

The impact of extrinsic pressure on the entrepreneurial intention of business students

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How to cite: Cekule, L.; Cekuls, A.; Dunska, M. 2024. The impact of extrinsic pressure on the entrepreneurial intention of business students. In: 10th International Conference on Higher Education Advances (HEAd'24). Valencia, 18-21 June 2024. <https://doi.org/10.4995/HEAd24.2024.17379>

Abstract

Selecting a business education brings increased intrapersonal and external pressures for students, adding to the challenge of balancing personal expectations with external pressures. The study aims to investigate the influence of external factors on the entrepreneurial intentions of business students, focusing on the impact of academic knowledge amid diverse external pressures. Using the EIQ questionnaire and statements, business students' attitudes about the influence of external pressure on entrepreneurial intentions were collected. A moderate negative correlation ($r=-0.219$; $p < 0.05$) indicates a visible negative relation between academic knowledge and random actions. There is a statistically significant positive relationship ($r=0.441$; $p < 0.05$) between family expectations and random actions concerning students' intentions. The research findings indicate a tendency where academic knowledge does not necessarily support entrepreneurial behavior in business students, factors influencing students' entrepreneurial intentions often extend beyond the scope of academic knowledge.

Keywords: *Entrepreneurial intention; external pressure; extrinsic factors; business education; business students.*

1. Introduction and theoretical background

In further enhancing business education, it's essential to consider new factors that characterize the dynamic evolution of the entrepreneurial landscape, such as the impact of unforeseen circumstances and informational, social, and temporal pressures. Many university-level degree programs are tailored to equip aspiring entrepreneurs with the necessary skills and knowledge, so considering that most students are typically only at the early stages of their professional development, the concept of entrepreneurial intention remains both conceptually and empirically relevant (Bae et al., 2014). Research on student entrepreneurial intentions is still relevant, especially as today's young individuals show greater enthusiasm for entrepreneurship in the midst of their academic pursuits compared to previous generations (Wasilczuk & Karyy,

2022). The identification of intention is crucial for understanding and modeling why numerous prospective entrepreneurs decide to start a business long before looking for opportunities (Krueger et al., 2000). Studies (e.g., Vamvaka et al., 2020) on the attitude towards entrepreneurship in student groups across different time periods, using Ajzen's (1991) Theory of Planned Behavior (TPB) paradigm, has shown that when the entrepreneurship attitude is low or absent altogether, individuals tend to have weak business intentions. However, other studies (e.g., Bhinekawati et al., 2020) found no significant relationship between entrepreneurial intentions and attitudes towards entrepreneurship among students. Skinner (1974) emphasizes the need for gradual stimulation of the desired behavior; if the behavior is not reinforced, it gradually weakens and eventually disappears. However, attitudes should not be conflated with generalized emotional states that arise devoid of specific goals or cognitive structures (Fini et al., 2010). Scholars argue that external factors merely serve as trigger that create a conducive environment for business activities (e.g., Janse van Rensburg & Tjano, 2020). However, extrinsic pressure as an external factor is classified to the group of non-psychological factors because it is external, such as an excessive amount of information or a large flow of ambiguous information, can lead to misinformation, changing decision-making and behavior patterns or an individual under this pressure completely abandoning one's intentions. External pressures can create an imbalance in the management of personal risks, which is an important condition for the realization of business intentions.

2. Multiple perspectives of extrinsic factors and influence to entrepreneurial behavior

While some people try to pursue the “risky career” of an entrepreneur, others want to be employees with a guaranteed salary (Turulja et al., 2020) and job satisfaction (Gaile et al., 2020). Entrepreneurial behavior is considered to be planned, conscious behavior, so Ajzen (1991) argues in TPB that people behave in a certain way because they are influenced by external factors and other objective conditions, and not just by their individual will. A study examining Main Life Decisions involving university students highlighted the impact of a realistic social environment on shaping their beliefs (Maheshwari & Rai, 2021). The external environment exerts influence on decisions regarding starting a business from multiple perspectives. Firstly, it encompasses a spectrum of conditions that include social, economic, and political aspects. However, research is increasingly asking whether the decision to start a business depends only on the social, political and economic environment, because during the crisis, when the economic situation worsens, a negative rate of new business creation has been observed, and this situation has encouraged some people to become entrepreneurs, because the opportunities to be a worker during the economic crisis are limited. On the negative side of a business started during a crisis, it has been observed that the life of the business could be relatively short in some cases (Al-Qadasi, 2021). In this case, external pressures will have affected the longevity of entrepreneurial

behavior. Second, external factors that can be classified under the non-psychological group, such as random actions that are random in nature and can influence decisions, must be taken into account. Some individuals accept to the influence of chance, undertaking risks stemming from random circumstances or unforeseen situations. Similarly, more specific social influences such as family expectations and time constraints can significantly impact an individual's entrepreneurial intentions. While these factors are external and fall into the category of non-psychological influences, their effect on an individual's mindset is profound. External pressure should be considered as an important factor that causes individuals to act rashly or make decisions under external pressure. Positive pressure arises when individuals are confident in their ability to uphold task goals and adapt cognitive strategies, whereas the next step is a psychological factor - stress, which can occur if the individual feels unable to achieve the set goals and make decisive decisions independently (Maule & Summers, 2016). This confirms that time and risk management and organizational skills play an important role in improving student competencies.

3. The effect of external pressure on entrepreneurial intention

When making decisions, individuals can rely on their own information, referred to as "internal information," as well as information provided by others, termed "external information" (Zadelaar et al., 2021). As individuals approach the early stage of maturity (around ages 20-24), it is anticipated that decision-making becomes less impulsive. However, studies indicate that young individuals may still exhibit spontaneous and thoughtless decision-making behaviors even as they transition into early adulthood (Avilés-Reyes et al., 2023). According to Super et al. (1996), during this developmental period, young individuals engage in several tasks that significantly influence their future path. "Pressure" refers to the force that compels an individual to act in ways they may not be entirely certain about or to act hastily. Yielding to pressure and conforming to others' expectations or desires can lead individuals to make erroneous decisions. Consequently, the outcomes of decision-making processes are not solely determined by individual choices but are shaped through interactions with public opinion. Gopi & Ramayah (2007) found that individuals may start entrepreneurial ventures due to social pressure, regardless of their initial intentions. Studies show that being around entrepreneurs or those making business decisions can boost one's own entrepreneurial intentions (e.g., Linán & Chen, 2009). However, a study conducted in Latvia on citizens' intentions to start a business reveals that only 12% of respondents perceive encouragement from family and friends as a motivating factor to start their own business (SEB, 2023). In order to clarify the influence of extrinsic factors, the following hypotheses were formulated:

H1: Business students' Entrepreneurial intentions are positively related to Family expectations.

H2: Business students' Entrepreneurial intentions are negatively related to Time pressure.

H3: Academic knowledge of business students are positively related to Entrepreneurial intention.

- H4: Business students' Academic knowledge are positively related to Family expectations.
H5: Business students' Academic knowledge are positively related to Random actions.
H6: Family expectations are positively related to Random actions.
H7: Time pressure is positively related to Random actions.
H8: Family expectations is positively related to Time pressure.
H9: Business students' Entrepreneurial intentions is positively related by Random actions.

4. Methods

The study employed a questionnaire to collect individuals' views and attitudes. The study aims to explore how extrinsic factors impact the entrepreneurial intentions of business students, including how academic knowledge impacts students' business intentions, particularly under various external pressures. A total of 167 participants business students took part in the research. 162 questionnaires were considered valid for collecting the research results. The Entrepreneurial Intention Questionnaire (EIQ) Version 3.1, developed by Liñán, Bradley, Basuki, & Redford (2006), was used for the research. The survey underwent translation into Latvian and aprobaton. Consent for the survey's usage was obtained. This scale includes four subscales: attitudes towards entrepreneurship, subjective norms, perceived behavioral control, and entrepreneurial intention. All items were measured using a Likert scale ranging from 1 to 7. The constructs of 'Family Expectations,' 'Time Pressure,' and 'Random Actions' each consisted of 4 points on the Likert scale within this range. Additionally, academic knowledge was assessed. Descriptive statistics of constructs are shown in Table 1. All investigated commitments are depicted in the theoretical model shown in Figure 1.

Table 1. Descriptive statistics. Source: Authors' research data.

Construct	N	Minimum	Maximum	Mean	Std.Deviation
Entrepreneurial Intention	162	3,67	7,00	5,6831	1,05659
Attitude toward behavior	162	2,83	5,83	4,3272	,58062
Subjective norm	162	2,67	5,33	4,1605	,56731
Perceived behavioral control	162	3,00	5,00	4,1926	,49542
Time pressure	162	,00	2,00	1,2284	,52470
Family's expectation	162	00	2,00	,7654	,48789
Random actions	162	00	1,50	,9136	,36904
Academic knowledge	162	1,00	3,00	2,1481	,69121
Valid N (listwise)	162				

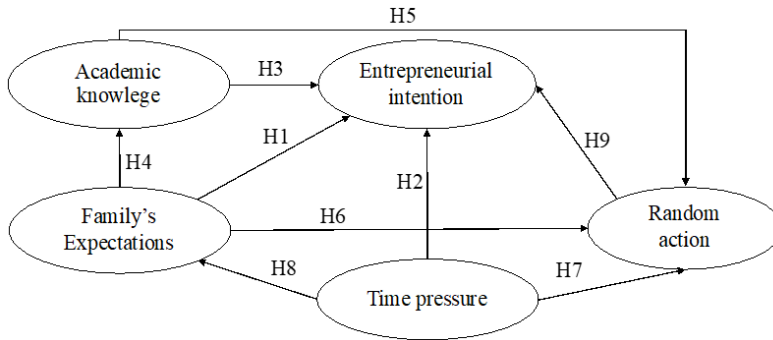


Figure 1. Theoretical model. Source: Authors' construct.

5. Data collection

Correlations between all main variables were calculated, as shown in Table 2.

Table 2. Descriptive statistics and correlations between variables. Source: Authors' research data.

Variable	M	SD	1.	2.	3.	4.
1. Entrepreneurial Intention	5,6831	1,05659				
2. Attitude toward the behavior	4,3272	,58062				
3. Subjective norm	4,1605	,56731				
4. Perceived behavioral control	4,1926	,49542				
5. Time pressure	1,2284	,52470	-,105	-,170	,218	-,248*
6. Random actions	,7654	,48789	,145	0,32	-,246*	,106
7. Family's expectation	,9136	,36904	-0,18	-0,71	-,231*	,010
8. Academic knowledge	2,1481	,69121	-0,020	-,029	,066	-,114

*. Correlation is significant at the 0.05 level (2-tailed).

The research results confirm H1 and H2, showing a weak positive correlation ($r = 0.145$; $p < 0.05$) between family expectations and entrepreneurial intention (H1), and a negative correlation ($r = -0.105$; $p < 0.05$) indicating a weak negative relation between time pressure and entrepreneurial intention (H2). This means that family expectations can impact business students' entrepreneurial intention. However, as time pressure increases, entrepreneurial intention tends to decrease. The correlation is weak, indicating that time pressure may not be a significant factor influencing entrepreneurial intention in this context. A very insignificant negative correlation ($r = -0.020$; $p < 0.05$) does not indicate a linear relationship between academic knowledge and entrepreneurial intention (H3). Business students' academic knowledge are positively but insignificant related to family expectations (H4). However, these variables are essentially independent of each other. A moderate negative correlation ($r = -0.219$; $p < 0.05$) indicates a visible negative relation between academic knowledge and random actions (H5). Random choices tend to decrease as academic knowledge increases. The results show a significant positive correlation ($r = 0.441$; $p < 0.05$) between family expectations and random

actions in the context of students' intentions (H6). The correlation between time pressure and random actions is negative ($r = -0.090$; $p < 0.05$) and insignificant (H7). The hypothesis has not been confirmed. Time pressure is very weakly but positively related to family expectations (H8), and a very small negative correlation ($r = -0.018$; $p < 0.05$) does not indicate a linear relationship between randomness and entrepreneurial intention (H9). These variables are essentially independent of each other.

6. Conclusion and implications

Latvia is one of the leading countries in terms of the proportion of young people with skills and knowledge in starting a business, making up almost 50% of the proportion (GEM, 2022/2023). However, according to the data of the 2022/2023 Global Entrepreneurship Monitor, the entrepreneurial intentions of adults (18-64 years) in Latvia were 14.2% (GEM, 2022/2023). Research in the student group indicates no linear relationship between academic knowledge and entrepreneurial intention, however, these variables are essentially independent of each other. Significantly, other studies that analyze the effect of entrepreneurship education on entrepreneurial intentions show that regardless of whether an individual has a strong attitude towards entrepreneurship (either positive or negative), academic knowledge does not affect the intention to entrepreneurial behavior (e.g., Prasetyo, 2019, Gaile et al., 2022). The significant differences in the indicators found in Latvia could indicate the presence of other factors affecting intentions, taking into account the findings of scientists Vaiz and Ekemen (2022), that such factors as self-control and self-efficacy, or motivation for success, are closely related to conscious planned behavior and can become a determinant of entrepreneurial intention. Interpersonal factors often play a significant role in influencing students' entrepreneurial intentions.

Time pressure is an important contextual factor that influences individuals' cognitive strategies. The study proves that prolonged time pressure can contribute to a decrease in entrepreneurial intention. Time pressure does not significantly affect entrepreneurial intentions, however, the intensity of the intention decreases in the long term. This phenomenon could be described as "Time-sensitive entrepreneurial intention decay". Time pressure also leads to changes in a decision maker's affective state Maule et al. (1993). Time constraints induce alterations in both negative and positive emotional states. However, it remains unclear whether these emotional shifts have any impact on the cognitive strategies employed by individuals. Also, time pressure can act as a catalyst for individuals to act on their entrepreneurial intentions. This increased motivation can encourage them to overcome obstacles and pursue their business goals with more vigor. However, research findings indicate a tendency where academic knowledge does not necessarily support entrepreneurial behavior in individuals. Factors influencing students' entrepreneurial intentions often extend beyond the scope of academic knowledge.

However, developing critical thinking skills, managing staff risk, albeit a gradual process, is a consistent and conscious investment by teaching staff.

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