

## The role of education in fostering entrepreneurial intentions among business students

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### **Abstract**

*Entrepreneurial intention is a critical aspect of the creation of new businesses and the development of an entrepreneurial culture. It is considered to be the strongest predictor of an individual's behavior towards entrepreneurship. The present study aims to examine the role of education in promoting entrepreneurial intentions among business students and understand how educational programs, initiatives and experiences can impact the development of an entrepreneurial mindset. The study was conducted using focus group discussions to gather views and attitudes of individuals. The results suggest that in order to cultivate entrepreneurial intentions among business students, education must provide exposure to successful entrepreneurs, encourage hands-on experience, offer entrepreneurship-focused classes and workshops, provide access to funding and mentorship, foster a supportive and inclusive environment, emphasize the development of critical thinking and problem-solving skills, and encourage continuous learning. The findings of this research provide valuable insights for educators, policymakers, and stakeholders to enhance entrepreneurial education and foster a supportive environment for the development of entrepreneurial skills and mindsets among business students.*

**Keywords:** *Entrepreneurial intention; business education; leadership skills; business students.*

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## **1. Introduction and theoretical background**

Entrepreneurs are instrumental in fostering innovation and boosting economic expansion in the current volatile business landscape. Entrepreneurship is an important skill that students can learn from universities, which can help them create their own businesses and contribute to the economy. Universities play a crucial role in preparing students for the future. Exploring what drives students perceived as potential entrepreneurs to engage in entrepreneurial pursuits has been a widely studied topic for over three decades (Dragin *et al.*, 2022). Surveys suggest that between 15% and 20% of students who participate in the Minicompany Programme in secondary school will later start their own company, a figure that is about three to five times that for the general population (Jenner, 2012). It means universities should become more entrepreneurial (Gibb *et al.*, 2013). This not only creates new jobs and contributes to economic growth, but also provides students with a sense of autonomy and independence.

It cannot be denied that entrepreneurship is a dream of many people. An entrepreneurial dream can exist for a person regardless of their current business success, opportunities, desires or hopes of becoming an entrepreneur (Li *et al.*, 2022). An individual who associates their professional identity with unfulfilled values, will not simply forget about them, but instead, continually strive to remember them and explore ways to make these values a reality (Obodaru, 2017). Research indicates that many individuals fail to achieve their entrepreneurial dream due to a lack of business knowledge or fear of risk-taking. Despite this, the unfulfilled dream does not fade away and may eventually turn into a feasible intention for the future (Berg *et al.*, 2010).

Own business gives a person a certain independence and autonomy and allows him to prove to himself and others what he is capable of.

## **2. Entrepreneurial intention in the aspect of entrepreneurial culture**

Entrepreneurial intention is a crucial aspect in the formation of new companies and the development of an entrepreneurial culture, yet existing literature primarily addresses the challenges faced by entrepreneurs during the start-up and implementation phase, neglecting research on the identification of Entrepreneurial Intention. Entrepreneurial intentions refer to the desire and willingness to start a new business venture. Business students, as future business leaders, are potential entrepreneurs who can contribute significantly to the economy. It will also improve economic factors, which will positively affect the working environment in Latvia (Saksonova & Jansone, 2021). Thus, it is essential to foster entrepreneurial intentions among them.

Testing Entrepreneurial intention using university students is appropriate as it can inform education policies, particularly those related to entrepreneurship education, and have implications for those responsible for creating support programs in this area. Several studies have targeted business and engineering university students as potential entrepreneurs (Liñán *et al.*, 2011). According to the 2021/2022 data of the Central Statistics Bureau of Latvia on higher education in Latvia, the highest number of enrolments is still found in Social sciences, business and law, with 26.1 thousand, or one third of the total number of enrolments (CSB, 2022).

The proportional distribution of bachelor's level graduates by thematic groups of education reflects the distribution of students in these groups. The largest group of graduates are those who studied in the "Social sciences, commercial sciences, and law" thematic group. In a survey of young people in Latvia, 63% expressed a desire to become entrepreneurs who employ others, 8% preferred entrepreneurship in a family business, 16% preferred self-employment, while only 12% chose the status of an employee (MES, 2015). Studies in Latvia indicate that over half (52%) of Latvian residents have considered starting their own business, showing that entrepreneurship is a highly popular employment option. However, few have actually put their ideas into action, with only 14% of those who have considered starting a business actually doing so. It's worth noting that in recent years, residents have become more likely to consider starting a business; in 2012, this figure was 37% (DNB, 2015).

Intention is the strongest predictor of an individual's behavior (Ajzen, 1991). Entrepreneurial intention refers to an individual's belief and plan to start a business in the near future (O'Reilly *et al.*, 1991) and create new and competitive innovations (Batraga *et al.*, 2019).

Scientific literature suggests that people's self-perception is complex and constantly evolving, rather than simple and constant (Caza *et al.*, 2018). The likelihood of starting a business is influenced by attitudes towards the potential outcomes and the perceived risks and benefits.

Multiple studies on the motivations for entrepreneurship have confirmed that there is no direct correlation between external environmental factors and entrepreneurial activity. Instead, external factors are seen as merely providing a more favorable environment for entrepreneurship, serving as a "trigger" rather than a direct cause (Janse van Rensburg & Tjano, 2020). The likelihood of choosing entrepreneurship as a career is significantly impacted not only by external factors such as incentives, but also by personal values and orientation. Personal values refer to the beliefs and principles that guide an individual's behavior and decision making.

### **3. Strengthening of identity in the studies process**

Research indicates that while young business management graduates exhibit strong decision-making skills, they often lack the comprehensive management abilities needed to effectively handle the numerous critical factors involved in problem solving (Ding et al., 2020). Several scholars (Gould & Voelker, 2010; Jones & Lavallee, 2009) have identified leadership as an important life skill for young people to develop and that all young people have the potential to be leaders. Researchers have argued that intentionally offering young people leadership roles can help them develop quality-of-life skills such as communication and decision-making (Shaikh *et al.*, 2019).

Based on the evidence presented, it appears that there is a need for young business management graduates to develop comprehensive management abilities beyond strong decision-making skills. This could be achieved by intentionally offering them leadership roles to develop quality-of-life skills such as communication and decision-making.

### **4. Methods. Research design**

The objective of this research is to understand how educational programs, initiatives and experiences can impact the development of entrepreneurial mindset and encourage students to pursue entrepreneurial careers. The study aims to provide valuable insights and recommendations for educators to enhance the entrepreneurial education and foster a supportive environment for the development of entrepreneurial mindsets among business students. The focus group discussions were conducted to find out the views and attitudes of individuals. In addition, focus groups are an appropriate method for constructivist studies. The study was conducted on 84 business management students from the "Social sciences, commercial law and law" group, who were recruited from a specific course on business management. It consisted of 5 focus group discussions. The participants were recruited using of convenience sampling method. The sample was chosen based on the relevance of students' academic background to the research question and because they had already demonstrated a commitment to studying business-related topics.

### **5. Data collection**

The discussions covered three main topics: the impact of the academic environment on the students' identification with entrepreneurship, factors promoting or hindering the realization of entrepreneurial intentions, and solutions to the intrapersonal conflict faced by business students in realizing their entrepreneurial goals.

The research results are summarized through content citations, highlighting the key factors in fostering Entrepreneurial intention among business students. When discussing the number

of times issues/outcomes were identified in a focus group discussion, Table 1 indicates how many times certain topics or issues were mentioned or discussed by the participants. This provides an indication of the frequency and importance of certain issues or topics within the group, and can also help identify areas where there is consensus or disagreement among participants.

**Table 1. Focus group results.**

| General Theme  | Specific Issue/Outcome                 | Number of Times Issues/Outcomes Were Identified |
|--|--|---|
| The impact of the academic environment on the students' identification with entrepreneurship                 | Practical experience                   | 36  |
|  | Mentorship                             | 32  |
|  | Entrepreneurial education/training     | 32  |
|  | Networking opportunities               | 24  |
|  | Curriculum design                      | 21  |
|  | Research opportunities                 | 18  |
|  | Entrepreneurial ecosystem              | 18  |
| <b>Total outcomes identified by groups</b>   |  | <b>181</b>                                      |
| Factors promoting or hindering the realization of entrepreneurial intentions                                 | Self-efficacy beliefs                  | 28  |
|  | Fear of failure                        | 26  |
|  | Perceived barriers                     | 26  |
|  | Personal circumstances                 | 23  |
|  | Lack of knowledge/experience           | 17  |
|  | Positive attitude/mindset              | 13  |
| <b>Total outcomes identified by groups</b>   |  | <b>133</b>                                      |
| Solutions to the intrapersonal conflict faced by business students in realizing their entrepreneurial goals. | Goal-setting                           | 24  |
|  | Established decision-making style      | 24  |
|  | Pressure to pursue traditional careers | 21  |
|  | Personal development                   | 18  |
|  | Action planning                        | 16  |
|  | Mindset shift                          | 16  |
|  | Resilience building                    | 8   |
| <b>Total outcomes identified by groups</b>   |  | <b>127</b>                                      |

The results of the study show that business students may lack hands-on experience in entrepreneurship, making it difficult for them to understand the realities of starting and running a business. Content citations, e.g., *incorporating more practical tasks that foster business thinking or business simulation games into the study process would be beneficial*. Many business students may not have access to an entrepreneurial ecosystem that can help them understand the benefits and challenges of starting a business. Content citations, e.g., *It helped me a lot to change my thinking from "what would I like to do?" to "what problem could I solve?" ... ; not to perceive studies as an obligation, but as an opportunity*. One of the important problems revealed by the research is that business students may struggle to find experienced mentors who can guide and support them as they develop their entrepreneurial ideas. Business students may lack a comprehensive understanding of the various business

models and strategies necessary for success in entrepreneurship. Content citations, e.g., *practical experience and hands-on learning can be just as valuable as formal education. By starting small and gaining experience through internships, side projects, or even by starting our own businesses, we can gain a deeper understanding of the various business models and strategies that are most effective; a limited knowledge of business models and strategies should not deter us from pursuing entrepreneurship.*

Also, focus group participants emphasized that they feel pressure from friends, family, or society to pursue traditional career paths, which deter them from pursuing entrepreneurship. Business students, who are the future entrepreneurs, often face intrapersonal conflicts while realizing their entrepreneurial intentions. These conflicts arise from within the individual and can lead to a barrier in realizing their entrepreneurial intentions.

## **6. Conclusion and implications**

Summarizing the results of the interviews, it can be concluded that not only lack of finance, but also lack of creative ideas, insecurity and competition - these are just some of the reasons that prospective, young entrepreneurs, having doubts about starting their own business, should replace with purposefulness, confidence and daring. Intrapersonal conflict refers to the conflicting thoughts, feelings, and behaviors that arise within an individual. In the context of entrepreneurial intention, these conflicts can arise from various internal factors such as self-doubt, fear of failure, lack of confidence, and uncertainty about the future. The intrapersonal conflict faced by business students can significantly impact their entrepreneurial intentions. The fear of failure can lead to a lack of motivation, which can result in students giving up on their entrepreneurial aspirations.

Since many behaviors create performance difficulties that limit volitional control, it is useful to pay increased attention to promoting students' self-control abilities. An individual's control over behavior can be influenced by his learned decision-making style. It refers to the approach or method of decision-making that an individual has developed through past experiences and learning. These decision-making styles can be influenced by factors such as personality, values, and cognitive biases. Business decision-making is a complex process that involves choosing the best course of action among several alternatives. It is important to include in the study process the evaluation of various situations for developing critical thinking. Experience is a very important factor in the business intent aspect. Two types of business experience can be distinguished: experience gained before starting a business and experience gained during the course of business. Previous experience is very valuable in terms of business intent.

The research findings suggest that in order to foster entrepreneurial intentions among business students, the incorporation of specific actions into the study process is crucial. These

actions comprise the following: Providing exposure to accomplished entrepreneurs and their stories, which encompasses both triumphs and setbacks, to prompt students' identification with entrepreneurship - an influential catalyst for the commencement of new businesses. Furthermore, hands-on experience via project-based or business incubator activities can aid in the realization of delayed professional identity and self-expectations, as focusing on unrealized identities tends to create a strong desire for them (Lyubomirsky et al., 2010). Additionally, the provision of courses or workshops focusing on creativity is the preliminary step toward innovative thinking.

The identification of an individual's entrepreneurial intention is a critical task, as it aligns with activities that have the potential to create significant value for both the individual and society, fostering job creation and innovative breakthroughs. Concurrently, based on the principle of sustainability, it is also essential to identify decision-making models that enable effective resolution of intrapersonal conflicts. Such models play a key role in enhancing psychological and mental resilience of individuals, thereby reinforcing their capacity to confront challenges in a sustainable manner. Fostering a culture of continuous learning and encourage students to seek out new knowledge and skills to help them grow as entrepreneurs. Entrepreneurship is an important skill that universities can impart to students, helping them create new businesses and contribute to the economy.

## Acknowledgements

This research is supported by the project "Strengthening of the capacity of doctoral studies at the University of Latvia within the framework of the new doctoral model", identification No. 8.2.2.0/20/I/006.

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