Factors Influencing Entrepreneurial Intention among Indian Youth: An Empirical Study of Personal, Educational, Social and Financial Determinants

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Abstract

This study investigates the major determinants of entrepreneurial intention among youth by examining four dimensions: personal attributes, educational exposure, social influence, and financial factors. Using a descriptive research design and a structured Likert-scale questionnaire administered to 250 respondents. The research aims to analyze the major findings influencing entrepreneurial intention among youth and understand how personal, social, educational, and economic factors contribute to their entrepreneurial aspirations. The study confirms that self-confidence, risk tolerance, and perceived social support positively correlate with entrepreneurial aspiration. These results underscore the need for policy responses including compulsory entrepreneurship education, mentorship infrastructure and better financial access; to effectively grow entrepreneurial interest into action among youth.

Keywords: *Entrepreneurial intention, Youth entrepreneurship, self-efficacy, Social influence, Entrepreneurship education, Financial barriers, Startup ecosystem*

Introduction

Entrepreneurship plays a vital role in driving economic development, fostering innovation, generating employment, and promoting social transformation. Youth entrepreneurship has gained increasing attention due to the rise of startup culture, digital business, and government initiatives promoting self-employment. Young individuals are now more exposed to entrepreneurial opportunities through social media, technology, education, and networking platforms.

Background of the Study

The concept of entrepreneurship has evolved significantly over the past decade. Traditionally, entrepreneurship has been viewed as a high-risk career option pursued only by a few individuals. Today, entrepreneurship is increasingly recognised as a pathway to innovation, independence, and economic growth.

Youth are considered one of the most important drivers of entrepreneurial activity because of their creativity, adaptability, technological exposure, and willingness to experiment. Educational institutions, incubators, startup committees, and government agencies are actively promoting entrepreneurial thinking among students and young professionals.

However, entrepreneurial intention is not influenced by a single factor. It is shaped by a combination of internal and external influences such as confidence, risk tolerance, education, and family entrepreneurial exposure.

Problem Statement

Although entrepreneurship is increasingly promoted among youth, many young individuals still hesitate to pursue entrepreneurship as a career option. Factors such as financial insecurity, lack of entrepreneurial education, fear of failure, and inadequate support systems may affect their entrepreneurial intentions.

Therefore, this study seeks to identify and analyse the factors that significantly influence entrepreneurial intention among youth.

Research Objectives

- To identify the factors affecting entrepreneurial intention among youth.
- To examine the influence of family and social support on entrepreneurial intention.
- To analyse the impact of entrepreneurial education and skill development.
- To study the role of financial and government support in encouraging entrepreneurship.
- To understand the barriers faced by youth in pursuing entrepreneurship.

Research Questions

- What factors influence entrepreneurial intention among youth?
- Does family support affect entrepreneurial intention?
- How does entrepreneurship education influence youth entrepreneurship?

- What are the major barriers preventing youth from becoming entrepreneurs?
- Does access to funding increase entrepreneurial intention?

Hypothesis

H1- Family support positively influences entrepreneurial intention among youth

H2- Entrepreneurial education significantly affects entrepreneurial intention

H3- Financial support positively impacts entrepreneurial intention.

H4- Self-confidence and risk ability positively influence entrepreneurial intention.

Scope of the Study

The study focuses on youth respondents, including students and working professionals. It examines personal, educational, social, and financial factors influencing entrepreneurial intention.

This study emphasises the factors that either encourage or discourage young individuals from pursuing entrepreneurship as a career path.

Personal Factors- These include individual-level attributes such as personality traits, motivations, and prior exposure to entrepreneurial activities.

Educational Factors- These encompass the entrepreneurship-related courses. It explores whether and to what extent educational experiences contribute to entrepreneurial competencies.

Social Factors- These refer to the role of family background, role models, and access to social networks. It reflects the interpersonal and community-level dynamics.

Financial Factors- These pertain to the availability of financial resources, including personal savings and family financial support. They are widely recognised as one of the most significant determinants of entrepreneurial decision-making for young individuals.

Population Scope

Students: Undergraduate and Postgraduate students currently enrolled in educational institutions who represent a sample at a formative stage of career decision-making.

Working Professionals: Young individuals who are currently employed in various sectors but may harbor entrepreneurial ambitions or have considered transitioning into self-employment or business ownership.

Significance of the Study

The study helps educational institutions, policymakers, startups, incubators, and researchers understand the entrepreneurial mindset of youth and identify measures to promote entrepreneurship effectively.

This study also holds significance across multiple dimensions and addresses a subject of growing importance in society.

By examining the personal, educational, social, and financial factors that influence the entrepreneurial intention of youth, the study generates insights that are valuable to a wide range of stakeholders, including educational institutions, policymakers, startup incubators, and the broader research community.

Limitations of the Study

- The study is limited to selected respondents.
- Responses are based on personal opinions.
- Time constraints may limit broader analysis.
- Findings may not represent all demographic groups.

Literature Review

Ajzen (1991) proposed the Theory of Planned Behaviour, stating that entrepreneurial intention is influenced by attitude, subjective norms, and perceived behavioral control.

Kruger and Carsurd (1993) found that entrepreneurial intention is a strong predictor of entrepreneurial behavior and is affected by confidence and social influence.

Linan and Chen (2009) concluded that entrepreneurial intention among university students.

Bandura (1997) emphasized the importance of self-efficacy in entrepreneurial decision-making and business creation.

Shapero and Sokol (1982) explained that entrepreneurial intention depends on perceived desirability and feasibility.

Nabi et al. (2017) found that entrepreneurship education enhances entrepreneurial skills, creativity, and motivation for starting a business.

Gurol and Atsan (2006) identified risk-taking ability and innovativeness as major entrepreneurial characteristics among students.

Fatoki (2014) found that lack of funding and fear of failure are major barriers to entrepreneurship among youth.

Hisrich and Peters (2002) highlighted the role of family background and entrepreneurial exposure in encouraging entrepreneurship.

Solesvik (2013) observed that social support and networking positively affect entrepreneurial intention.

Research Gap

Previous studies have examined entrepreneurial intentions from various perspectives. However, limited studies integrate personal, educational, social, and financial factors together among youth respondents in the current startup ecosystems.

Research Methodology

This chapter explains the research methods used to collect and analyze data. The primary aim is to provide a transparent and detailed account of the procedure followed through the research process. The research methodology outlined has been aligned with the objectives of the study.

Research Design

- The study follows a descriptive research design. It is concerned with describing the behavior, characteristics, attitude, or opinions of a population.
- This research helps to describe and understand the entrepreneurial intention as it currently exists.

- The use of structured questionnaires with Likert-scale items aligns with the research and helps to measure and summarise the answers of the respondents.
- As descriptive research is suitable for survey-based studies involving large samples, it has enabled the gathering of information and analysis of the data from a defined population.
- This research design is useful for understanding the various opinions and ideas of the population in a simple and effective format.

Sources of Data

Primary data- Primary data was collected using a structured questionnaire through Google Forms.

Secondary data- Secondary data was collected from journals, articles, books, and online research databases.

Sampling Technique

Convenience sampling method was used.

The target respondents were readily accessible, making it practical and efficient. It consists of students, as they are widely recognised in the literature for this research study.

The students are at the phase of decision-making and may choose entrepreneurship as a career path.

Data was collected from students who were available within the academic institution, and a few working professionals.

Sample Size

The study includes responses collected from 250 respondents through a structured online questionnaire. The respondents included undergraduate students, postgraduate students, and working professionals from different academic and professional backgrounds.

Tools for Data Collection

A structured questionnaire consisting of Demographic Questions and Likert-scale statements was used.

Questionnaire Design

The questionnaire design was divided into two main groups:

Group 1- Demographic Information

This section gathered background information about the respondents, including variables such as age, gender, educational qualifications, and field of study/work.

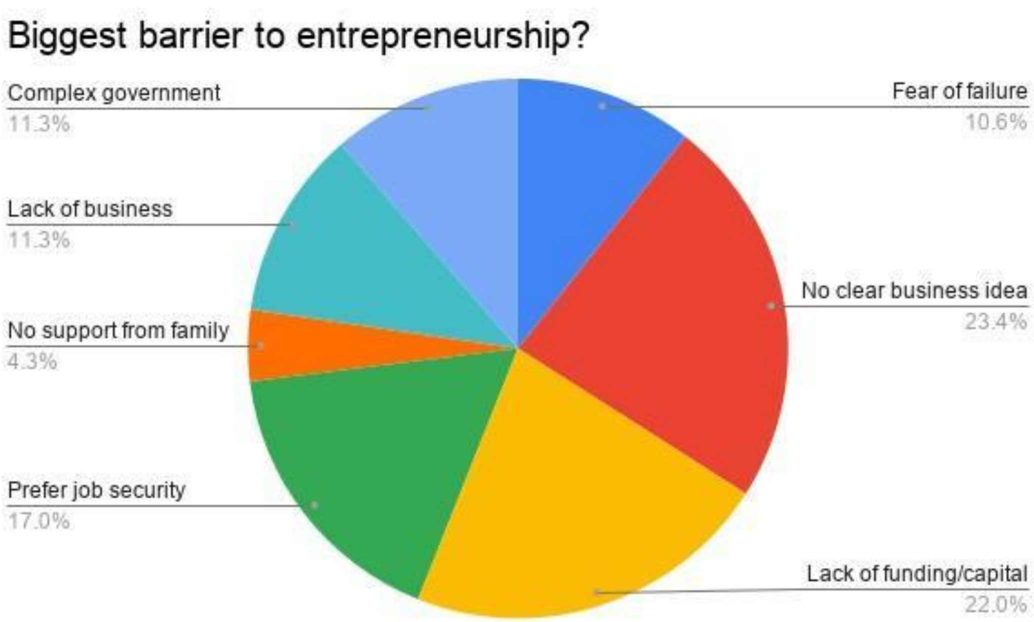
These variables were included to enable subgroup analysis and to understand how demographic factors may influence the respondents' responses.

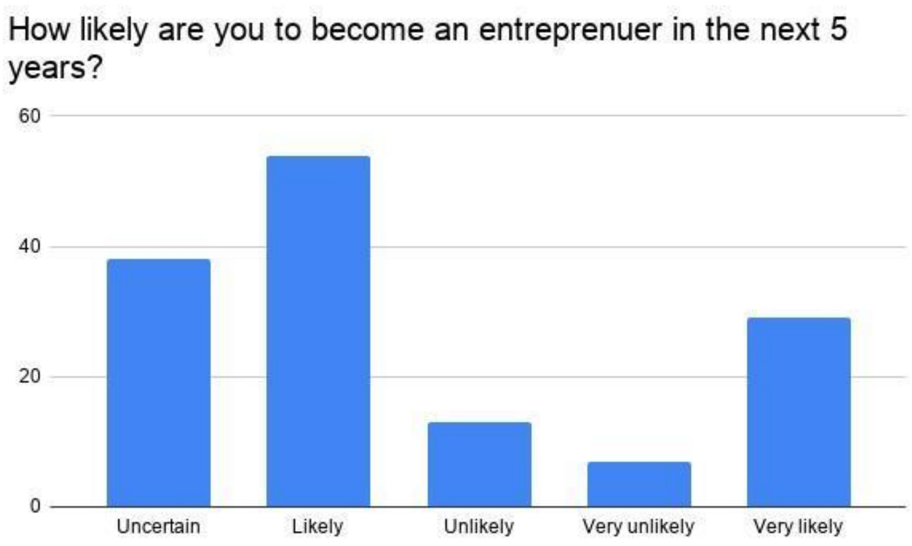
Group 2- Likert-Scale Statements

This group consists of 5 sections-

1. Personal attitude toward entrepreneurship
2. Subjective Norms (Social Influence)
3. Perceived Behavioural Control (Self-Confidence)
4. Education and Entrepreneurship Exposure
5. Entrepreneurial Intention

Data Collection and Findings





- A majority of respondents showed positive interest in entrepreneurship as a career option.
- Most respondents believed that entrepreneurship is a worthwhile and respectful career path.
- Family support and entrepreneurial background positively influenced entrepreneurial intention.
- Respondents who attended entrepreneurship-related programs and workshops demonstrated higher entrepreneurial confidence.
- Financial limitations and fear of failure emerged as the most common barriers to entrepreneurship.
- Many respondents agreed that entrepreneurship education should be made compulsory in schools and colleges.
- Risk-taking ability and self-confidence were identified as important entrepreneurial traits.
- Awareness about government startup schemes was moderate among respondents.
- Several respondents lacked mentorship and startup guidance despite having entrepreneurial interests.

Suggestions and Conclusion

Make entrepreneurship education compulsory- Introduce structured entrepreneurship courses at undergraduate and postgraduate levels.

Improve access to seed funding- Simplify application process for schemes like Mudra Yojana and Startup India Grants.

Build structured mentorship programs- Pair students and early career professionals with experienced entrepreneurs through institutional mentorship networks.

Increase government schemes awareness- District-level media outreach, social media campaigns, and campus awareness drives should be used to bridge the gap between the government startup schemes and youth.

Family support is a strong enabler of entrepreneurial intention. Respondents from entrepreneurial family backgrounds or those with active family encouragement demonstrated higher entrepreneurial confidence and intention. They found entrepreneurship a worthwhile career option, supporting H1.

Respondents with higher self-confidence and willingness to take calculated risks showed significantly stronger entrepreneurial intention, affirming H4. however these traits were found to be underdeveloped among youth who lacked prior entrepreneurial exposure.

Financial insecurity and fear emerged as the most critical barriers preventing youth from translating interest into action.

Government schemes such as Startup India and Mudra Yojana exist as promising mechanisms, but their impact remains diluted by poor awareness, complex accessibility and an absence of on ground mentorship.

This research study ultimately concludes that education instills courage, institutions provide mentorship and policy helps to encourage a new set of Indian entrepreneurs.

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