted in principles like innovation, risk-taking, and recognizing opportunities—social entrepreneurship is still finding its shape. It's not just about making profits; it's about solving social, environmental, and community challenges in a sustainable way.

Even though social entrepreneurship has gained significant attention in recent years, it is still in the process of defining itself. Researchers and practitioners are working to establish its boundaries, refine its theories, and build practical frameworks that can guide future changemakers.

The Puzzle of Intentions: Why Do Some People Choose Social Entrepreneurship?

In the world of entrepreneurship research, one key area of focus has been **entrepreneurial intentions**—essentially, the mental commitment someone makes to start a business. For traditional businesses, researchers have explored this concept extensively, understanding what drives people to launch their own companies. But when it comes to **social entrepreneurial intentions**, the picture is less clear, especially in a country like **India**, where social challenges are widespread and deeply rooted.

What makes someone decide to start a **social enterprise** rather than a traditional business? The answer isn't just about financial gain—it often includes a strong desire to create **positive societal impact**. Yet, research in this area is still developing, leaving many questions unanswered.

Why Do Intentions Matter?

Intentions are more than just fleeting thoughts—they are the mental roadmaps that guide individuals toward taking action. In psychology and entrepreneurship research, **intentions are seen as powerful predictors of future behavior** (Ajzen, 1991; Krueger et al., 2000). This is especially true in social entrepreneurship, where people act not just out of personal ambition but out of a deep commitment to solving societal issues.

Think of it this way: Before someone starts a social venture, they must first **believe** that they can make a difference. They must also **feel compelled** to act, and they must see a **path forward** to bring their ideas to life. These mental steps—belief, motivation, and clarity of purpose—are all part of the formation of social entrepreneurial intentions.

Social vs. Traditional Entrepreneurship: A Different Mindset

While **traditional entrepreneurs** focus primarily on **economic success**, **social entrepreneurs** are driven by a different mission: solving real-world problems through innovative, sustainable solutions. This distinction means that the motivations behind **social entrepreneurship** are unique. They are shaped by:

- **Personal values** – A sense of empathy, justice, or social responsibility.
- **Socio-economic conditions** – Awareness of the pressing issues in society.
- **Perceived societal needs** – Understanding where help is needed and how business solutions can address those gaps.

To truly promote and strengthen the **social entrepreneurship ecosystem**, it's essential to understand these motivations and how they translate into action.

Unpacking the Framework: What This Chapter Covers

This chapter dives deep into the **science of entrepreneurial intentions** to uncover what drives people toward social entrepreneurship. It explores:

1. **The psychological factors behind intentions** – What goes on in the minds of aspiring social entrepreneurs?
2. **The influence of social and environmental factors** – How do culture, economic conditions, and social norms shape these intentions?
3. **Existing intention-based models** – What frameworks have researchers used to explain entrepreneurial behavior, and how do they apply to social entrepreneurship?

One of the key theories discussed is **Ajzen's Theory of Planned Behavior (TPB) (1991)**, which explains how attitudes, social norms, and perceived control influence whether someone takes action. This theory has been widely used in entrepreneurship research, and it provides valuable insights into the mindset of social entrepreneurs.

By the end of this chapter, we will have a clearer understanding of the **factors that drive social entrepreneurial intentions**, helping educators, policymakers, and aspiring changemakers foster a more **impact-driven entrepreneurial culture**.

The Power of Intentions in Entrepreneurship: The Invisible Force Behind New Ventures

Imagine an entrepreneur standing at the edge of a diving board, staring at the water below. The decision to take the leap—whether into a new business or a social venture—isn't made in an instant. It starts much earlier, in the **mind**, as a strong, persistent intention. This **mental roadmap** shapes everything that follows, from researching ideas to taking concrete action.

For decades, researchers have recognized **intentions** as one of the most reliable predictors of human behavior. In entrepreneurship, this concept plays a crucial role in explaining **why and how** individuals decide to start new ventures. Simply put, **if someone has a clear intention to become an entrepreneur, they are far more likely to take action**. But what exactly influences these intentions?

Intentions: The Blueprint for Entrepreneurial Action

Sutton (as cited in Fini, Grimaldi, Marzocchi, & Sorero, 2009) described intentions as a **cognitive roadmap**—a guiding mental process that helps

individuals navigate their journey toward action. Similarly, Ajzen (1991), a leading figure in social psychology, developed the **Theory of Planned Behavior (TPB)**, which explains that intentions are shaped by three key factors:

1. **Attitudes toward the behavior** – How positively or negatively a person views the idea of starting a business.
2. **Subjective norms** – The social pressures or cultural expectations around entrepreneurship.
3. **Perceived behavioral control** – How much confidence a person has in their ability to become an entrepreneur.

Ajzen's work helped cement the idea that **intentions are not random**; they are built on a foundation of personal beliefs, social influence, and perceived opportunities. These factors **not only predict entrepreneurial action but also influence the decision-making process that leads to business creation.**

Why Do Intentions Matter for Startups and Business Success?

The role of intentions in entrepreneurship isn't just about getting started—it also influences the long-term success of a venture. **Mitchel (1981)** emphasized that **a business's survival, growth, and long-term sustainability depend largely on the strength of the founder's intentions.** Without a firm commitment to the entrepreneurial path, many startups fail before they even gain traction.

Similarly, **Tubbs & Ekeberg (1991)** found that **intentions shape the critical early-stage decisions of a new business.** The clarity of an entrepreneur's goals influences everything—from choosing the right business model to managing risks effectively.

Intentions also play a key role in behaviors that are rare and difficult to observe, such as the decision to start a business from scratch. **Krueger and Brazeal (1994)** argued that when studying behaviors that don't happen frequently, **intentions offer a reliable way to predict future actions.** This insight has been particularly useful for researchers trying to understand what separates successful entrepreneurs from those who never take the leap.

What Shapes Entrepreneurial Intentions?

Entrepreneurial intentions don't form in a vacuum. **Bird (1988)** introduced a framework that explains how intentions emerge from a combination of **individual characteristics** and **external influences**.

1. The Role of Individual Traits

Some people seem naturally drawn to entrepreneurship. According to Bird, an individual's **personality, motivation, risk-taking tendency, and prior experience** play a huge role in shaping their entrepreneurial intentions. For instance:

- **Risk-takers** are more likely to start new businesses because they feel comfortable navigating uncertainty.
- **Experienced entrepreneurs** are more confident in their abilities, making them more likely to launch a new venture.
- **Highly motivated individuals**—driven by passion or a strong desire for independence—tend to have stronger entrepreneurial intentions.

This suggests that people with **certain psychological traits** are naturally more inclined toward entrepreneurship.

2. The Influence of External Factors

While personal traits matter, an entrepreneur doesn't operate in isolation. External conditions also **shape and support entrepreneurial intentions**.

- **Market opportunities and economic conditions** – Morris and Lewis (1995) found that industry trends, market demand, and economic stability significantly impact whether someone decides to become an entrepreneur.
- **Government policies and infrastructure** – Luthje & Franke (2003) noted that a country's political stability, access to funding, and availability of resources (such as business incubators and mentorship programs) can either encourage or discourage entrepreneurship.

For example, in regions where there are strong **startup ecosystems**, government incentives, and easy access to funding, **people are more likely**

to consider starting their own businesses. On the other hand, a lack of resources and support can discourage even the most motivated entrepreneurs.

Entrepreneurial Self-Efficacy: The Confidence to Succeed

Another major factor influencing entrepreneurial intentions is **self-efficacy**—a person’s belief in their own ability to succeed.

Zhao, Seibert, & Hills (2005) highlighted that **entrepreneurs with strong self-efficacy are more likely to follow through on their intentions, even in uncertain environments.** Those who believe they have the skills and knowledge to run a business are far more likely to take the leap than those who doubt themselves.

This means that **entrepreneurial confidence isn’t just a nice-to-have—it’s a key driver of action.** Training programs, mentorship, and hands-on experience can all play a role in building an individual’s self-efficacy, thereby increasing their likelihood of becoming an entrepreneur.

Bringing it all together: The Building Blocks of Entrepreneurial Intentions

At its core, **entrepreneurial intention is shaped by two main forces:**

1. **Individual Traits** – Personality, motivation, risk-taking attitude, past experience, and self-efficacy.
2. **Contextual Factors** – Market conditions, government support, social and cultural influences, and access to financial resources.

These two forces don’t act independently; they interact in complex ways. A highly motivated person might hesitate to start a business if market conditions are poor, while a risk-averse individual might be encouraged to take the leap if there’s strong government support.

By understanding these **interconnected influences**, we can better predict who is likely to become an entrepreneur and what can be done to nurture **entrepreneurial intentions** in aspiring business leaders.

Figure 2.1 below visually summarizes the different factors that influence entrepreneurial intentions and lead to entrepreneurial behavior:

- **Individual Domains:** Personal characteristics like personality traits, motivations, prior experience, risk-taking propensity, and entrepreneurial self-efficacy.
- **Contextual Factors:** Market conditions, economic environment, industry opportunities, social context, and environmental support such as infrastructure, political stability, and financial resources.

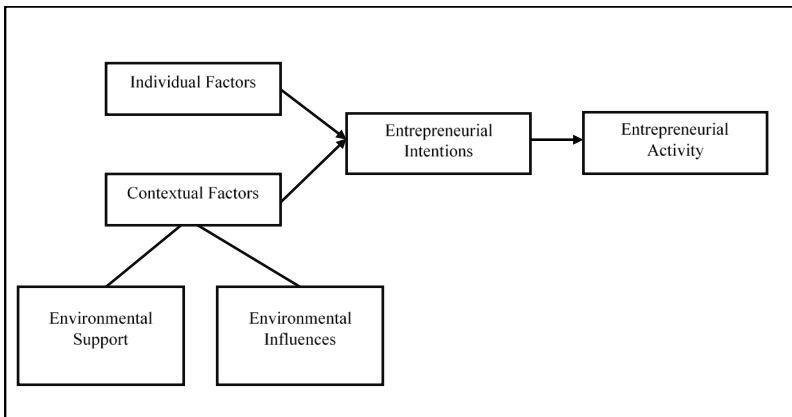


Figure 2.1 Factors affecting Entrepreneurial Intentions

The interplay between these individual and contextual factors is what ultimately drives an individual's entrepreneurial intention, which then becomes the foundation for entrepreneurial behavior and new venture creation.

Entrepreneurial Intentions as a Mental Blueprint

Fini et al. (2009) describe entrepreneurial intention as “*a cognitive representation of the actions to be implemented by individuals to display entrepreneurial activity.*” In simpler terms, this means that entrepreneurial intentions are not just vague thoughts or passing ideas; they are structured mental frameworks—detailed blueprints that guide individuals on their journey toward starting a business.

Think of it as a well-drawn map. Before setting out on a long and uncertain journey, a traveler creates a route plan, anticipating key milestones, potential roadblocks, and necessary resources. Similarly, an entrepreneur

mentally charts their path before taking any real steps—outlining business ideas, understanding the market, evaluating risks, and envisioning the business model they want to pursue. This process of mental mapping is critical because it refines an individual's understanding of entrepreneurship and prepares them for the decisions and challenges ahead.

Fini et al.'s perspective aligns with Ajzen's *Theory of Planned Behavior* (1991), which suggests that strong intentions drive actual behaviors. In the context of entrepreneurship, individuals with clear and strong entrepreneurial intentions are more likely to take real, actionable steps toward business creation. They begin researching markets, mobilizing resources, building networks, and identifying potential opportunities—activities that serve as stepping stones toward launching a venture.

A Personal Commitment to Entrepreneurship

While Fini et al. focus on the *mental framework* behind entrepreneurial intentions, Thompson (2009) offers a more personal take. He defines entrepreneurial intention as “*a self-acknowledged conviction of a person that he or she intends to set up a new business.*” This definition adds another crucial layer to our understanding—acknowledgment. It's not just about thinking of starting a business; it's about making a firm, internal commitment to do so.

The term *self-acknowledged conviction* is key here. Many people dream of becoming entrepreneurs, but not all of them take that dream seriously enough to act on it. Thompson's perspective highlights the psychological aspect of entrepreneurship—how people not only form intentions but also *recognize and affirm* their own aspirations. This moment of recognition often serves as a turning point, where an individual moves from simply *considering* entrepreneurship to actively *planning* for it.

This self-acknowledgment is closely tied to *self-efficacy*—a person's belief in their ability to successfully start and run a business. Research has shown that individuals with high self-efficacy are more likely to translate their entrepreneurial intentions into actual business ventures. If someone truly believes they have the skills, knowledge, and determination to succeed, they are far more likely to take proactive steps toward launching a business.

Intentions as the Best Indicator of Entrepreneurial Behavior

Krueger (2003) makes a strong argument that *entrepreneurial intentions are the best predictors of entrepreneurial behavior*, especially in the crucial pre-founding phase. He emphasizes that entrepreneurship is a *planned* activity, not an impulsive or random decision. People don't just wake up one morning and decide to launch a startup on a whim—it's a process that begins with a strong and well-formed intention.

Krueger further explains that human behavior generally falls into two categories: *stimulus-response* (where we react to external triggers) and *intended behavior* (where we consciously decide to act). Entrepreneurship falls firmly into the latter—it requires *deliberate effort* and *conscious decision-making*. Entrepreneurs don't just stumble into creating businesses; they first *decide* that they want to do it, and this decision sets everything else into motion.

Krueger et al. (2000) reinforce this argument, stating that *no entrepreneurial action takes place without an intention preceding it*. Without a strong entrepreneurial intention, there would be no structured effort to research the market, gather resources, seek mentorship, or even register a business. It is this *initial intention* that drives individuals to take calculated steps that eventually lead to business creation.

The First Step Toward Entrepreneurship

This idea—that entrepreneurial intention serves as the *first step* toward building a business—is echoed by Krueger et al. (2000) and further expanded upon by Lee & Wong (2004). They argue that entrepreneurial intentions are not just theoretical constructs; they are *catalysts* for real action. Their research found that individuals with high entrepreneurial intentions are significantly more likely to launch successful businesses.

This insight is particularly important for educators, policymakers, and business leaders. If we can understand what shapes and strengthens entrepreneurial intentions, we can create better programs and policies to *nurture* aspiring entrepreneurs. For example, by fostering *entrepreneurial education*, providing *mentorship opportunities*, and building *supportive ecosystems*, we can help individuals move from *intention* to *action*.

The process of starting a business may seem complex, but it all begins with a single thought—a well-formed, acknowledged, and deeply held entrepreneurial intention. By studying and understanding these intentions, we can better equip the next generation of entrepreneurs to turn their visions into reality.

The Foundational Role of Entrepreneurial Intentions

The definitions and theoretical insights provided by Fini et al. (2009), Thompson (2009), and Krueger (2003) offer a comprehensive understanding of the crucial role entrepreneurial intentions play in the broader process of entrepreneurship. Each scholar approaches the concept from a unique perspective—Fini et al. describe entrepreneurial intentions as a *cognitive roadmap*, Thompson emphasizes *self-acknowledged conviction*, and Krueger highlights *voluntary, planned behavior*. Despite their differences, these perspectives collectively reinforce a single fundamental idea: entrepreneurial intentions are the *starting point* of entrepreneurship, shaping the journey from ideation to action.

These frameworks offer deeper insight into how entrepreneurial intentions are formed and how they drive behavior. Intentions are not just fleeting thoughts or momentary aspirations; they represent a structured mental process that guides individuals toward action. Understanding this process is essential for predicting entrepreneurial behavior and supporting aspiring entrepreneurs in transforming their ideas into tangible ventures.

Recognizing intentions as the *first step* in entrepreneurship allows us to explore the various factors that influence an individual's decision to start a business. These factors can be *psychological* (such as self-efficacy and personal motivation), *social* (such as family influence and peer networks), and *environmental* (such as access to funding and market conditions). Each of these elements plays a role in shaping entrepreneurial intentions, making it essential to study them in depth.

This understanding has significant implications for multiple stakeholders—educators, policymakers, and business leaders alike. By integrating these insights into *curriculum design*, we can develop educational programs that foster entrepreneurial thinking from an early stage. Policymakers can use this knowledge to craft *supportive regulations and funding mechanisms* that create a more conducive environment for entrepreneurship. Meanwhile, businesses and incubators can design *mentorship programs, networking*