Impact of Demographics on Determinants of Entrepreneurial Intention (A Study of Youth of Karnal Province)

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Abstract

It is a worldwide occurrence that the intelligent and thorough development of each sub sector of the local, regional, and national economies is necessary for the holistic growth of a location or the nation at large. In order for an economy to flourish and develop, entrepreneurship is crucial. This study tests the demographics elements such as age, gender and level of education and its impact on various factors that influence the desire to become an entrepreneur. The elements affecting the intention to start a business is explored in this research. It encompasses individual attitude, subjective norms, perceived behavioral control, entrepreneurial education, and structural support. The paradigm of quantitative research is the foundation of this study. Utilizing structured questionnaires, data were gathered. Youth of Karnali province staying in Birendranagar for higher studies are the population of the study. Convenience sampling method was used while collecting data. The practical implications of this research involve discerning entrepreneurial intent based upon the age, gender and level of education so that it will be helpful for people to understand whether entrepreneurship intention is based on above mentioned demographic factors or not.

KEYWORDS : *Entrepreneurship, Determinants of Entrepreneurship, Demographic factors, Karnali Province.*

1. INTRODUCTION AND BACKGROUND OF THE STUDY

The significance of entrepreneurship development has been presented as most powerful instruments for holistic and sustainable development. Karnali province, being aloof from mainstream socio-economic development and promotion, cannot continue remaining out of such a development mission to prove its worth in achieving national prosperity. Entrepreneurs in Nepal exhibit considerable reluctance when it comes to stepping for investments in entrepreneurial ventures due to poor rates of return, inadequate facilities for entrepreneurship education and training, and inadequate financial resources, instable political environment, red tape, conservative banking policy, no insurance over risk, lack of transportation and communication infrastructure development (Sitaula, 2015).

In Tewolde and Feleke (2017), the significance of participant's demographic attributes, household characteristics and community characteristics have been observed as the factors insisting the youth to make decision to undertake entrepreneurship as a life-long endeavor. The essence power centralization, level of support to the people intending to start up a business, prospective entrepreneur's willpower and readiness to take risk, and the roles of government policies on promoting entrepreneurship as the key constructs of the systematic inquiry in the Nigerian context (Metu & Nwokoye, 2014).

An extensive framework that incorporates the four essential components of an ecosystem, economy, enterprise, and entrepreneur was created by Bashyal and Panthi (2018). This framework focuses on empowering aspiring entrepreneurs by customizing inputs, with a focus on women in particular. Along the same lines, Karki (2014) carried out a methodical study to confirm the significance of endorsing cottage and small industries as substitute paths to better livelihoods and revenue generation. By utilizing local labor, skills, and resources while requiring little capital outlay, this strategy emphasizes the importance of encouraging the private sector.

2. GAP ANALYSIS

Most of the researchers focused upon the determinants of entrepreneurial intention. It is very clear about the determinants of entrepreneurial intention. This study focuses only on demographic elements such as age, gender, and level of education on entrepreneurial intention.

3. STATEMENT OF THE PROBLEM

A sizable section of the populace lives in the countryside and is primarily dependent on traditional agriculture for their subsistence, not only in the Karnali Province but throughout all of Nepal. With little initial capital investment, cottage and small-scale industries offer feasible chances for people to enhance their standard of living and make money by utilizing labor, skills, and local resources. Even though many business people would rather work for private companies, there is a general desire for independent work. Individual talents, wealth, assets, and capacities, however, might not be enough to support an industry's smooth and productive functioning. As such, the establishment of limited companies or partnership firms ought to be actively encouraged by the government. In order to make this easier, the government needs to make sure that the necessary infrastructure is provided so that industries can be established in these areas. (Karki, 2014). In Nepal, entrepreneurship is comparatively new notion. Although a small number of higher educational institutions provide entrepreneurial-related courses, and only a few incubation centers have been developed to help students acquire an entrepreneurial mindset, these resources are insufficient to develop and aid entrepreneurs on a national scale. Collaboration between the government and educational institutions is required to improve students' intentions towards entrepreneurship (Prajapati, 2019).

Entrepreneurial activities play a little influence in Nepal's economic development. Governments, legislators, academics, and practitioners are not putting enough emphasis on encouraging students

to pursue entrepreneurship. Students are given the tools, information, skills, and capacities to be entrepreneurs through entrepreneurship education, however the skills to be successful entrepreneurs are still lacking (Bhardwaj, 2014).

3.1 OBJECTIVES OF THE STUDY

The purpose of this research is to examine how gender, age, and educational attainment impact various factors influencing entrepreneurial intention.

3.2 RESEARCH QUESTION

In reflection with above-stated description of the issue and goals of the investigation, the present study will attempt to establish empirical solutions or decision-alternatives to this research question:

a. *What is the impact of demographics factor like age, gender and level of education on different determinants of entrepreneurial intentions?*

3.3 HYPOTHESIS OF THE STUDY

H1: Gender exerts a notable impact on entrepreneurial intention.

H2: Age plays a significant part in determining one's desire to become an entrepreneur.

H3: The level of education significantly influences entrepreneurial intention.

4. LITERATURE REVIEW

The research on entrepreneurship has shown that this phenomenon is not just an economic one. Because entrepreneurship is perceived as a cultural phenomenon, it's important to note that not all findings may be universally applicable to different contexts. Adamus et al. (2021) contend that economies benefit from the participation of working women, experiencing greater resilience during economic recessions, consequently reducing the likelihood of impoverishment in households with working mothers. To extrapolate these findings, it is imperative to scrutinize entrepreneurial ambition with a focus on gender viewpoints, as emphasized by (Vamvaka et al.,2020).

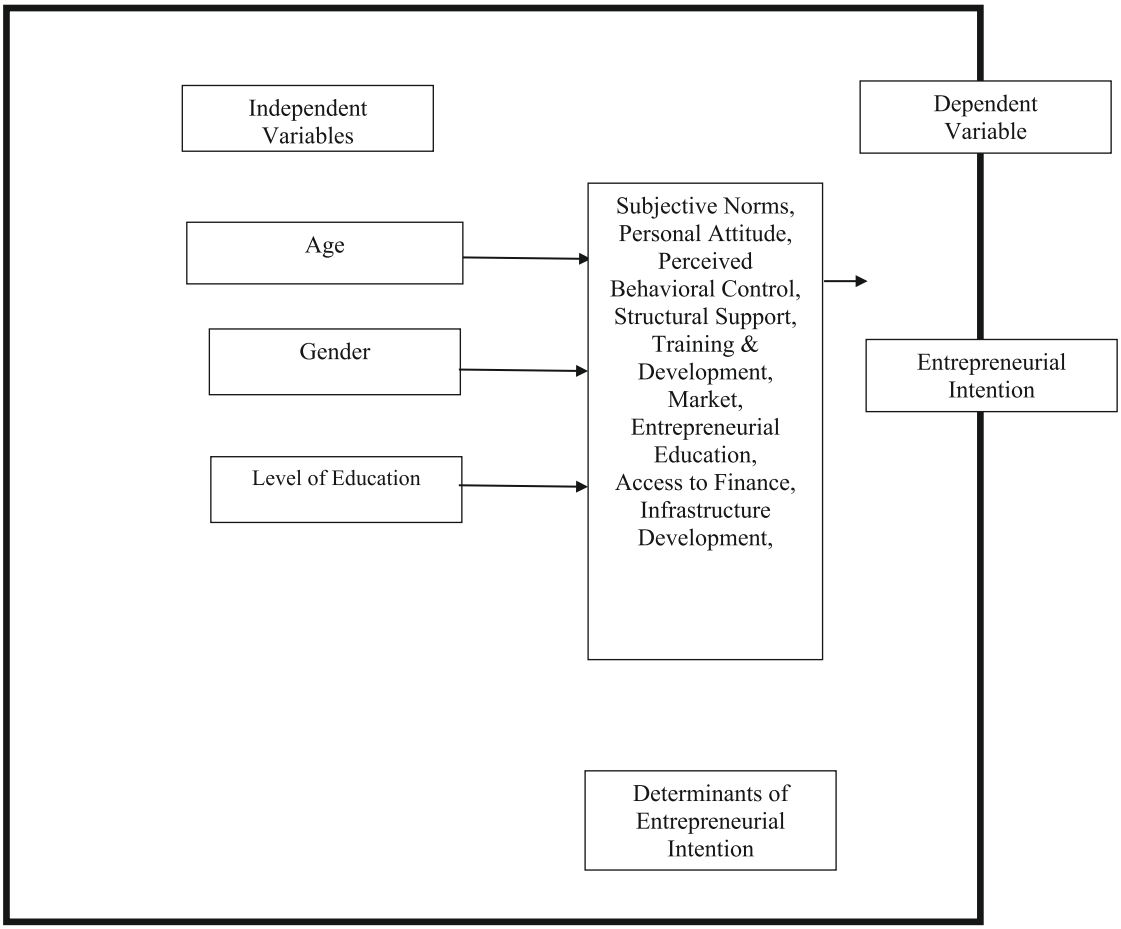
Many academics have examined disparities between genders in entrepreneurial goals. Krueger et al. (2000) posit that incorporating gender expectation into the analysis enhances comprehension of entrepreneurial aspirations, shedding light on distinctions between sexes in this particular context. In addition, Wang and Wong's study from 2004 found that individuals' entrepreneurial inclinations are significantly influenced by their gender, experience, and educational attainment.

According to Hatak, Hirms and Fink (2015) People are less likely to act entrepreneurially as they get older and that this tendency decreases the more they identify with their work. Despite possessing leadership abilities and having parents in the business do not seem to influence employees' entrepreneurial plans, factors such as age, level of education, and prior experience as an entrepreneur play a motivational role in encouraging individuals to engage in entrepreneurial

activities.

According to Dickson et al. (2008) there is compelling evidence substantiating the correlation between overall education levels and various metrics indicative of entrepreneurial success. But it is still very challenging to make conclusion that there is strong relationship between general education and the decision to launch an entrepreneurial venture. Despite this general education and entrepreneurship education programs may encourage people to make decision of choosing entrepreneurship as career choice.

2.6 Conceptual Framework of the Study



The research design employed in this study is characterized by a causal-comparative and descriptive methodology. This research sought the entrepreneurial intention of youth of Karnali Province. Young people from the province of Karnali's various districts were asked to fulfill the questionnaire in Birendranagar Surkhet. The inquiry's questionnaires were designed to cover important aspects of entrepreneurship education, such as individual attitudes, subjective norms, control over one's own behavior, and structural support. They also sought to evaluate how market conditions, training and development opportunities, infrastructure development, and financial availability affected decisions about entrepreneurial intention.

Youth of Karnali province currently living in Birendranagar but originally from Dailekh, Salyan, Jajarkot, Jumla, Mugu, Dolpa, Humla and Kalikot were the population of the study. Printed structured questionnaires were administered to the sampled respondents.

5. RESULT AND DISCUSSION

SPSS was used to display the data and findings of the study and to analyze its results. The independent t-test and one-way ANOVA were used to compare the means of multiple independent groups based on the demographic data provided by the respondents. The hypothesis test was the final step in determining the connection between the variables that are independent and dependent.

Influence of Entrepreneurial Intention on Gender

The hypothesis sets for independent sample t-test as;

H0: $\mu 1 = \mu 2$ (Two population means are equal)

H1: $\mu 1 \neq \mu 2$ (Two population means are not equal)

Based on responses from 113 female and 127 male respondents, the analysis was conducted. The responses' average and standard deviation of the responses provided by male and female respondents to various factors influencing their intention to start their own business are shown in the following table.

Results of Independent T-Test With Respect to the Gender of Sample

	1. Gender	Mean	Std. Deviation	P Value	T Value
Entrepreneurial Intention	Male	3.4055	.32840	.357	1.090
	Female	3.3569	.36178		
Personal Attitude	Male	3.9278	.47401	.003	.500
	Female	3.8997	.38546		
Entrepreneurship Education	Male	3.3714	.72350	.003	-1.252
	Female	3.4749	.52950		
Structural Support	Male	2.6102	.76958	.334	-2.758
	Female	2.8746	.70799		
Subjective Norms	Male	3.7493	.51728	.594	-.132
	Female	3.7581	.51273		
Perceived Behavioral Control	Male	3.4829	.63684	.958	.50
	Female	3.4425	.60083		
Access to Finance	Male	2.9606	.47395	.419	0.609
	Female	2.9218	.51325		
Training & Development	Male	3.5236	.39659	.939	-.543
	Female	3.5516	.40094		
Market	Male	3.1549	.42579	.657	-1.154
	Female	3.2198	.44503		
Infrastructure Development	Male	3.2008	.38851	.091	-.319
	Female	3.2183	.46188		

The mean Personal Attitude score for male respondents was 3.927, slightly higher than the score of 3.8997 for female respondents. However, female respondents outperformed male respondents in

terms of Entrepreneurial Education, with a mean score of 3.4749 compared to 3.3714 for the latter group. When analyzing Personal Attitude and Subjective Norms, female respondents had a higher mean score of 3.7581, while males had a mean score of 3.7493. Female respondents scored 3.4829 for perceived behavioral control, marginally higher than male respondents' score of 3.4425.

Among females, Structural Support received the greatest average score (2.8746). Regarding specific environmental factors, the Market exhibited the greatest average score among female respondents at 3.2008, while Infrastructure had the greatest average score for females, i.e., 3.2183.

Influence of Entrepreneurial Intention Based on Age Group

The hypothesis sets for independent sample t-test as;

H0: μ1 = μ2 (Groups means are statistically equal)

H1: μ1 ≠ μ2 (Groups means are not statistically equal)

The analysis of the table is grounded in the 212 responses received from individuals in the age group below 22-30 years, while there are 28 responses from the age group of 31 and above.

Result of Independent T-Test With Respect to the Age Group

	2. Age Group	Mean	Std. Deviation	P value	T
Entrepreneurial Intention	22-30	3.3876	.33931		
	31 above	3.3452	.38737	.563	.610
Personal Attitude	22-30	3.9017	.44782		
	31 above	4.0119	.29720	.000	-1.264
Entrepreneurship Education	22-30	3.4119	.61967		
	31 above	3.4821	.79003	.091	-.544
structural support	22-30	2.6682	.70449		
	31 above	3.2381	.90657	.022	-3.881
Subjective Norms	22-30	3.7319	.51880		
	31 above	3.9167	.45247	.134	-1.796
Perceived Behavioral Control	22-30	3.4033	.60384		
	31 above	3.9226	.54524	.094	-4.323
Access to Finance	22-30	2.9387	.49978		-
	31 above	2.9702	.43757	.330	-.318
Training & development	22-30	3.5291	.39155		
	31 above	3.5952	.44774	.149	-.826
Market	22-30	3.1682	.42623		
	31 above	3.3155	.48716	.200	-1.689
Infrastructure Development	22-30	3.2343	.41767		
	31 above	3.0179	.42875	.617	2.569

This demonstrates that the mean of entrepreneurial education of 31 and above is 3.4821 and 22-30 years is 3.419 respectively. Regarding perceived behavioral control age group 31 and above has better mean score of 3.9226 than other groups. Regarding subjective norms 31 and above

respondents group has mean score of 3.9167 which is better than other age group. Regarding market, age group 31 and above has mean score of 3.3155 and age group 22 to 30 has 3.1682. Regarding infrastructure development, age group 22 to 30 has higher mean score of 3.2343. Regarding training and development, age group 31 and above has highest mean score of 3.5952. Regarding access to finance, age group 31 and above has high mean score of 2.9702 than other groups. Regarding personal attitude, age group 31 and above has highest mean score of 4.0119 which is more than other group. Regarding structural support, age group 31 and above has high mean of 3.2381.

Influence of Entrepreneurial Intention Based on education level

The hypothesis sets for independent sample t-test as;

H0: μ1 = μ2 (Groups means are statistically equal)

H1: μ1 ≠ μ2 (Groups means are not statistically equal)

Results of Independent T-Test With Respect to the Education Level

	3.Education Level	Mean	Std. Deviation	P value	T value
Entrepreneurial Intention	Masters	3.3817	.34559		
	Masters and Above	3.5000	.23570	.508	-.483
Personal Attitude	Masters	3.9083	.43018		
	Masters and Above	4.6667	.00000	.037	-2.488
Entrepreneurship Education	Masters	3.4251	.64075		
	Masters and Above	2.8333	.00000	.056	1.303
Structural Support	Masters	2.7416	.75075		
	Masters and Above	1.9167	.11785	.097	1.551
Subjective Norms	Masters	3.7528	.51620		
	Masters and Above	3.8333	.00000	.080	-.220
Perceived Behavioral Control	Masters	3.4566	.61660		
	Masters and Above	4.3333	.00000	.052	-2.007
Access to Finance	Masters	2.9412	.49355		
	Masters and Above	3.0833	.35355	.494	-.406
Training & Development	Masters	3.5392	.39819		
	Masters and Above	3.2500	.35355	.645	1.023
Market	Masters	3.1828	.43612		
	Masters and Above	3.5000	.00000	.056	-1.027
Infrastructure Development	Masters	3.2101	.42538		
	Masters and Above	3.0833	.11785	.191	.420

This table demonstrates that the mean score of entrepreneurial intention for masters and above level is 3.5000 which are greater than the mean score of below masters which is 3.3817. Regarding the mean value of structural support of below master's level is 2.7416 which is greater than the mean value of master level which is 1.9167. Regarding subjective norm masters and above level has higher mean score of 3.8333 whereas mean score of below master level is 3.7326. Regarding infrastructure development, below masters level has more mean score 3.2101 which is more than 3.0833. Regarding market masters and above has more mean score of 3.5000 than that of the master's level. Regarding personal attitude, masters and above has higher mean score of 4.6667 and below master has lower mean score of 3.9083. Likewise in case of perceived behavioral control, masters and above has more mean score of 4.3333 and below master has lower mean score of 3.4566. Regarding access to finance, masters and above has more mean score of 3.0833 which is more than that of master level. In case of training and development, below master has more mean score of 3.5392 and masters and above has 3.2500.

6. CONCLUSION

The researcher found that there is no statistically significant variation in the population's mean score when it comes to gender and entrepreneurial intention. It indicates that in terms of perceived behavioral control, entrepreneurial intention, market, infrastructure development, training and development, subjective norms, and structural support, there are no appreciable differences between respondents who are male and female. The null hypothesis is, however, statistically refuted in the case of entrepreneurial education and personal attitude; a p-value of less than 0.05 is found for entrepreneurial education and personal attitude of gender. The respondents' gender has an impact on both their personal attitudes and level of entrepreneurship education.

When it comes to age, each age group's mean score is statistically equal. Thus, the researcher came to the conclusion that the population's mean score did not differ significantly. This indicates that there is no discernible difference in the respondents' entrepreneurial intention across all categories of entrepreneurial education, perceived behavioral control, entrepreneurship intention, access to financing, training and development, market, infrastructure development, and subjective norms.

In contrast, there is statistical support for rejecting the null hypothesis when it comes to respondents' personal attitudes, structural support, and entrepreneurial intentions across a range of age groups (p-value less than 0.05). This indicates that respondents' ages have an impact on both structural support and personal attitudes.

Regarding the respondents' educational attainment, there is no statistically significant variation in the population mean score. It indicates that there is no significant difference in the respondents' entrepreneurial intention across all groups of variables related to entrepreneurial education, perceived behavioral control, entrepreneurship intention, access to financing, training and

development, market, infrastructure development, personal attitude, structural support, and subjective norms. In other words, all variables are unaffected by the respondents' educational attainment.

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