

# **Student Entrepreneurship and Business Creation**

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Final International University  
August 2023  
Girne, TRNC

# **Student Entrepreneurship and Business Creation**

by

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August 2023  
Girne, TRNC



**FINAL INTERNATIONAL UNIVERSITY  
INSTITUTE OF GRADUATE STUDIES**

**APPROVAL**

Title: Student entrepreneurship and business creation

We certify that we approve this thesis submitted in partial fulfilment of requirements for the degree of Master in Business Administration.

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*To my mother, father, sisters and friends for their love and support.*

## **ETHICAL DECLARATION**

I Julia Magda MAKITA MOUBOUTI, hereby, declare that I am the sole author of this thesis and it is my original work. I declare that I have followed ethical standards in collecting and analysing the data and accurately reported the findings in this thesis. I have also properly credited and cited all the sources included in this work.

Julia Magda MAKITA MOUBOUTI

## **ACKNOWLEDGMENT**

This work is the result of a journey that would not have been possible without the expertise of my supervisor Ms. Safak GUNDUZ. I would like to thank her for her valuable advice, her availability, her patience and her different orientations.

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## **ABSTRACT**

The purpose of this study is to present a theoretical model of student entrepreneur challenges, investigate the relationship between those challenges and entrepreneurial intention, and offer recommendations on how to assist entrepreneurs in overcoming these challenges. In order to achieve this, 384 students' entrepreneurs were surveyed using a quantitative methodology, which involved identifying the obstacles that business owners confront using secondary data from earlier research and studies. The results of a survey used to develop a model with six challenges showed that all of them existed, from entrepreneurship education and social and cultural challenges that had no significant relationship with student's entrepreneurs' entrepreneurial intention, which proved to have the greatest impact on intention.

**Keywords:** Entrepreneurship, Entrepreneur, Entrepreneur's Challenges, Entrepreneurial Intention, Student Entrepreneur



## ÖZ

Bu çalışmanın amacı, öğrenci girişimci zorluklarının teorik bir modelini sunmak, bu zorluklar ile girişimcilik niyetinin arasındaki ilişkiyi araştırmak ve girişimcilere bu sorunların üstesinden gelmelerine nasıl yardımcı olabilecekleri konusunda öneriler sunmaktır. Bunu gerçekleştirmek için, 384 öğrenci girişimciyi, işletme sahiplerinin karşılaştıkları engelleri, daha önceki araştırmalar ve çalışmalardan elde edilen ikincil veriler kullanılarak tespit etme yöntemi kullanarak sorguladılar. Altı zorlukla bir model geliştirmek için kullanılan bir anketin sonuçları, girişimcilik eğitimi ve öğrencinin girişimci niyetiyle önemli bir ilişkisi olmayan sosyal ve kültürel zorluklardan, bunların hepsinin var olduğunu gösterdi, bu da niyet üzerinde en büyük etkiye sahip olduğunu kanıtladı.

**Anahtar Kelimeler:** Girişimcilik, Girişimci, Girişimcinin Zorlukları, Girişimci Niyet, Öğrenci Girişimci

# TABLE OF CONTENTS

DEDICATION .....	v
ETHICAL DECLARATION .....	vi
ACKNOWLEDGMENT .....	vii
ABSTRACT .....	viii
ÖZ .....	ix
LIST OF TABLES .....	xiii
LIST OF FIGURES .....	xiv
LIST OF APPENDIX .....	xv
ABBREVIATIONS .....	xvi
CHAPTER 1 .....	1
INTRODUCTION .....	1
1.1 Background of the Study .....	1
1.2 Problem Statement .....	2
1.3 Purpose of the Study .....	2
1.4 Significance of the Study .....	3
1.5 Research Question .....	3
1.6 Key Terminology .....	3
CHAPTER 2 .....	5
LITERATURE REVIEW .....	5
2.1 Introduction .....	5
2.2 Defining Entrepreneurship .....	5
2.3 Defining the Entrepreneur .....	8
2.3.1 The Economist Approach .....	8
2.3.2 The Behaviourists Approach .....	10
2.3.3 The School of Traits Approach .....	10
2.4 Student Entrepreneur .....	11
2.5 Entrepreneurial Intention .....	12
2.5.1 Entrepreneurial Intention Theories .....	13
2.6 Entrepreneur's Challenges .....	16

2.6.1	Financial Challenges .....	16
2.6.2	Administrative Challenges .....	18
2.6.3	Entrepreneurship Education .....	20
2.6.4	Social and Cultural Challenges .....	23
2.6.5	Personal Challenges .....	25
2.6.6	Market Challenges .....	26
2.7	Solutions .....	28
2.8	Recommendations .....	31
2.9	Research Model .....	34
2.10	Hypotheses .....	34
CHAPTER 3 .....		37
RESEARCH METHODOLOGY .....		37
3.1	Introduction .....	37
3.2	Research Design Justification .....	37
3.3	Population.....	38
3.4	Sampling.....	38
3.5	Data collection.....	39
3.5.1	Data Collection Tool .....	39
3.5.2	Collecting Data.....	39
3.6	Measurement and Scaling .....	40
3.7	Reliability .....	44
3.8	Multicollinearity .....	45
3.9	Factors Analysis using KMO Method .....	46
3.10	Multiple Linear Regression Analysis .....	47
CHAPTER 4 .....		48
DATA ANALYSIS RESULTS .....		48
4.1	Introduction .....	48
4.2	Description of the Demographic Characteristics.....	48
4.2.1	Gender of the Respondents .....	48
4.2.2	Age of the Respondents .....	49
4.2.3	The Current Level of Education of the Respondents.....	50
4.3	Descriptive Statistics of the Variables.....	51
4.3.1	Descriptive Statistics of the Independent Variables (The Challenges of Student Entrepreneurs). .....	51

4.3.2	Description of the Dependent Variable: Entrepreneurial Intention .....	57
4.4	Test hypothesis of the Study .....	58
4.4.1	Result of the First Hypothesis Test .....	58
4.4.2	Result of the Second Hypothesis Test.....	59
4.4.3	Results of the Third Hypothesis Test .....	61
4.4.4	Results of the Fourth Hypothesis Test .....	62
4.4.5	Results of the Fifth Hypothesis Test .....	64
4.4.6	Results of the Sixth Hypothesis Test .....	65
4.5	Revised Hypothesis .....	66
4.6	Revised Research Model .....	67
CHAPTER 5	.....	68
DISCUSSION AND CONCLUSION	.....	68
5.1	Introduction .....	68
5.2	Results Discussion.....	68
5.3	Limitations and Further Research .....	70

## LIST OF TABLES

Table 1 Characteristics most often attributed to entrepreneurs by behavioural specialists (Filion, 1997).....	11
Table 2 Quantitative Interpretation of the Likert Scale .....	40
Table 3 Items.....	40
Table 4 Reliability Statistics depending on Alpha Cronbach .....	45
Table 5 Independent Variables Multicollinearity Test Results.....	45
Table 6 Factor analysis results using KMO .....	46
Table 7 Model summary .....	47
Table 8 Annova .....	47
Table 9 Gender of Respondents .....	48
Table 10 Age of the Respondents .....	49
Table 11 The Current Level of Education of the Respondents.....	50
Table 12 Descriptive Statistics of Financial Challenges.....	52
Table 13 Descriptive statistics of Administrative Challenges .....	53
Table 14 Descriptive Statistics of Entrepreneurship Education Challenges.....	53
Table 15 Descriptive Statistics of Social and Cultural Challenges.....	55
Table 16 Descriptive Statistics of Personal Challenges.....	55
Table 17 Descriptive Statistics of Market Challenges .....	56
Table 18 Descriptive Statistic of Entrepreneurial Intention.....	57
Table 19 Results of the first hypothesis Test: the relationship between Financial Challenges and Entrepreneurial Intention.....	58
Table 20 Results of the second hypothesis Test: the relationship between Administrative Challenges and Entrepreneurial Intention.....	59
Table 21 Results of the Third Hypothesis Test: the relationship between Entrepreneurship Education and Entrepreneurial Intention.....	61
Table 22 Results of the Fourth Hypothesis Test: the relationship between Social and Cultural Challenges and Entrepreneurial Intention. ....	62
Table 23 Results of the Fifth Hypothesis Test: the relationship between Personal Challenges and Entrepreneurial Intention.....	64
Table 24 Results of the Sixth Hypothesis Test: the relationship between Market Challenges and Entrepreneurial Intention.....	65
Table 25 Summary of the finding of Hypothesis tested.....	69

## LIST OF FIGURES

Figure 1 Entrepreneurial Event Model Shapero & Sokol (1982) .....	13
Figure 2 The theory of planned behaviour (Azjen, 1991, p. 182).....	15
Figure 3 Research Model .....	34
Figure 4 Gender of Respondents.....	49
Figure 5 Age of the Respondents .....	50
Figure 6 The current level of Education of the Respondents.....	51
Figure 7 Histogram of the First Hypothesis .....	59
Figure 8 Histogram of the Second Hypothesis .....	60
Figure 9 Histogram of the Third Hypothesis .....	62
Figure 10 Histogram of the Fourth Hypothesis.....	63
Figure 11 Histogram of the Fifth Hypothesis .....	65
Figure 12 Histogram of the Sixth Hypothesis.....	66
Figure 13 Revised Research Model .....	67

## **LIST OF APPENDIX**

Appendix 1 Questionnaire.....	86
Appendix 2 Ethics Approval Form .....	92

## ABBREVIATIONS

AC	Administrative Challenges
BUMD	Badan Usaha Milik Desa
EE	Entrepreneurship Education
EI	Entrepreneurial Intention
ETC	Et Cetera
FC	Financial Challenges
IMA	International Management Association
INADEM	The National Institute of Entrepreneurs
KMO	Kaiser-Meyer-Olkin
MC	Market Challenges
OCOP	One Commune One Product
OTOP	One Tambon One Product
OVOP	One Village One Product
PC	Personal Challenges
PESTEL	Political, Economic, Social, Technological, Legal
SCC	Social And Cultural Challenge
SWOT	Strengths, Weaknesses, Opportunitites And Treats



# CHAPTER 1

## INTRODUCTION

### 1.1 Background of the Study

Entrepreneurship has been recognized as a key factor in increasing competitiveness among nations and fostering economic growth and job creation (Julien & Cadieux, 2010). The two authors define entrepreneurship in a global context that goes beyond the individual level to impact the economy as a whole:

*“Entrepreneurship is a human action supported by the surrounding environment to generate value on the market through the creation or development of an economic activity, evolving with that value and ultimately affecting the economy, to better meet the individual and collective needs of a territory”* (Julien & Cadieux, 2010).

Entrepreneurship is the motivation and individual willingness to take risks to create and support a business oriented to growth and profitability (Mokaya Namusonge & Sikalieh, 2012). Entrepreneurship is the transformation process of a business idea. The word “entrepreneurship” comes from the French word “entrepreneur” which means undertake, so we can say that research in the field of entrepreneurship began with the contribution of French writers. Richard Cantillon was one of the first French authors to recognize the importance of entrepreneurship. According to Cantillon, an entrepreneur is an individual who is committed to creating a business in the face of uncertainty (Hornqvist & Leffler, 2014).

Several factors such as: becoming your own boss, getting out of precariousness, creating a source of income, and becoming independent are the trigger of entrepreneurial intention, and motivate people to create their own businesses (Cathy Ashley-Cotleur et al. 2009; Benzing et al. 2007). However, becoming an entrepreneur is no small feat, because while motivated, very few actually become entrepreneurs. Indeed, the path to business creation is strewn with obstacles and problems; they face several challenges of different kinds that disturb their entrepreneurial approach making it difficult to achieve their objectives. The first challenge is to transform an idea into a

business. The importance of entrepreneurship cannot be underestimated, since entrepreneurship creates employment by reducing the unemployment rate (Tleuberdinova et al., 2019; Ceptureanu, & Ceptureanu, 2015; Omer & Aljaaidi, 2020), entrepreneurship creates wealth (Pauceanu, 2016). Many young people around the world are becoming entrepreneurs because of high unemployment (Hornqvist & Leffler, 2014).

## **1.2 Problem Statement**

Entrepreneurship is a socioeconomic topic that is the subject of particular attention in the academic community; it is at the center of the research of several generations of researchers. Entrepreneurship has been addressed by a number of authors under different themes and has been the subject of more than 1000 research (Filion, L. 1997). Those research specialized in several topics among which: creation and closure of a company, franchises, creativity and innovation, entrepreneurial process, entrepreneurship of women, small and medium enterprises and their operation and marketing, ethnic entrepreneurship, business growth, human resources, business strategies, entrepreneurial education, corporate entrepreneurship, student entrepreneurs, etc. The journey from idea to business creation is not an easy one. A number of people are motivated to start a business, but there are not many of them, who succeed in achieving their ideas. Indeed, the process of transforming the idea into a business has several obstacles and barriers that most of the time hinder this transformation. Studying the challenges of student entrepreneurs helps us understand the difficulties they face on their entrepreneurial journey and develop solutions to stimulate their entrepreneurial intention in order to promote the success of their businesses that contribute to the economic development of their society.

## **1.3 Purpose of the Study**

Entrepreneurial intention refers to how people react when faced with an opportunity. Some people are reluctant to take action while others are more likely to commit to an opportunity. Students are young people who, for the most part, have

creative and innovative ideas, so it is necessary to identify the factors that hinder the entrepreneurial intention of students. The main objective of this research is to study the relationship between the challenges of student entrepreneurs and entrepreneurial intention through a quantitative study, to propose solutions to these challenges based on the results of the study, and to develop a theoretical framework of the challenges of student entrepreneurs.

## **1.4 Significance of the Study**

Several factors influence entrepreneurial intent such as finances, personal challenges, entrepreneurial education, etc. It is important to study the challenges that student entrepreneurs face when starting a business. Knowing the challenges, they face will help them find solutions. It will also allow people who want to become entrepreneurs to already know the obstacles they might face when they want to start entrepreneurship. In addition, this study is of great importance in that it will build a theoretical model of the challenges of student entrepreneurs, a model that can be used by other researchers. Furthermore, knowing the challenges entrepreneurs face and the solutions proposed in this work could be very useful to a government or an institution that is concerned about helping and motivating entrepreneurs.

## **1.5 Research Question**

The research question of this study is:

What are the challenges students face when they want to start a business?

## **1.6 Key Terminology**

**Entrepreneurship:** Entrepreneurship is the ability to see an opportunity and then start, organize manage and carry out an income-generating activity which requires taking financial risks.

Entrepreneur: an entrepreneur is a person or group of people who takes the risk of raising capital and men in order to create an income-generating activity.

Entrepreneurial intention: Entrepreneurial intention is a motivational factor that influences people to achieve entrepreneurial goals.

# **CHAPTER 2**

## **LITERATURE REVIEW**

### **2.1 Introduction**

Entrepreneurship is one of the most important sources of economic development in a country it's increase job creation (Julien & Cadieux 2010). Indeed, entrepreneurship offers employment to people who don't have job; in addition, entrepreneurial activities create wealth, promote the country's exports and increase the standard of living of the population which is essential for the industrial and economic growth of countries.

The concept of entrepreneurship has a particular attention in the academic community, entrepreneurship research results in more than thousand publications each year (Filion 1997). The area of entrepreneurship has a lot of specialization among which we can mention: creation and closure of a company, franchises, creativity and innovation, entrepreneurial process, small and medium enterprises and their operation and marketing, ethnic entrepreneurship, business growth, human resources, business strategies, entrepreneurial education, corporate entrepreneurship, women entrepreneurship, self-employment, entrepreneurial process, small business, student entrepreneur, etc to name just a few.

### **2.2 Defining Entrepreneurship**

The concept of entrepreneurship has been around for a long time but it is still difficult to give a unanimous definition of entrepreneurship, in fact, everyone defines entrepreneurship according to his field of study. The word "Entrepreneurship" comes from the French verb "**entreprendre**" which means "to start" or "to create a business" and from the German word "**unternehmen**" which means to put into practice actions of activities or things, these two verbs translated into English mean "undertake" (Cunningham & Lischeron 1991).

In the early 1700s, Cantillon described the entrepreneur as an individual who took risks by buying a product at a certain price and reselling it at an uncertain price.

Jean-Baptiste Say expands the definition of entrepreneurship by introducing the concept of personal qualities (Cole, 1946; Stevenson & Jarillo, 1990). It was Schumpeter who introduced the modern concept of entrepreneurship by defining entrepreneurship as the creation of enterprises and entrepreneurs as people who create business.

The definition given by Schumpeter encompasses several aspects, key elements that distinguish entrepreneurship from the management of a business. First, entrepreneurship involves seizing an opportunity to create a business. Secondly, Schumpeter is not only concerned with business creation, but also with entrepreneurship in existing companies. Thirdly Schumpeter thinks that someone becomes an entrepreneur when he takes action (Carton et al., 1998).

Gartner, in attempting to define entrepreneurship, drew 44 definitions after conducting research among business leaders, politicians and researchers. From this research, he was able to identify eight points of convergence between all definitions: the presence of an entrepreneur, the creation of a new organization in order to pursue an opportunity, innovation, value creation, and the problem of the for-profit or not-for-profit enterprise, growth, the presence of a manager. Most of these points go hand in hand with Schumpeter's design including innovation, the entrepreneur, and the creation of an organization.

In the same sense as Schumpeter, Bygrave and Hofer (1991) define the concept of entrepreneurship as all actions, activities, functions that are related to the discovery of an opportunity and the creation of an organization. Bygrave (1995) excludes intrapreneurship by providing a definition of entrepreneurship that includes only new independent organizations.

The difference between the two assumptions is that in the first assumption, the entrepreneur takes a risk. Indeed, he invests his money, his personal capital, his career in the creation of a new organization that would lead to nothing without him. In the second case, the intrapreneur did not risk any personal funds or personal capital in the creation of a new enterprise. While Bygrave (1995) is fashioning his point of view, it does not follow that entrepreneurship and intrapreneurship are part of the different paradigms. In fact, when an entrepreneur uses borrowed money to start a business, he does not risk his own personal capital in starting a new business. Does sweat count as

capital? Taking the risk of putting one's personal financial capital at risk is not necessarily the responsibility of an entrepreneur; it is the role of an investor (Scherer & Craft, 1984; Schumpeter, 1934; Jarillo, 1990). There is certainly a difference in the ways in which entrepreneurs and intrapreneurs find finance to start a new business. However it does recognize that this is a necessary step through which both pass to achieve their goals. Just as entrepreneurs risk their own financial capital, their careers, their time in creating a new organization, so too do intrapreneurs risk their reputation, their jobs, if the company does not achieve the goals they have set for themselves (Jarillo, 1990).

In all of the previous definitions of entrepreneurship, what is common is the creation of a new organization. This new organisation may be a new enterprise within an existing enterprise (Bygrave & Hofer, 1991; Cooper, 1979; Gartner 1988; Gartner 1990; Vesper, 1982).

Some would say that entrepreneurship is only talked about when it is a large enterprise with high growth because it is these enterprises that contribute to the employment and economic development of society (Bygrave, 1995). However, small organizations must be part of entrepreneurship; they are numerous and contribute substantially to the creation of employment and wealth. Whether large, small, with high growth potential or not, organizations undertake the same tasks to create a new organization. One of the features that makes the difference between entrepreneurship and the management of an organization is the pursuit of a discontinuous opportunity (Schumpeter, 1934). Incremental changes that occur on a regular basis within the organization are not included. "Entrepreneurship deals with quantum changes" (Bygrave, 1985; Bygrave & Hofer 1991). For example, looking for new customers, developing new products, looking for development are not acts of entrepreneurship. On the other hand, the creation of a new organization is entrepreneurship, and the creation of a new subsidiary working in a new sector of activity is clearly entrepreneurship.

In the 1990 Delphi study, Gartner identified performance as one of the components of entrepreneurship. Organizations are formed for the purpose of receiving something (Barnard, 1938; Drucker, 1954). This return is not necessarily financial, so entrepreneurs are not only those who create for-profit organizations but

also those who create not-for-profit organizations. According to Franck Knight (1967) and Peter Drucker (1970), entrepreneurship is about taking risks. It is indeed a person who is willing to sacrifice everything he has (time, career, time, capital, finances, etc.) in creating a risky business.

Verstraete & Fayolle (2005) suggest that there are four elements to understanding the concept of entrepreneurship: creating an organization, innovation, creating value, exploiting a business opportunity. Both authors agree to define entrepreneurship as the initiative taken by one or more individuals who seize an opportunity whose goal is not necessarily the search for financial profit, but rather the establishment of an organization that can give birth to several other organizations and create new value.

Today's understanding of entrepreneurship is due to economist Joseph Schumpeter. For Schumpeter (1950), the entrepreneur is a person capable of transforming an idea or invention into a successful innovation. The most common definition of entrepreneurship is the action of creating wealth and employment through the creation or resumption of a business.

## **2.3 Defining the Entrepreneur**

In the literature, the entrepreneur has been defined according to several approaches: the economist approach, the behavioural approach, the school of traits approach (Filion, 1997).

### **2.3.1 The Economist Approach**

Unlike most people think, entrepreneurship does not come from economic science alone. By carefully reading the writings of the first two authors generally considered to be pioneers in the field of entrepreneurship Cantillon (1755) and Say (1803, 1815, 1816, 1839), show us that there are authors who are interested not only in the economy but also in the creation, management and development of enterprises.



Three economists structured the entrepreneur's theory: Richard Cantillon, Jean-Baptiste Say and Joseph Schumpeter. Cantillon is considered as the founder of this school, he worked in several professions, including banking. After the bankruptcy of the Law bank in which he worked, he left France. He gives an image of the entrepreneur that is the reflection of his life: that of an adventurer. There are doubts about the exact date of his death which took place during the fire in his house during which he was murdered by his valet. He was the first who presented the function of the entrepreneur and who underlined the importance of the entrepreneur in the economic development. For him, the entrepreneur works in an uncertain environment. Indeed, he is an individual who takes risks without any guarantee, he cannot predict future events. The perfect example for him is that of the farmer who pays the owner of the land when he is not sure what he will gain by selling his goods, he takes risks. A century after Cantillon J-B Say has a particular interest in entrepreneurship and business creation with its distribution theory. Say differentiates capitalism from the entrepreneur and associates it with change. For him, the entrepreneur is the one who organizes, ensures the economic balance through management and planning while taking calculable and non-calculable risks (Tounés, 2004). He says the entrepreneur is an organizer.

Cantillon and say have brought a new perception of the entrepreneur's description. However, it was Schumpeter who advanced our understanding of entrepreneurship today (Filion, 1997), Schumpeter associated entrepreneurship with innovation and change. According to Schumpeter, the entrepreneur fulfils a special function: finding new combinations of means of production and detecting business opportunities, which leads to the disappearance of certain innovations that push other entrepreneurs to innovate even more (Tounés, 2004).

We find this sense of risk-taking in the studies of Stewart and Roth (2001). They did an analysis of the risk-taking studies and came to the conclusion that people who take risks opt for an entrepreneurial career while those who do not take risks opt for a stable job as an organizer. Knight (1921) shared the same view as Cantillon. For Knight, deciding to start a business means accepting financial risks (no guarantees), family risks (less time with family), job risks (job insecurity), and psychic risks if the project does not work (self-image stress daily).

The views of economists are relevant but lack information and clarity. Cantillon does not talk about the difficulties that entrepreneurs face when it comes to finding financing capital. Say's point of view has been criticized, indeed according to his theory, the entrepreneur operates in a certain environment and that his products will always be bought by the population (Tounés, 2004). The school of economists did not devote any effort to studying the economic behaviour of entrepreneurs according to Filion (1997); they did not contribute to the evolution of economic science.

### **2.3.2 The Behaviourists Approach**

The term behaviourist is used to refer to psychologists, sociologists, sociologists and other specialists in human behaviour (Filion 2001). The use of behavioural sciences in entrepreneurship is linked to McClelland (Tounés, 2004). McClelland (1965), focuses on the entrepreneur as an individual who is able to meet the challenges and achieve his goals which explains the need for accomplishment that entrepreneurs experience.

Kunkel (1965), asked himself about the need for fulfilment and he thinks that it is a need that grows in particular situations. This burning need, according to the author, is most acute among people who have had experiences such as parental pressure. Those with tolerant parents are unlikely to experience this form of pressure. Blockhaus (1982), like Kunkel, criticized McClelland's point of view as being limited, in their view, because a whole phenomenon such as entrepreneurship cannot be explained by a single factor. Blockhaus (1982) thinks that the combination of several traits predicts behaviour better than the comp of a single stroke; he reproaches McClelland for having conducted his research than on the managers.

### **2.3.3 The School of Traits Approach**

The school of behaviourists has strongly impacted the development of entrepreneurship which has only grown for more than two decades according to Filion (2001). The following table summarizes the characteristics attributed to entrepreneurs.

**Table 1**

*Characteristics most often attributed to entrepreneurs by behavioural specialists*

Innovators	Need for fulfilment
Leaders	Internality
Risk takers	Self-confidence
Independents	Long-term involvement
Creators	Tolerance for ambiguity and uncertainty
Energetic	Initiative
Persevering	Learning
Originals	Use of resources
Optimists	Sensitivity to others
Results-oriented	Aggressiveness
Hoses	Tendency to trust
Resourceful	Money as a performance measure

(Filion, 1997).

It should be noted that this research has conflicting results and has not provided clear precision on the absolute psychological profile to describe the entrepreneur (Filion, 1997; Ray, 1993). According to Ray several studies only focus on the traits of the entrepreneur to give an explanation of entrepreneurship. According to Filion (1997), the differences between the results of these different studies are justified by the fact that each researcher gives his own definition of the entrepreneur, because entrepreneurs who have been working for several years have different traits than students. Filion (1988) has shown that an individual who has a family member who is an entrepreneur has a high probability of becoming an entrepreneur only if that individual has some characteristics. In other words, apart from the individual choices that the entrepreneur will make voluntarily, he is also the result of his environment that continually pushes him to develop certain traits of creativity, or even tolerance to risks and ambiguity.

## **2.4 Student Entrepreneur**

The literature defines entrepreneurs in different ways. We define student entrepreneurs as young students who, during their university studies, engage in entrepreneurship while pursuing their studies. Sometimes student entrepreneurs are defined as "university entrepreneurs" (Kafli & et al., 2020). Most of the discussions on student entrepreneurship are about the analysis of entrepreneurial intent among

students (Krueger & al, 2000; Autio & et al., 2011), the effects of entrepreneurial education on students, entrepreneurial skills (Collins & et al., 2004; Peterman & Kennedy, 2003) and the experiences of entrepreneurship (Jones & Jones, 2014). Even academic research on entrepreneurship, for the most part, revolves around entrepreneurship among faculty and not students (Bercovitz & Feldman, 2008). Student entrepreneurship is a large and complex field that requires further study. For example, the transformation of intentions into business creation has rarely been studied (Nabi et al., 2006). It should be noted that a student entrepreneur may have the desire to embark on entrepreneurship but faces great obstacles along the way. Indeed, there are several factors that can hinder entrepreneurial action among all individuals who want to engage in entrepreneurship (Sandhu et al., 2011).

## **2.5 Entrepreneurial Intention**

Entrepreneurship becomes a major factor for almost every country in the world. Countries with high entrepreneurial intention are experiencing lower unemployment rate through job creation, innovation and economic development. Entrepreneurship is of interest to individuals who engage in entrepreneurial acts especially in business creation. In recent years, few people have decided to start a business (Nolan, 2003).

Entrepreneurial intention is a theme that has been the topic of several research projects in recent years (Audet, 2004; Boissin et al., 2009; Schlaegel & Koenig, 2014; Baronet, 2011; Tounès, 2006). Entrepreneurial intention has its origins in internal factors (personal) such as values, needs, habits, beliefs: *“The intentional process begins with the entrepreneur’s personal needs, values, wants, habits and beliefs”* (Bird, 1988). Entrepreneurial intention is also developed through external factors (environmental): *“New organizations are the direct outcome of these individuals’ intentions and consequent actions, moderated or influenced by environmental conditions”* (Bird, 1992).

Moreau and Raveleau (2006) consider entrepreneurial intention as a mental process by which the individual sets himself goals that he must achieve (the creation of a business) and provides the means necessary for its realization.

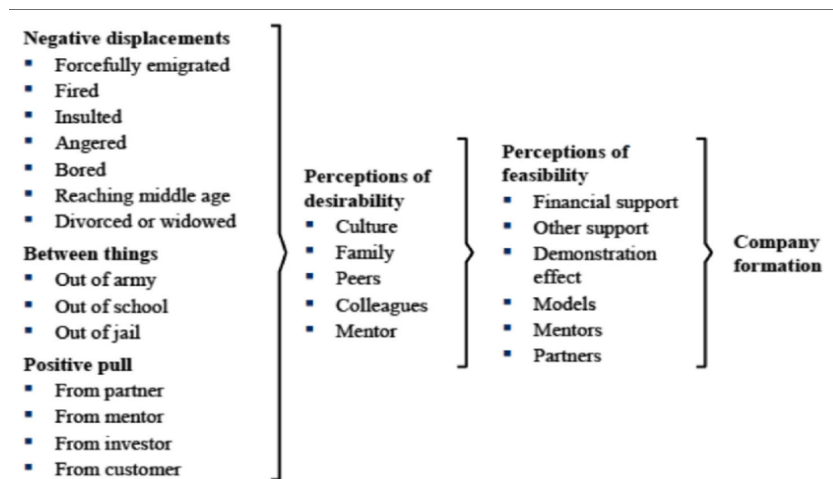
Tounes (2003) interprets entrepreneurial intention based on the theory of planned behaviour and the theory of entrepreneurial event). Tounes describes entrepreneurial intention as a personal will of the individual that requires a favourable assessment of the desirability and feasibility of the entrepreneurial act.

## 2.5.1 Entrepreneurial Intention Theories

**2.5.1.1 The Entrepreneurial Event Model (Shapero & Sokol, 1982):** The entrepreneurial event model was developed by Shapero & Sokol in 1982. Both authors explain the social factors that lead some individuals to make the choice to become entrepreneurs while others choose an employee career. Shapero & Sokol explain the entrepreneurial act by three distinct groups of factors that bring about significant changes in life: positive or negative displacements; perception of desirability and perception of feasibility.

**Figure 1**

*Entrepreneurial Event Model*



(Shapero & Sokol, 1982).

Negative displacements refer to the bad changes and bad experiences that the individual may experience such as emigration, dismissal, divorce. Positive displacements refer to positive situations that motivate an individual to create a

business such as the existence of a market or potential investors, family influence, inheritance, meeting partners. Desirability refers to cultural and social factors that influence individual values. According to Tounès (2006), the perception of desirability takes into account all the environmental factors (cultural, economic, and social) that influence the individual, such as having an entrepreneur parent. The authors Moreau and Raveleau (2006) have shown that there is a link between the experiences of students during seasonal work or internships and their perception of the development of entrepreneurial behaviour. When the experience is positive, the student will be more open to the idea of creating a business especially if he meets a successful entrepreneur able to show him the particularities of entrepreneurship. The feasibility of the act refers to the factors supporting the effective creation of the enterprise. The feasibility concerns mainly the means, the availability of the necessary resources to start a business (finance, support of family and friends, advice, the engineer coach).

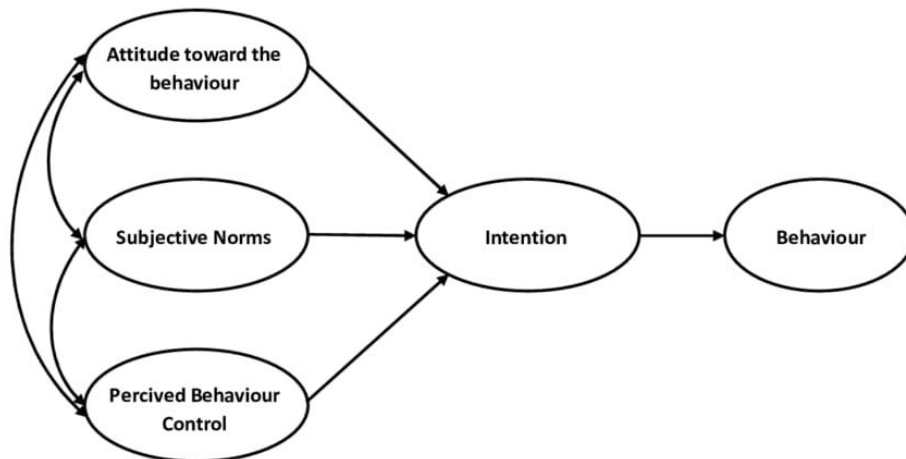
This model has been replicated and verified by Krueger and Carsud (1993). For Krueger and Carsud, if we want to influence entrepreneurial intent, we must act on feasibility and desirability. Indeed, the stronger the desirability and feasibility are, the greater is the entrepreneurial intention (Moreau & Raveleau, 2006). However, both authors concluded that for students, assessing feasibility is not necessary. Students tend to first judge the attractiveness of the entrepreneurial profession, then they attribute other causes to the decline in their entrepreneurial intention that are not necessarily related to financial means such as fear of risk, the desire for work experience, the need to get their degrees. For both authors, entrepreneurial intention can develop before feasibility.

**2.5.1.2 The Theory of Planned Behaviour (Ajzen, 1991):** The theory of behaviour is based on the model of reasoned action developed by Ajzen and Fishtein (1980). This theory explains the journey from intention to behaviour by linking situational factors to the individual's will. It gives entrepreneurial intention a central place in the genesis of behaviour. In other words, intention predicts behaviour and behaviour predicts intention: *"Intentions are assumed to capture the motivational factors that influence the behaviour, they are indications of how hard people are willing to try, of how much effort they are planning to exert, in order to perform behaviour"* (Ajzen, 1981).

The creation of a new business is a planned behaviour based on intentions (Krueger & Carsrud, 1993; Bird, 1988; Shapero & Sokol, 1982). The theory of planned behaviour is based on three variables: attitudes towards behaviour, subjective norms and perceived control.

**Figure 2**

*The theory of planned behaviour*



(Ajzen, 1991, p. 182).

**2.5.1.2.1 Attitude towards behaviour:** Attitudes towards behaviour refer to the degree of unfavourable or favourable judgment that an individual may have in assessing success or failure. It is necessary to make a difference between the individual’s attitude towards behaviour (entrepreneurship in general) and the individual’s attitude towards behaviour (creating a business). The impact of attitude on entrepreneurial intention was demonstrated by Autio et al., (2001) in a survey of 3,445 students from different countries and these results were reinforced by the study of Boissin et al. (2009). Indeed, they have come to the conclusion that the attitude towards action and feasibility has more impact in predicting student intention than social norms.

**2.5.1.2.2 Subjective norms:** It is the fear of being judged by others, the social pressure: *“The second predictor is a social factor termed subjective norms: it refers to the perceived social pressure to perform or not perform the behaviour”* (Ajzen, 1991, p. 188). Society’s standards do not really have a great impact on the process of developing entrepreneurial intention, according to a survey conducted by Moreau and

Raveleau in 2006. Indeed, the students who had said that their entourage would agree that they create their business have a very weak entrepreneurial intention. A study of students by Barbosa et al., (2001) reinforced these findings. The survey was conducted in two different countries (France and Brazil) and the results show that national culture and society have no impact on entrepreneurial intention. However, in their meta-analysis, Schlaegel & Koenig (2014) found that social norms predict entrepreneurial intention more than taking entrepreneurship courses, self-efficacy, and character traits.

**2.5.1.2.3 Perceived behaviour control:** It refers to both the perception of opportunities, the means necessary for the project and the ability to use these means. The first two variables in this model refer to the desirability concept of Shapero & Sokol (1982) from Boissin et al. (2009). According to Azjen (1991), the combination of these three variables, or only one, is needed to predict behaviour.

## **2.6 Entrepreneur's Challenges**

Entrepreneurs face a number of challenges when it comes to entering entrepreneurship. The work conducted by the researchers confirms that young entrepreneurs face several obstacles in their entrepreneurial efforts.

### **2.6.1 Financial Challenges**

According to Gheorghe (2012), the biggest barrier young entrepreneur's face is a lack of finances. A financial barrier is defined as a barrier that does not provide access to financial resources. An obstacle to the creation of a business is what is opposed to the action of undertaking, each of the difficulties encountered on the path of the materialization of an entrepreneurial project. Finances are necessary for the creation of a business and for the daily functioning of the business. Human resources and equipment funding require funding. Almost every business that closes or shuts down is carrying it or is never running out of money. One of the biggest challenges facing entrepreneurs is finding the finances to create their business.

One of the biggest problems young entrepreneurs' faces is the lack of finance and this lack of capital leads to failure in the early stages of entrepreneurship.



According to Benata (2018) securing finance for start-up and business development and growth expenses is one of the biggest challenges facing young entrepreneurs. The decision to set up a business can be hampered by various financial barriers such as access to finance, lack of personal funds.

Difficult access to financing is a common barrier for all entrepreneurs. However, young student entrepreneurs are particularly affected because they have a poor or non-existent credit history, which does not facilitate their access to financial support particularly in financial institutions. The main reason is that most of them have not yet been economically active because of their education and have no work experience. Lack of funding is one of the main constraints to start new businesses among young entrepreneurs. Around the world, all young students are facing financial difficulties (YBI). Young students often have limited access to financial resources. In most cases, they have ideas but are unable to transform them into sustainable business (Nieman & Nieuwenhuizen, 2014). Young people lack personal finances which can guarantee the obtaining of loans from financial institutions and are unable to accumulate sufficient personal funds for the financing of a commercial enterprise (Kew et al., 2013). Banks do not provide student entrepreneurs with the funds needed to start a new business, firstly because of the lack of collateral and secondly because they lack business experience. Before processing a request for funds file, banks require a guarantee, not possessing any property, and student entrepreneurs are denied their request. Distrust of financial institutions, banks and lenders is the basis for the lack of financing, which is a major obstacle to the activities of student entrepreneurs who create businesses (Gheorghe et al., 2012).

The lack of personal funds for the creation of a business is another main difficulty encountered by students who want to create businesses. Despite their intentions, ideas, aspirations to start businesses, these ideas are unfortunately not born out of a lack of personal financial capital. If it's a question-and-answer stage, they're wondering if it's viable, if it's going to be in the marketplace, or if they're going to be able to afford it. A student who wants to engage in entrepreneurship can stop everything. To create a business, it is necessary to produce and put the product also service for this reason the funds are more than necessary. This is a delicate period especially for an innovative company because they are not sure that the supply will find its demand and they are afraid that the business will close. Entrepreneurs with

personal financial capital are more likely to succeed in creating a business. Student entrepreneurs are at a disadvantage because they not only lack personal funds but also face more difficulties than other entrepreneurs in obtaining outside financing (OECD, 2012).

The lack of personal funding is a hindrance to the creation of business for student entrepreneurs. Since they do not have any funds, they are unable to promote their projects to business creation support organizations. Personal funds in the company's capital allow the banker to judge that the case is serious. Lack of funding is one of the most cited challenges for young entrepreneurs. Student entrepreneurs lack sufficient funds to engage in entrepreneurship and have difficulty obtaining financing particularly from banks.

### **2.6.2 Administrative Challenges**

Bureaucracy (insufficient regulations, laws, and procedures for starting and running a business), high taxes (Rivetti & Migliaccio, 2015); Tleuberdinova et al., 2019), and corruption (Rivetti & Migliaccio, 2015) are some examples of administrative challenges. Ineffective governmental policies (Areiqat et al., 2019), the absence of legislative assistance, (Wagdi & Hasaneen, 2019), insecure rules (Rivetti & Migliaccio, 2015), an inefficient judicial environment (Wagdi & Hasaneen, 2019), a poor administrative environment, and an insufficient fiscal incentive (Wagdi & Hasaneen, 2019), among others, are also mentioned. Ineffective institutional management (Cavada et al., 2018), an absence of security (Islam et al., 2019; Alon & Shneor, 2017), and a bad attitude (Choto et al., 2014) are also examples of administrative challenges.

According to Ceptureanu, & Ceptureanu (2015) and Wagdi & Hasaneen (2019), administrative challenges are the biggest obstacles facing business owners. A study of Romanian entrepreneurs was undertaken by Ceptureanu & Ceptureanu in 2015. In 2004, according to the Eurobarometer survey carried out by the European Commission, administrative constraints are considered by entrepreneurs as a major obstacle to starting a business in which two out of three participants are under the age of 25. There are several administrative burdens such as business registration, taxes,

permits, approvals, etc. When the government helps a business financially to start up, these costs become much more complex. To cope with these administrative constraints, entrepreneurs must spend their money and their time. If the administrative documents are not complete, the entrepreneur will have difficulties preserving his business from litigation and offences (Schoof, 2006). The view of the business environment (whether it is beneficial for owning and establishing a business or not) and the challenges faced by young entrepreneurs (which included sixteen challenges) were used to evaluate the youth entrepreneurship situation. They discovered that bureaucracy, excessive taxes, and corruption are among the major administrative challenges faced by entrepreneurs (Ceptureanu, & Ceptureanu (2015).

In addition to the prior difficulties, it was suggested by Tleuberdinova (2019), Alon & Shneor (2017), Wagdi & Hasaneen (2019), and Areiqat et al. (2019) that entrepreneurs face difficulties due to the regulatory framework. They first encounter obstacles as a result of the taxes rules, and registration processes must be completed in order to lawfully register the business (Tleuberdinova et al., 2019). Second, the complexity of administrative rules and legal requirements makes running a business more challenging. Tanzania's convoluted labour regulations compel employers to retain workers even if they aren't performing up to par. In order to fire an employee, a court decision is required, which could take three years or longer. During this period, the employee must still be paid in full (Alon & Shneor, 2003).

Third, they struggle because of the unsupportive legal system and lax policies (Wagdi & Hasaneen, 2019; Areiqat et al., 2019). When the government's attitude toward entrepreneurs is unfavourable, there may occasionally be a lack of assistance. Starting a business in several nations involves extensive, because the government doesn't offer any aid or facilitation, the process is frustrating and takes 38 days. It holds that giving support and assistance to entrepreneurs is a waste of funds and resources because they do not contribute to the economic development of the nation (Choto et al., 2014). Along with the absence of government support, a key oversight by the government that presents a problem for business owners is when it and its institutions fail to offer information on the procedures, paperwork needed, and entry forms that business owners need to be aware of (Belwal et al., 2014). In addition to providing inadequate support, governmental institutions also obstruct the growth of businesses through their lack of institutional efficiency. All of the governmental institutions that

the entrepreneur must deal with to open and run his or her business will put obstacles in his or her way because when they don't operate properly and provide the service to citizens at the required level, this will result in their inefficiency (Letki, 2017). The normative-regulatory obstacles that Oliveira & Rua (2018) described as all the procedures, licenses, and approvals that discriminate against an entrepreneur's business are another challenge worth mentioning. Because the lack of institutional support for entrepreneurial culture is a result of government regulations and systems that are connected to its institutions, it is important to point out that they classified some difficulties as socio-cultural challenges that the author believes are administrative-related. These difficulties include a lack of human resource infrastructure and a lack of institutional support for entrepreneurship.

The other factor is automobile congestion, which forces people to use expensive and dangerous public transportation. Islam et al. (2019) classified these issues as social and cultural, however the author saw them as administrative for the following reasons: First, the lack of a strong legal and security system is mostly to blame for the insecurity. Second, the government's transportation ministry is responsible for the traffic jams, transportation insecurity, and high costs because that is one of its primary responsibilities.

### **2.6.3 Entrepreneurship Education**

According to Jafarnejad et al. (2013), entrepreneurs face several barriers of different kinds: lack of management knowledge and skills, the lack of sufficient investment create a business, difficulties in finding market information, obtaining bank loans, and difficulty recruiting competent and reliable staff. Age can also be a major obstacle to entrepreneurship among student entrepreneurs. Indeed, for Krauss et al. (2016), the younger the entrepreneur, the more difficult it is for him to gain credibility with economic organizations. Problems with education can seriously hinder success.

Due to a lack of entrepreneurship training and appropriate education, entrepreneurs who have a lack of capabilities and competencies will not be able to fully understand how their startup businesses can grow and develop their resources and won't be able to develop plans for the future. Because they lack the knowledge and

skills necessary to manage the business resource effectively (Zhartay, Khussainova, & Yessengeldin, 2020), as well as the understanding of how to properly navigate the entrepreneur's process (Cavada et al., 2018), they will eventually find themselves out of business (Areiqat et al., 2019).

In additionally to lacking education and expertise, entrepreneurs lack knowledge of the legal requirements for starting a business or acquire a loan, as well as the organizations that encourage entrepreneurship. According to Egorov et al. (2019), the absence of entrepreneurial education or training results in a lack of education and experience as well as an ignorance of the organizations that support entrepreneurship, entrepreneurial education or training includes information on sponsors and organizations that provide help and guidance for entrepreneurs.

The absence of entrepreneurship training institutes and centers, which train people in the necessary knowledge, skills, and abilities to start their own businesses, can often be related to the lack of education (Tleuberdinova et al., 2019).

Wagdi and Hasaneen (2019) conducted a study with the goal of examining four dimensions, including the success factors, challenges factors, business model characteristics of successful entrepreneurship, and future directions of entrepreneurship in Africa, specifically in Egypt and Nigeria, and provided comparisons between both. The 395-person sample included business owners, academics, investors, and financial experts. They talked on how entrepreneurs need to have a variety of talents in order to successfully operate their businesses, including management, accounting, analytics, negotiating, and communication. These are all very significant skills that may be learned through education or training. Entrepreneurs can find their skills and develop them through education or training. They emphasized the role of family in the development of entrepreneurial talents, noting how the support of families and their interactions with entrepreneurs had an impact on those individuals' abilities and results. Additionally, family members influence and motivate one another. If the father, mother, or one of the close relatives is an entrepreneur, this will have an impact on and inspire the entrepreneur (Hasan et al., 2020).

According to Wagdi and Hasaneen's research from 2019, one of the biggest obstacles facing entrepreneurs is a lack of management and accounting abilities. However, if an entrepreneur has the necessary training or education, he can overcome

all of the success elements. Understanding the environment, being able to identify market opportunities, being able to raise the necessary capital, and producing consistent cash flows were all important success elements. It is impossible for an entrepreneur without accounting knowledge to determine the necessary quantity of capital and how to produce consistent cash flows. It is impossible for an entrepreneur without accounting knowledge to determine the necessary quantity of capital and how to produce consistent cash flows. Additionally, the entrepreneur won't be able to do a SWOT or PESTEL study of the environment or even detect and seize market possibilities if they don't possess management and analytics abilities.

Ceptureanu, & Ceptureanu, (2015) concurred with Wagdi and Hasaneen (2019) and they found that one of the problems faced by business owners was the difficulty in obtaining the required education or training. Additionally, they talked about how various institutions or societal groups can contribute to the difficulties related with entrepreneurship education.

They emphasized the significance of incorporating entrepreneurial principles, skills, and attributes like as taking calculated risks, having self-confidence, being determined, and many others into the teaching of entrepreneurial education or training and claimed that these skills and values are either not taught or are taught incorrectly. Academic curricula continue to emphasize the abilities and character attributes required for employment in big or public-sector enterprises, such as compliance rather than independence, for instance. However, if such values or abilities are spread through academic programs, they are not being taught properly. Due to the poor relationships between educational institutions and business communities, teaching these skills requires experiential learning techniques rather than traditional ones. Additionally, real entrepreneurs must be coached, experienced, and learned from, making cooperation with these communities difficult (Ceptureanu, & Ceptureanu, 2015).

Belwal et al. (2014) underlined that most female business owners do not have a high school diploma, which will minimize the need for them to create business plans. Even if someone else does, they won't be able to implement them because they lack the knowledge and skills necessary to do so. Uneducated entrepreneurs confront obstacles that entrepreneurs who have education do not, such as creating a company

strategy, obtaining bank loans, utilizing new technology, etc. Other studies have demonstrated that entrepreneurs who have education have the ability to recognize market opportunities than those who lack education. (Cesaroni and Sentuti, 2016; Lipset, 2018, quoted by Islam et al., 2019). Other research emphasized the notion that education and training are increasingly significant since they have a big impact on entrepreneurs and their performance (Choto et al., 2014).

According to Belwal et al. (2014) and Alon & Shneor (2017), entrepreneurs may experience low self-esteem and confidence issues if they discover that they are unable to manage their businesses because they did not receive the proper training in risk-taking and management skills.

Last but not least, entrepreneurship education contributes significantly to the development of businesses by raising awareness of and interest in entrepreneurship (Ceptureanu & Ceptureanu, 2015). A firm needs management, financial, and communication abilities to function efficiently; without them, it would fail (Choto et al., 2014). Therefore, educational obstacles are any issues that are connected to entrepreneurial education or training and negatively impact it, leading to poor skills and knowledge that negatively impact the entrepreneur's business performance.

#### **2.6.4 Social and Cultural Challenges**

The culture of society often does not go in the same direction as the entrepreneurial characteristics according to the research. Some societies are more open to entrepreneurship than others, according to Geert Hofstede (1980). Geert based on four elements to compare different cultures: individualism, distance from power, avoid uncertainty, masculinity. For example, cultures that avoid uncertainty are more accepting of young entrepreneurs. The growth, development of a business activity is influenced by the judgment of society. Entrepreneurs operate better in environments with a high entrepreneurial spirit (Wilken, 1979). When students want to engage in entrepreneurship, one of the most motivating factors is how their environment (parents, friends) perceives entrepreneurship. The lack of support from the entrepreneur's environment can be a major constraint for a young entrepreneur (Schoof, 2006). Family background has a strong influence on the entrepreneurial

decisions of young students. In Nepal and the United Kingdom, studies have shown that youngest people with entrepreneurial status have entrepreneurial parents (Sitoula, 2015).

Entrepreneurship can easily flourish in a society where young people see entrepreneurs as independent, courageous, innovative, honest and successful. However, if these young people see the entrepreneur as a corrupt, dishonest, selfish person, this perception will be an obstacle to entrepreneurship (Schoof, 2006). When young people have a negative image of entrepreneurship, they do not start a business (Fatoki & Chindoga, 2011). The social environment approach can create reluctance among young entrepreneurs. Social and cultural issues arise as a result of the loss of support because of the crucial role that social and cultural factors play in fostering entrepreneurship.

It is crucial to be aware of the concept of entrepreneurship (Ceptureanu & Ceptureanu, 2015). Due to a lack of understanding of their truth and significance, entrepreneurs are viewed badly in the society (Egorov et al., 2019). They are also seen as a last resort if they are unable to get an excellent job or if they lack a college diploma (Choto et al., 2014).

Studies on female entrepreneurship were undertaken by Islam et al. (2019), Belwal et al. (2014), and Cavada et al. (2018), and general agreement on the findings was discovered.

Islam et al. (2019) carried out research on 12 female entrepreneurs in Bangladesh using structured interviews to look at economic, social, cultural, and political factors. They discovered that cultural barriers are the biggest obstacle faced by women business owners. The success of female entrepreneurs is not viewed favourably by the culture in various South Asian nations, such as Bangladesh. Women are expected to marry early, stay at home, and raise their own children, according to culture and societal norms. When Belwal et al. (2014) studied 33 female business owners in Oman using a structured survey to examine three dimensions—female entrepreneurs characteristic, motives, and obstacles—they discovered the same outcomes with relation to societal attitude.

They said that because of societal expectations, women company owners frequently fail since they don't have the support of their families or their husbands.



Results from Belwal et al. (2014) were verified by Cavada et al. (2018). Through in-depth interviews with 11 female entrepreneurs and two entrepreneurship specialists, they investigated the cultural roots of female entrepreneurship in Mexico. For this, they employed three cultural dimensions: power distance, gender egalitarianism, and institutional collectivism. After results analysis, it was discovered that the gender egalitarianism dimension showed a lack of social acceptance and credibility for female entrepreneurs as well as high vulnerability to criticism, institutional collectivism revealed a lack of support for female entrepreneurs as well as a lack of funding programs, and power distance was not viewed as a significant factor in posing obstacles for female entrepreneurs. They also noted that rejection from family and society is just one of the challenges faced by a woman who chose to defy expectations and norms by choosing to become a working independent woman.

### **2.6.5 Personal Challenges**

It is reasonable to excuse the fact that entrepreneurs face difficulties they created for themselves. The development of worries and unfavourable thoughts from business owners toward themselves was confirmed by Oliveira & Rua (2018), Choto et al. (2014), Cavada et al. (2018), Belwal et al. (2014), and Islam et al. (2019). Choto et al. (2014) carried out on 100 South African entrepreneurs to better understand their capacity for survival, growth, and difficulties. They discussed how low self-esteem can be a significant barrier that prevents people from becoming entrepreneurs, explaining that when people aren't confident in themselves, they don't believe they can change their lives, they lack the willpower to keep working toward success, and most importantly, they are not even aware of what they are capable of.

One of the barriers to starting a business that is not mentioned is the fear of failure, particularly among young students. Fear of failure can be a major obstacle to business creation. Indeed, several business creation projects are abandoned before they are realized because of psychological factors such as fear, stress... However, it should be noted that fear of failure differs from one country to another. In the United States, for example, failure has value and is considered a valuable learning experience (Pépin, 2016).

Oliveira and Rua (2018) identified fear of failure as another significant barrier to becoming an entrepreneur, in addition to low self-esteem and lack of confidence. They noted that this barrier exists when a person believes starting a new business is impossible or unimportant, despite the fact that it is important and rationally possible.

Finally, Cavada et al. (2018) and Belwal et al. (2014) concurred that entrepreneur encounter a variety of unique personal problems. Lack of self-esteem and confidence in oneself (Cavada et al., 2018); lack of willingness (Cavada et al., 2018); and lack of confidence in one's own abilities (Belwal et al., 2014); fear of failure; fear of vulnerability to criticism and rejection from society and family; and lack of readiness.

Personal challenges have been produced by both social and cultural challenges and educational challenges. (Cavada et al., 2018) Fear of failure was created by society's rejection of entrepreneurs and ongoing criticism. According to Choto et al. (2014), a lack of knowledge and abilities leads to a lack of confidence in oneself.

#### **2.6.6 Market Challenges**

In addition to the above challenges faced by entrepreneurs, there are also other challenges. According to Van Gelderen and al. (2011). Due to the nature and size of their businesses, entrepreneurs frequently encounter operational issues. Alon & Shneor, 2017, Islam et al., 2019, weak management (Areiqat et al., 2019), competitiveness (Ceptureanu & Ceptureanu, 2015; Alon & Shneor, 2017; Islam et al., 2019), uncooperative supply chain partners (Alon & Shneor, 2017), finding the right store location (Alon & Shneor, 2017), and operational challenges related to rural entrepreneurship Ceptureanu & Ceptureanu (2015) referred to this as a market barrier and noted that consumers may have doubts about the legitimacy of an entrepreneur's products, leading them to choose those produced by rival companies. The competition presents a challenge to all business's kinds, specifically to entrepreneurs. Due to their small size and lack of expertise, the majority of entrepreneurial enterprises are compelled to join markets with low entry barriers where they would face intense competition (Ceptureanu & Ceptureanu, 2015). Competition is a significant obstacle, especially in markets that are fragmented and have a large number of firms with

comparable sizes, slim profit margins, and low entry barriers (Islam et al., 2019; Alon & Shneor, 2017).

Alon and Shneor (2017) focused their investigation on the beauty goods sector, especially on the innovative company Atosko. In addition to the rivalry, they discovered that there are other more challenges facing businesses. The supply chain partners are a significant consideration. Businesses' success is significantly influenced by their suppliers, distributors, and resellers. Particularly if they are the sections that deal directly with the clients, their job is quite vital. It's crucial to identify partners that share the business principles of entrepreneurs and love the consumer since occasionally resellers focus just on profit and neglect to take care of clients, which results in customers switching to rivals. The store's location is a problem that also impacts the company's performance and image. In certain cases, it may be difficult to find the perfect locations for the business establishments. The owners of real estate may demand exorbitant rents or neglect to perform any maintenance; in other cases, stores that are offered for rent at affordable rates may be infested with rats or located in undesirable neighbourhoods for the type of businesses they are.

According to Dhewanto et al. (2020) and Siemens (2010), entrepreneurs in rural regions deal with issues that those in metropolitan areas do not. They discovered that the nature and characteristics of these places make running a business in rural areas quite difficult for entrepreneurs. The first problem is the difficulty in getting to metropolitan regions and other stakeholders; it costs a lot of money, time, and effort to travel there and do the essential business with other parties like clients, suppliers, banks, etc. As a result, it will cost more to transport the goods and take longer for them to reach the marketplaces. Second, considering the small size of the community and the dearth of skills and qualifications in rural areas (Yudiardi & Nina, 2017), as well as the reluctance of urban workers to quit their jobs and relocate to villages, finding qualified or at least well-educated applicants to hire is a real problem. Last but not least, a tiny market size also translates to a small consumer base and income.

It is important to recognize that certain challenges inevitably cause additional ones. Entrepreneurship challenges may lead in market challenges, as was previously indicated. Poor skills and talents will limit the entrepreneur's capacity to run their firm

efficiently and create plans for future growth, which will ultimately result in the business being shut down (Areiqat et al., 2019).

## **2.7 Solutions**

In their studies, Tleuberdinova et al. (2019), Pauceanu (2016), Cavada et al. (2018), Betakova et al. (2020), all emphasized the importance of the government's support for entrepreneurship. The 2019 study by Tleuberdinova et al. investigated the driving and limiting forces behind entrepreneurship in Kazakhstan. They discovered that numerous initiatives were made to boost people's entrepreneurial activity. Government initiatives have considerably encouraged entrepreneurship. The "Business Road Map 2020", "Employment Road Map 2020", and "Startup Kazakhstan" (Seitzhanov, Kurmanov, Petrova, Aliyev, Aidargaliyeva, 2020) are among the initiatives that focus on delivering grants and business support centres to provide help, support, and training for businesses. The "Employment Road Map 2020" was established for other cases connected to work and labour but one of its key purposes is offering aid in launching startups. The "Business Road Map 2020" was developed to track and assure the ongoing progress in entrepreneurship. In order to draw the most creative high-tech firms and encourage their growth, the "Startup Kazakhstan" initiative was established (Seitzhanov et al., 2020).

Furthermore & Pauceanu (2016) confirmed the role of the government in fostering entrepreneurship by stating that Oman is regarded as a country that supports entrepreneurs due to a variety of factors, including the country's developed and flexible economy, stable political climate, prudent governance, flexible and transparent regulations, smart policies that encourage investment, entrepreneurship education, lower taxes, free trade zones, and the establishment of the Oman Chamber of Commerce and Industry. However, Karadzic, et al. (2015) carried out a study in Montenegro to look into the difficulties and possibilities faced by business owners. They discovered that among the opportunities, there is support for business owners, particularly young ones. Students can receive training and workshops from organizations to help them become more aware of entrepreneurship and inspire them to pursue it. Additionally, a few nations have made entrepreneurship instruction required in schools. More importantly, the European Commission unveiled the

Entrepreneurship 2020 Action Plan, which intends to advance entrepreneurial education and offer training to boost entrepreneurship in EU nations (Betakova et al., 2020). In regards to the support for female entrepreneurs, (Cavada et al., 2018) came to the conclusion that the government and other institutions understood the value of women's involvement in entrepreneurship and entrusted The National Institute of entrepreneurs (INADEM) with the responsibility of launching programs that are specifically designed to encourage and support women entrepreneurs to launch their own businesses. As more and more nations began to understand the value of entrepreneurial activities in developing economies, lowering unemployment, and boosting the quality and quantity of human capital, several programs were launched globally to promote rural entrepreneurship. Japan's OVOP (One Village One Product), Thailand's OTOP (One Tambon One Product), and Vietnam's OCOP (One Commune One Product) all fall under this category. The purpose of each of these initiatives is to strategically make use of rural regions' resources. All of these initiatives have as their strategic goal making use of rural regions' resources. Village-owned businesses, or BUMDes, which stands for "Badan Usaha Milik Desa," are one of the initiatives launched by the Indonesian government to promote rural entrepreneurship. BUMDes institutions or business entities were created by the government and the community of the village with the goal of improving the welfare of the villagers not only economically but also socially by using the villagers' resources, and conforming the villagers' economic practices. BUMDes' fundamental idea is to empower and support startups. When people with business ideas visit BUMDes to discuss their ideas, if they are good ideas, they are given mentoring and other support as well as the knowledge and abilities they need to expand their enterprise (Dhewanto et al., 2020). As more and more nations began to understand the value of entrepreneurial activities in developing economies, lowering unemployment, and boosting the quality and quantity of human capital, several programs were launched globally to promote rural entrepreneurship. Japan's OVOP (One Village One Product), Thailand's OTOP (One Tambon One Product), and Vietnam's OCOP (One Commune One Product) all fall under this category. The purpose of each of these initiatives is to strategically make use of rural regions' resources. All of these initiatives have as their strategic goal making use of rural regions' resources. Village-owned businesses, or BUMDes, which stands for "Badan Usaha Milik Desa," are one of the initiatives launched by the Indonesian government to promote rural entrepreneurship. BUMDes institutions or business

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Last but not least, as was already noted, rural businesses face the issue of a tiny market with little room for growth. To address this issue, BUMDes has established long-term partnerships with other parties to broaden its market and spur corporate expansion. To open up new doors and expand market networks, it formed partnerships with financial institutions, academic institutions, and neighbourhood businesses. Financial institutions offer the funding needed to grow a company and create new goods. In order to create successful goods and marketing strategies, universities offer expert guidance and help. Either consumers or distributors will be local business entities. These collaborations provided market sustainability. Other nations, such as Kazakhstan, Russia, and Ukraine, have come to understand the value of rural business in bolstering local economies and raising living standards by lowering poverty and unemployment. They started initiatives to aid "monotowns," or small towns, in growing their economies and capacity for manufacturing. In order to achieve the economic growth of monotowns, Kazakhstan introduced "the monotowns development program for 2012-2020" in 2012. The development of SMEs and their support is one of these initiatives top priorities. (Parkhomchik, Simsek, Kanapiyanova, & Makhanov, 2015).

Contrary to other studies, Alon and Shneor (2017), Zahra (2020), Lungu and Bogoslov (2020), Liguori and Pittz (2020), and Robinson, Davidsson, Van der Mesch & Court (2007) all offered a completely different viewpoint on how to deal with challenges. In overcoming these obstacles, they emphasized the part played by business owners and the burden that falls on their shoulders. According to Alon and Shneor (2017), the key ingredient in any success formula is the entrepreneur themselves. First and foremost, an entrepreneur needs tenacity, risk tolerance, willingness to succeed, inventiveness, self-control, independence, ability to spot chances, enthusiasm for one's own business, moral principles, and a conscience.

Second, success requires both education and experience. The business owner must be able to build the best business model, choose and implement the best strategy, organize marketing and promotional activities, audit financial records, handle cash flow problems, and integrate vertically or horizontally as necessary. Third, an entrepreneur should always consider how to overcome obstacles by relying on oneself. Human resource obstacles may be overcome by attracting qualified personnel and providing them with greater starting pay and training. Entrepreneurs who make the ethical choice to never accept a bribe are able to avoid moral dilemmas. Therefore, the capacity for independence and the desire to build a successful business, combined with education and experience, give the entrepreneur the ability to move ahead of the competition and integrate vertically or horizontally to solve operational issues. This study supports the findings of Wagdi & Hasaneen (2019) regarding the success factors business owners should possess.

## **2.8 Recommendations**

Numerous research offered suggestions for addressing the difficulties faced by businesses. The following are some recommendations: Financial assistance through loans with low-interest rates and better debt recovery periods (Wagdi & Hasaneen, 2019; Islam et al., 2019; Dy & Jayawarna, 2020; Włodarczyk et al., 2018; Egorov et al., 2019); enhanced policies and regulations that first prioritize entrepreneurs and encourage innovation and entrepreneurship (Choto, et al., 2014). Creating support systems for business owners, such as entrepreneurship development centers and business parks (Salamzadeh & Kesim, 2015), streamlining the business registration process and moving it online to reduce gender bias and make it faster (Islam et al., 2019; Egorov et al., 2019), and promoting entrepreneurial education and enhancing its efficacy (Tleuberdinova et al., 2019; Wagdi & Hasaneen, 2019; Islam et al., 2019; Oliveira & Rua, 2018; Liguori and Winkler, 2020; Omer and Aljaaidi, 2020; Betakova et al., 2020). Seminars can be started in various rural and urban areas to raise awareness of the importance of entrepreneurs and the need to support them (Belwal et al., 2014; Ceptureanu & Ceptureanu, 2015). This will put pressure on business owners to recognize their own capabilities and have the will and commitment to build their own success in order to advance (Islam et al., 2019; Egorov et al., 2019). Assisting in the

development of an entrepreneurial mindset (that fosters self-assurance and passion) through business incubators (Choto et al., 2014), improving infrastructure (Choto et al., 2014; Wagdi & Hasaneen, 2019), and constructing a governmental system in order to monitor and track an organization's ethical decisions in order to increase awareness of ethical behavior (Vallaster et al., 2019). Because there are so many parties involved in business, Wagdi & Hasaneen (2019) advised that each party has a certain responsibility that, when fulfilled, will help entrepreneurship. These parties include families, who are in charge of bringing up their members, fostering their intellectual curiosity and moral development, and offering them support on a financial or at the very least psychological level. Institutions of higher learning are in charge of giving entrepreneurs the knowledge and skills they require. Government and parliament, which are in charge of rules and legislation, can assist business owners by providing tax breaks. Professional organizations, like the International Management Accounting Association (IMA), are in charge of empowering its members through skill development and career advancement (2021). Launch entrepreneurship financial support programs say the financial authorities. Financial institutions, such as banks and venture capital firms, offer low-interest loans. Business nurseries offer logistical and technological help.

It is impossible to ignore the impact of entrepreneurial education, and its absence resulted in a variety of additional challenges. In order to examine the association between entrepreneurial education and assistance and entrepreneurial intention, Omer and Aljaaidi (2020) conducted a study on 266 students at Northern Border University in Saudi Arabia.

It is also crucial for a variety of reasons. In the beginning, it encourages students to consider entrepreneurship as a career option, and when they do, this will lead to economic growth, a decline in unemployment, and societal welfare. (Betakova, Haviernikova, Okreglicka, Mynarzova, & Magda, 2020). The second benefit is that it promotes original thought and enables students to grasp novel chances. Third, as students learn about the viability of beginning their own firm, this fosters a greater desire to be entrepreneurial. Give people the abilities and knowledge necessary to launch and manage a business, according to Bettakova et al. (2020). This necessitates making suggestions for improving the efficiency and utility of entrepreneurship education. In order to be effective, entrepreneurial education programs must first



incorporate active learning. Students should collaborate in teams to create business strategies and models, do case studies on profitable ventures, and network with experienced entrepreneurs. In order to boost students' entrepreneurial intention, entrepreneurial education should also assist them in growing their sense of self-efficacy (Hasan et al., 2020), anchoring entrepreneurial education initiatives for students and recent graduates across all specializations. Fourth, the educational system needs to be improved and made more adaptable so that it can accept innovative and cutting-edge curricula and teaching strategies. Last but not least, the standard of education as a whole need to be raised. To do this, four things must be done: have a well-developed curriculum, better teaching techniques, a secure and innovative learning environment, and promote and inspire new forms of learning.

In order to investigate the impact of family entrepreneurial education on self-efficacy and entrepreneurial intention, Hasan et al., 2020 did a study in Makassar, Indonesia, on 150 families that have owned businesses for at least two generations. They discovered that the importance of the family in entrepreneurial education. Self-efficacy and entrepreneurship intention are impacted by entrepreneurship education in the family setting. Idiosyncratic knowledge, which includes both tacit and explicit knowledge, is passed down from generation to generation when a family owns and operates a business. This knowledge may be acquired through the process of observation and learning, or it may be modelled after a successful family member. Families make an effort to teach their kids about business because the success of a family business is largely dependent on the business knowledge that has been passed down from older generations. It is expected that families will help their kids develop their entrepreneurial abilities, skills, and behaviours, increase their self-efficacy and entrepreneurial intention, teach them how to spot opportunities and help them start and run start-ups. Hasan et al.'s (2020) study was supported by Ceptureanu & Ceptureanu (2015) and Wagdi & Hasaneen (2019). They also emphasized the crucial part played by families in the skills development of entrepreneurs, which is influenced by family support. In light of this, family members must assist in encouraging entrepreneurs and training them in business skills. Despite the fact that rural entrepreneurial programs were discussed earlier.

Rural entrepreneurship still requires assistance. It is crucial that decision-makers and government agencies work to either lessen the difficulties faced by rural

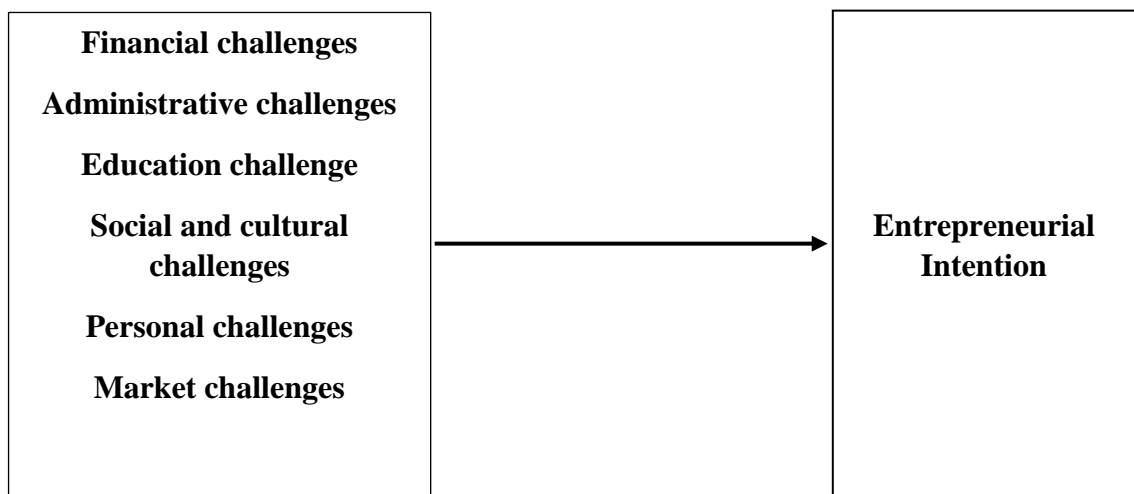
entrepreneurs, such as by enhancing the infrastructure to cut down on travel time and expense, or to strengthen the resources that are already at their disposal by offering additional assistance. For instance, in the financial sense by giving loans and grants; in the educational sense by incorporating the principles of entrepreneurship and entrepreneur skills into elementary and secondary level curricula; or in the managerial sense by supplying mentors and advisors to rural entrepreneurs (Siemes, 2010).

## 2.9 Research Model

In order to study and clarify the impact of the challenges on entrepreneurs' entrepreneurial intention, which will affect their success and possibly result in their failure, such a model must be built. By understanding these challenges and their impact, the research model below was created according to the literature review.

**Figure 3**

*Research Model*



## 2.10 Hypotheses

The process of transforming the idea into a business is fraught with obstacles. Entrepreneurs face several barriers of different kinds. The biggest barrier young entrepreneur's face is a lack of finances. Securing finance for start-up and business

development and growth expenses is one of the biggest challenges facing young entrepreneurs (Gheorghe, 2012; Benata 2018). According to Ceptureanu, & Ceptureanu (2015) and Wagdi & Hasaneen (2019), administrative challenges (bureaucracy, high taxation, corruption, poor government policies, lack of legislative support) are the biggest obstacles facing business owners. In 2004, according to the Eurobarometer survey carried out by the European Commission, administrative challenges are considered by entrepreneurs as a major obstacle to starting a business. Entrepreneurship education (lack of management knowledge and skills, the lack of sufficient investment create a business, difficulties in finding market information, obtaining bank loans, and difficulty recruiting competent and reliable staff) according to Jafarnejad et al. (2013). In addition, social and cultural challenges like lack of support from the entrepreneur's environment can be a major obstacle for a young entrepreneur (Schoof, 2006). Family background has a strong influence on the entrepreneurial decisions of young students. In Nepal and the United Kingdom, studies have shown that youngest people with entrepreneurial status have entrepreneurial parents (Sitoula, 2015). Entrepreneurs face personal challenges they created for themselves. The development of worries and unfavourable thoughts from business owners toward themselves was confirmed by Oliveira & Rua (2018). The other challenge that entrepreneurs face is market challenges. According to Van Gelderen and al. (2011). Due to the nature and size of their businesses, entrepreneurs frequently encounter market issues like weak management, competitiveness, finding the right store location (Ceptureanu & Ceptureanu, 2015). By understanding these challenges, the hypothesis below were developed:

**H<sub>1</sub>:** There is a significant relationship between financial challenges and student entrepreneur business creation intention.

**H<sub>2</sub>:** There is a significant relationship between entrepreneurship education and student entrepreneur business creation intention.

**H<sub>3</sub>:** There is a significant relationship between fear of failure and student entrepreneur business creation intentions.

**H<sub>4</sub>:** There is a significant relationship between social and cultural challenges and student entrepreneur business creation intention.

**H<sub>5</sub>:** There is a significant relationship between administrative challenges and student entrepreneur business creation intention.

**H<sub>6</sub>:** There is a significant relationship between market challenges and student entrepreneur business creation intention.

# CHAPTER 3

## RESEARCH METHODOLOGY

### 3.1 Introduction

The objective of this research is to study the challenges that students face when they want to start a business and to analyse the relationship between business creation and challenges to student entrepreneurship. To perform this work, a quantitative study was used. A survey was conducted to collect the data and the responses were analysed on SPSS Software. This chapter describes the methodology used for the study, the population and the selected sample and its characteristics, and the methods used in data analysis.

### 3.2 Research Design Justification

Research design concerns the method of planning, of organization used by the researcher in a specific time using available resources (Cooper & Schindler, 2008). The purpose of this research is to study the challenges that student entrepreneurs face when they want to start a business and to establish the relationship between these challenges and entrepreneurial intention by using statistical tools and providing of numerical data. Thus to answer the study question, the quantitative method was adopted. Quantitative methodology is a scientific study methodology with the largest number of individuals. This is a method that is “*used to analyze phenomena that can be measured and expressed in numerical format*” (Bardenet and al.). The quantitative method makes allows the testing of hypotheses and gives causal relationships in a study work (McCusker & Gunaydin, 2014). By nature, the quantitative study requires a questionnaire to survey the study population (Mouton 2008). In this research, the survey is used because it provides access to a larger sample and can be provided over the phone through social networks, e-mail, or web links (Bryman & Bell, 2015)

### 3.3 Population

The population is a term for a group of persons in which a sample is taken to represent that group (Cooper & Schindler, 2008). The purpose of this study is to determine the challenges that student entrepreneurs face when they want to create a business, the study population is exclusively student entrepreneurs. In most cases, the person conducting the research does not use the entire population; he takes a sample that best suits the size of the population.

### 3.4 Sampling

Sampling is a process of selecting a small number of people to represent the entire study population (Zikmund-Fisher and al, 2010). These authors say that in research, the sample is essential in that it allows a conclusion to be drawn from a small number of people who represent the views of the entire population. There are two types of samples: non-probability sampling and probability sampling also known as non-random sampling (Saunders, Lewis & Thornhill, 2011).

Probability sampling implies a random selection of the study population whereas, in non-probability sampling, not all the population participates in the study, the sample is selected on the basis of a subjective judgment of the researcher. Probability sampling was used in this study. Since the exact number of students is not known, Cochran formula was used to find the sample size. The sample size at 95% confidence level and 5% margin error is 384 (Cochran, 1963).

Z at 95% confidence level is 1.96.

$$P = 0.5$$

$$e = 0.05$$

$$q = 0.5$$

$$n = \frac{Z^2 (pq)}{e^2} \quad n = \frac{(1.96)^2 (0.5)(0.5)}{(0.05)^2} \quad n = \frac{(3.8416 \times 0.25)}{0.0025} \quad n = \frac{0.9604}{0.0025}$$

Sample size = **384**

## **3.5 Data collection**

### **3.5.1 Data Collection Tool**

To build the literature review and survey, the researcher used secondary resources related to the topic developed in this study. The elements used in the questionnaire are mainly based on work done by other researchers. These elements have been verified and tested.

### **3.5.2 Collecting Data**

There are several instruments used for data collection in a research study such as the use of focus groups, observations, questionnaires, and interview's view (Cooper & Schindler, 2008). In this study, the self-administered questionnaire is used based on the main objectives of the research. For data collection, the survey will be used and responses will be analysed on SPSS Software. The survey will consist of three parts. The first part will focus on demographic information, the second on the challenges of student entrepreneurs (independent variables), and the third part on the student entrepreneurial intention (dependent variable).

The first part, the demographic form including demographic questions (age, sex, gender, and educational status) was prepared by the researcher. The second and the third part including the challenges of student entrepreneurs and entrepreneurial intention were prepared (Ulrich (2006); Isaga (2012); Duval et al., (2011); Reynolds et al., (2008); Li et al. 2004).

To facilitate the process of filling in the survey questions, a five-point Likert scale will be used, from strongly disagree (1) to strongly agree (5) for parts two also from business intention has strongly low (1) to business intention has strongly high (5) for part three, as shown in the table below.

**Table 2***Quantitative Interpretation of the Likert Scale*

<b>Likert-scale description</b>	<b>Scale</b>	<b>Likert-scale interval</b>
Strongly disagree	<b>1</b>	1.00 - 1.80
Disagree	<b>2</b>	1.81 - 2.60
Neutral	<b>3</b>	2.61 - 3.40
Agree	<b>4</b>	3.41 – 4.20
Strongly agree	<b>5</b>	4.21 – 5.00

The following was the interpretation of the means: Strongly disagree between the points of 1.00 and 1.80, disagree between the points of 1.81 and 2.60, neutral between the points of 2.61 and 3.40, agree between the points of 3.41 and 4.20, and strongly agree between the points of 4.21 and 5.00 (Pimentel, 2010).

The researcher used two different techniques to send the questionnaire to the respondents: first, the questionnaire was sent to participants via social networks and emails. Second, the questionnaire was printed and shared to the respondents. To send this questionnaire to the participants, permission was obtained from the university's ethics committee. The questionnaire was put online by the researcher using the Google Form platform.

**3.6 Measurement and Scaling**

The scale is composed of several items that have been developed taking into account the literature review.

**Table 3***Items*

<b>Constructs</b>	<b>Items</b>	<b>Measures</b>	<b>Sources</b>
<b>Finances Challenges (FC)</b>	<b>FC1</b>	I face difficulty in obtaining funding from banks and/or other lending institutions.	Ulrich (2006)



**Table 3** (continued)*Items*

Constructs	Items	Measures	Sources
<b>Finances Challenges (FC)</b>	<b>FC2</b>	I face difficulty in obtaining a loan since the process was complicated and lengthy.	Ulrich (2006), Isaga (2012), Duval et al.,
	<b>FC3</b>	I face difficulty in obtaining a loan because I am a student.	(2011), and Reynolds et al., (2008).
	<b>FC4</b>	I face difficulty in finding investors and/or angels to obtain funding.	Ulrich (2006), Isaga (2012), Duval et al.,
	<b>FC5</b>	I face difficulty in generating enough income to grow.	(2011), and Reynolds et al.,
	<b>FC6</b>	I was afraid of not being able to be committed to paying back my loan, credit, or borrowed money	(2008).
	<b>FC7</b>	The government provides appropriate financial support to promote entrepreneurship.	
	<b>Administrative Challenges (AC)</b>	<b>AC1</b>	Tax regulations are supportive and fair.
<b>AC2</b>		Intellectual property laws are strongly enforced.	Duval et al., (2011),
<b>AC3</b>		Bribes and tips are not a necessity to get things done.	Reynolds et al., (2008), and
<b>AC4</b>		The process and procedures required to start a new business are not complicated, lengthy, or frustrating.	Gbadamosi, & Joubert (2005)

**Table 3** (continued)*Items*

Constructs	Items	Measures	Sources
<b>Education Challenges (EC)</b>	<b>EC1</b>	I have the knowledge and skills required to start and run a business successfully (management, accounting, and analytics).	Ulrich (2006), Duval et al. (2011), and Reynolds al., (2008), and Schmidt, (2018)
	<b>EC2</b>	I have the necessary experience to start and run a business successfully.	
	<b>EC3</b>	I have participated in training programs and/or formal education related to entrepreneurship.	
	<b>EC4</b>	Either parents or family members are educated/entrepreneurs.	
	<b>EC5</b>	The educational institution I attended has supported my entrepreneurial career.	
	<b>EC6</b>	I am competent enough to start and run my business successfully.	
	<b>EC7</b>	I have the right skills and capabilities to start and run my business successfully.	
<b>Social and Cultural Challenges (SCC)</b>	<b>SCC1</b>	Our national culture and society are very supportive of individual efforts to be succeeded.	Ulrich (2006), Duval et al., (2011), and Reynolds et al., (2008),
	<b>SCC2</b>	Our culture and society are highly supportive of student entrepreneurs.	
	<b>SCC3</b>	Our national culture and society view entrepreneurs as successful self-reliant people.	

**Table 3** (continued)*Items*

Constructs	Items	Measures	Sources
<b>Personal Challenges (PC)</b>	<b>PC1</b>	I am afraid of failure.	Ulrich (2006), Isaga (2012), Duval et al., (2011), and Schmidt, (2018)
	<b>PC2</b>	I am afraid of facing criticism and rejection from society.	
	<b>PC3</b>	I am afraid of facing criticism and rejection because I am a student	
<b>Market Challenges (MC)</b>	<b>MC1</b>	My business faces intensive competition.	Ulrich (2006), Isaga (2012), Duval et al., (2011), and Reynolds et al., (2008)
	<b>MC2</b>	There are many difficulties to reach customers.	
	<b>MC3</b>	The market (i.e., customers and/or suppliers' relationships) doesn't provide enough support for entrepreneurship businesses and/or is biased away from supporting entrepreneurship businesses.	
<b>Entrepreneurial Intention (EI)</b>	<b>EI1</b>	If I have personal finances, I will experience an increase in business creation intention.	(Li et al. 2004)
	<b>EI2</b>	If I don't face difficult access to finances, I will experience an increase in business creation intention.	
	<b>EI3</b>	If I have an entrepreneurship education, I will experience an increase in business creation intention.	

**Table 3** (continued)

*Items*

Constructs	Items	Measures	Measures
<b>Entrepreneurial Intention (EI)</b>	<b>EI4</b>	If I don't have fear of failure I will experience an increase in business creation intention.	(Li et al. 2004)
	<b>EI5</b>	If I don't face administrative challenges, I will experience an increase in business creation intention	
	<b>EI6</b>	If I don't face market challenges, I will experience an increase in business creation intention.	

### **3.7 Reliability**

Reliability is the measure of the internal consistency of the constructs in the study. A construct is reliable if the Alpha value is greater than .70 (Hair & al, 2013). Construct reliability was assessed using Cronbach's Alpha ( $\alpha$ ). Reliability was tested based on the responses of 30 respondents. The results revealed that:

- The financial challenges scale with 7 items ( $\alpha=.824$ );
- The administrative challenges scale with 3 items ( $\alpha=.707$ );
- The entrepreneurship education scale with 7 items ( $\alpha=.808$ );
- The social and cultural scale with 3 items ( $\alpha=.824$ );
- The personal challenges scale with 3 items ( $\alpha=.859$ );
- The market challenges scale with 3 items ( $\alpha=.870$ );
- And the entrepreneurial intention scale with 6 items ( $\alpha=.775$ ) was found reliable.

Reliability results are summarized in the table below.

**Table 4***Reliability Statistics depending on Alpha Cronbach*

<b>Constructs</b>	<b>Cronbach Alpha</b>	<b>No. of items</b>
Finances challenges (FC)	.824	7
Administrative challenges (AC)	.707	3
Education challenges (EE)	.808	7
Social and cultural challenges (SCC)	.824	3
Personal challenges (PC)	.859	3
Market challenges (MC)	.870	3
Entrepreneurial intention (EI)	.775	6

Based on this table above findings, it is fair to say that the study's methodology is trustworthy and that the data it produced is suitable for measuring the variables. Because they are higher than the standard ratio (70%) and are therefore highly reliable, these values are regarded as excellent.

### **3.8 Multicollinearity**

To ensure that there are no multiple linear connections between the independent variables, tolerance, and variance inflation factors were checked in SPSS. The results are summarized in Table 3 below.

**Table 5***Independent Variables Multicollinearity Test Results*

<b>Independent variables</b>	<b>Tolerance</b>	<b>VIF</b>
Finances challenges (FC)	.978	1.022
Administrative challenges (AC)	.938	1.067
Entrepreneurship education (EE)	.981	1.019
Social and cultural challenges (SCC)	.952	1.050
Personal challenges (PC)	.947	1.056
Market challenges (MC)	.973	1.028

The table above shows that the tolerance value and the variance inflation factor value are less than 5. We can conclude that there is no correlation between the independent variables.

### 3.9 Factors Analysis using KMO Method

The KMO statistic evaluates how well the sample fits the needs of the factor analysis. The KMO values are better interpreted when they are closer to 1 and negatively interpreted when they lean to 0 (Hait et al, 2012). Typically, the KMO test is used in research to determine whether the concept selected is truly measuring the desired idea. Additionally, it helps to determine whether the data are appropriate for later factor analyses.

**Table 6**

*Factor analysis results using KMO*

<b>KMO and Bartlett's Test</b>		
Kaiser-Meyer-Olkin of Sampling Adequacy		.609
Bartlett's Test of Sphericity	Approx. Chi-Square	80.975
	Df	21
	Sig	.000

According to the table above, the KMO value is modest at .609 and provides an indicator of the factors are appropriate. Additionally, the Bartlett's Test of Sphericity demonstrates the existence of correlations in the data findings. Therefore, where (Chi-square= 80975; Degree of freedom = 21;  $p < .05$ ), the Bartlett's Test of Sphericity is significant. It demonstrates that the data structure satisfies the required statistical assumption. For a successful factor analysis, the statistic value should be closer to 1 and the statistic value found above (of 0.609) shows that the value is closer to one than to zero, indicating that the data used in this study are suitable for factor analysis. The factor analysis's significance value must likewise be less than 0.05. The significant level reached here is 0.000, as indicated in the table above, which is likewise lower than the minimal value of 0.05 necessary for a successful factor analysis.

### 3.10 Multiple Linear Regression Analysis

Regression analysis is an ensemble of statistical methods used to determine the relationship between independent variables and dependent variable. It studies the connections between variables to evaluate how strong those connections are (Tabachnick & Fidell, 2007).

**Table 7**

*Model summary*

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.292	.085	.071	.61758

**a. Predictors** (constant), **FC, AC, EE, SCC, PC, MC.**

**b. Dependent variable: EI**

**Table 8**

*Annova*

Model		Sum of Squares	df	Mean square	F	Sig.
1	Regression	13.442	6	2.240	5.874	.000
	Residual	143.790	377	.381		
	Total	157.233	383			

**a. Predictors** (constant), **FC, AC, EE, SCC, PC, MC.**

**b. Dependent variable: EI**

Table 8 shows that the value of R Square is .085, which means that independent variables (financial challenges, administrative challenges, social and cultural challenges, entrepreneurship education, personal challenges, market challenges) predict the dependent variable (entrepreneurial intention) at 85%.

The model is significant when the p-value is less than 0.5 (Pallant, 2010) and table 3.6 shows that the value of Sig is 0.000 which is less than 0.5, therefore the model is significant.

# CHAPTER 4

## DATA ANALYSIS RESULTS

### 4.1 Introduction

This chapter focuses on the analysis of the data collected and the description of the results using the SPSS software. It is divided into three main parts: first, the analysis of demographic characteristics of the respondents such as gender, age, level of education, and occupation. The second part will consist of the description of the results of the variables and the third part of the descriptions of the hypotheses tests.

### 4.2 Description of the Demographic Characteristics

Demographic information refers to the personal information of all the respondents to the questionnaire. Personal information analysed in this study is gender, age, level of education, and occupation.

#### 4.2.1 Gender of the Respondents

The total number of respondents in this study is 384 students, including 204 males and 180 females. As indicated in the table below, most participants are male students confirmed by the highest percentage.

**Table 9**

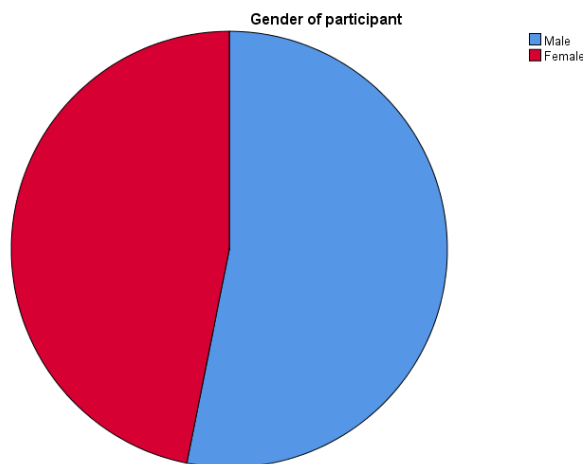
*Gender of Respondents*

<b>Gender</b>	<b>Number</b>	<b>Percentage (%)</b>
Male	204	53.1%
Female	180	46.9%
<b>Total</b>	<b>384</b>	<b>100%</b>



**Figure 4**

*Gender of Respondents*



The pie chart above explains more clearly the gender of the respondents. The pie chart shows that the number of male participants represented by the blue colour is the largest with a percentage of 53.1% out of a total number of 384 participants. It also shows the number of female participants represented by the red colour with a percentage of 46.9% which is below the percentage of male participants.

#### **4.2.2 Age of the Respondents**

The total number of respondents to the questionnaire is 384, and among these students, there are 173 students aged between 18-25 years old; 178 students are aged 26-30 years old, and 33 students aged above 30 years old.

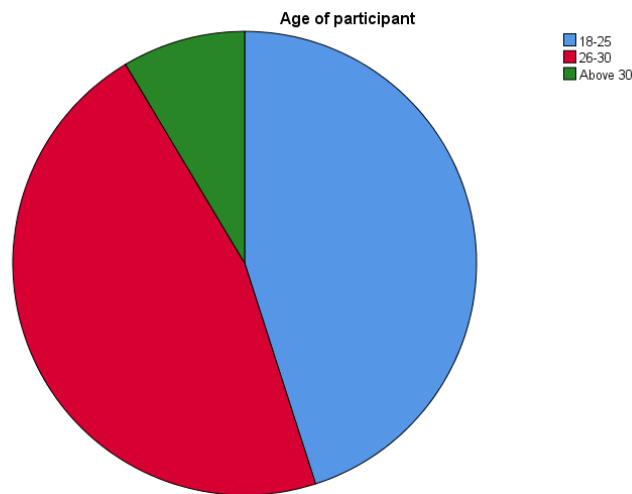
**Table 10**

*Age of the Respondents*

Labels	Number	Percentage (%)
18-25 years	173	45.1%
26-30 years	178	46.4%
Above 30 years	33	8.6%
Total	384	100%

**Figure 5**

*Age of the Respondents*



The pie chart above shows that the majority of respondents are between 26 and 30 years old, representing 45.1% of the total number of respondents. The second largest age range of respondents is 18-25 which is 43.8% out of a total of 384 respondents. The last range representing students over 30 years old represents 8.6% of the population studied. This can be explained by the fact that there are very few students in universities aged over 30.

#### **4.2.3 The Current Level of Education of the Respondents**

Table 4.3 below shows that out of a total of 384 students, 201 are bachelor students, 162 are master students and only 21 are PhD students.

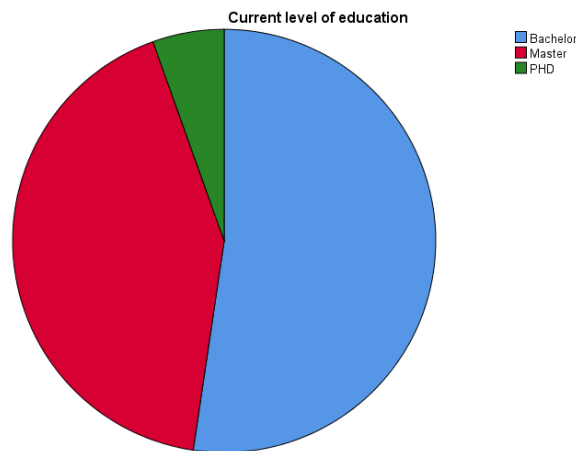
**Table 11**

*The Current Level of Education of the Respondents*

<b>Label</b>	<b>Number</b>	<b>Percentage (%)</b>
Bachelor	201	52.3%
Master	162	42.2%
PhD	21	5.5%
<b>Total</b>	<b>384</b>	<b>100%</b>

**Figure 6**

*The current level of Education of the Respondents*



Pie chart 4.3 shows clearly that most of the respondents are bachelor students with a percentage of 52.3% out of a total of 384 respondents. It also shows that the second highest level of respondents is the Master with a percentage of 42.2% of the population studied. The lowest level is HPD with a percentage of 5.5%.

### **4.3 Descriptive Statistics of the Variables**

This section aims to illustrate the arithmetic mean and standard deviation to describe the survey respondent toward variables. The mean was interpreted as follows: 1 to 1.80 means strongly disagree; from 1.81 to 2.60 means disagree; from 2.61 to 3.40 means neutral, from 3.41 to 4.20 means agree; from 4.21 to 5 means strongly agree (Pimentel, 2010).

#### **4.3.1 Descriptive Statistics of the Independent Variables (The Challenges of Student Entrepreneurs).**

##### **4.3.1.1 Financial Challenges:** Financial challenges were measured based on 7 items.

Table 12 shows the mean and standard deviation toward financial challenges.

**Table 12***Descriptive Statistics of Financial Challenges*

<b>Items</b>	<b>Measures</b>	<b>N</b>	<b>Mean</b>	<b>Std. deviation</b>
FC1	I face difficulty in obtaining funding from banks and/or other lending institutions.	384	3.4844	1.29863
FC2	I face difficulty in obtaining a loan since the process was complicated and lengthy.	384	3.6719	1.18372
FC3	I face difficulty in obtaining loans because I am a student.	384	3.5885	1.25266
FC4	I face difficulty in finding investors and/or angels to obtain funding.	384	3.7240	2.32858
FC5	I face difficulty in generating enough income to grow.	384	3.5885	1.20594
FC6	I was afraid of not being able to be committed to paying back my loan, credit, or borrowed money.	384	3.5078	1.22419
FC7	The government provides appropriate financial support to promote entrepreneurship.	384	3.3880	2.68308
<b>The overall scale</b>		384	3.5647	.73944

The table above shows the analysis of the descriptive statistic for the items used in the questionnaire to study financial challenges. The overall mean of the scale is 3.5647 and a standard deviation of .73944. The results of the above table also show that item 4 has the highest value with a mean of 3.7240 and a standard deviation of 2.32858 while item 7 got the lowest value with a mean of 3.3880 and the standard deviation of 2.68308.

**4.3.1.2 Administrative Challenges:** Table 13 shows the mean and standard deviation toward administrative challenges. Administrative challenges were measured depending on 4 items.

**Table 13***Descriptive statistics of Administrative Challenges*

Items	Measures	N	Mean	Std. deviation
AC1	Tax regulations are supportive and fair.	384	3.1510	1.37986
AC2	Intellectual property laws are strongly enforced.	384	3.3724	1.26176
AC3	Bribes and tips are not a necessity to get things done.	384	3.4271	1.34218
AC4	The process and procedures required to start a new business are not complicated, lengthy, or frustrating.	384	3.3750	1.49499
	<b>The overall scale</b>	384	3.3314	.79101

Table 13 above shows the analysis of the descriptive statistic for the items used in the questionnaire to study administrative challenges. The overall mean of the scale is 3.3314 and a standard deviation of .79101. The results of the table also show that item 3 “bribes and tips are not a necessity to get things done” got the highest value with a mean of 3.4271 and a standard deviation of 1.34218 while item 1 “tax regulations are supportive and fair” got the lowest value with a mean of 3.1510 and the standard deviation of 1.37986.

**4.3.1.3 Entrepreneurship Education Challenges:** Entrepreneurship education challenges were measured based on 7 items. Table 14 shows the mean and standard deviation of entrepreneurship education challenges.

**Table 14***Descriptive Statistics of Entrepreneurship Education Challenges*

Items	Measures	N	Mean	Std. deviation
EE1	I have the knowledge and skills required to start and run a business successfully (management, accounting, and analytics).	384	3.3724	1.33222

**Table 14** (continued)*Descriptive Statistics of Entrepreneurship Education Challenges*

Items	Measures	N	Mean	Std. deviation
EE2	I have the necessary experience to start and run a business successfully.	384	3.6693	1.97438
EE3	I have participated in training programs and/or formal education related to entrepreneurship.	384	3.5911	1.21652
EE4	Either parents or family members are educated/entrepreneurs.	384	3.3646	1.33340
EE5	The educational institution I attended has supported my entrepreneurial career.	384	3.3125	1.69356
EE6	I am competent enough to start and run my business successfully.	384	3.5885	2.79266
	<b>The overall scale</b>	384	3.5078	.72810

Table 14 above shows the analysis of the descriptive statistic for the items used in the questionnaire to study entrepreneurship education challenges. The overall mean of the scale is 3.5078 and a standard deviation of .72810. The results of the table also show that item 7 “I have the right skills and capabilities to start and run my business successfully” got the highest value with a mean of 3.6562 and a standard deviation of 1.20337 while item 5 “the educational institution I attended has supported my entrepreneurial career” got the lowest value with a mean of 3.3125 and the standard deviation of 1.69356.

**4.3.1.4 Social and Cultural Challenges:** Social and cultural challenges were measured based on 3 items. Table 15 shows the mean and standard deviation of social-cultural challenges.

**Table 15***Descriptive Statistics of Social and Cultural Challenges*

Items	Measures	N	Mean	Std. deviation
SCC1	Our national culture and society are very supportive of individual efforts to succeed.	384	3.1875	1.33686
SCC2	Our culture and society are highly supportive of student entrepreneurs.	384	3.1849	1.25566
SCC3	Our national culture and society view entrepreneurs as successful and self-reliant people.	384	3.4531	1.27145
<b>The overall scale</b>		384	3.2752	.92185

Table 15 above shows the analysis of the descriptive statistic for the items used in the questionnaire to study social and cultural challenges. The overall mean of the scale is 3.2752 and a standard deviation of .92185. The results of the table also show that item 3 “our national culture and society view entrepreneurs as successful and self-reliant people” got the highest value with a mean of 3.4531 and a standard deviation of 1.27145 while item 2 “our culture and society are highly supportive of student entrepreneurs” got the lowest value with a mean of 3.1849 and the standard deviation of 1.25566.

**4.3.1.5 Personal Challenges:** Personal challenges were measured based on 3 items. Table 16 shows the mean and standard deviation of fear of failure challenges.

**Table 16***Descriptive Statistics of Personal Challenges*

Items	Measures	N	Mean	Std. deviation
PC1	I am afraid of failure.	384	3.3750	1.41237
PC2	I am afraid of facing criticism and rejection from society.	384	3.1667	1.39874
PC3	I am afraid of facing criticism and rejection because I am a student.	384	3.0911	1.37091
<b>The overall scale</b>		384	3.2109	1.04930

Table 16 above shows the analysis of the descriptive statistic for the items used in the questionnaire to study personal challenges. The overall mean of the scale is 3.2109 and a standard deviation of 1.04930. The results of the table also show that item 1 “I am afraid of failure” got the highest value with a mean of 3.3750 and a standard deviation of 1.41237 while item 3 “I am afraid of facing criticism and rejection because I am a student.” got the lowest value with a mean of 3.0911 and the standard deviation of 1.37091.

**4.3.1.6 Market Challenges:** Market challenges were measured based on 3 items. Table 17 shows the mean and standard deviation of market challenges.

**Table 17**

*Descriptive Statistics of Market Challenges*

Items	Measures	N	Mean	Std. deviation
MC1	My business faces intensive competition.	384	3.2917	1.36282
MC2	There are many difficulties to reach customers	384	3.3724	2.91111
MC3	The market (i.e., customers and/or suppliers’ relationships) doesn’t provide enough support for entrepreneurship businesses and/or is biased away from supporting entrepreneurship businesses.	384	3.4062	3.32198
<b>The overall scale</b>		384	3.3568	1.62918

Table 17 above shows the analysis of the descriptive statistic for the items used in the questionnaire to study market challenges. The overall mean of the scale is 3.3568 and a standard deviation of 1.62918. The results of the table also show that item 3 “the market (i.e., customers and/or suppliers’ relationships) doesn’t provide enough support for entrepreneurship businesses and/or is biased away from supporting entrepreneurship businesses” got the highest value with a mean of 3.4062 and a



standard deviation of 3.32198 while item 1 “my business faces intensive competition” got the lowest value with a mean of 3.2917 and the standard deviation of 1.36282.

### 4.3.2 Description of the Dependent Variable: Entrepreneurial Intention

This section aims to illustrate the arithmetic mean and standard deviation of the dependent variable which is entrepreneurial intention. The dependent variable was measured based on 6 items.

**Table 18**

*Descriptive Statistic of Entrepreneurial Intention*

Items	Measures	N	Mean	Std. deviation
EI1	I never look for business start-up opportunities.	384	3.2891	1.37006
EI2	I save money to start a new business.	384	3.4714	1.31440
EI3	I don't read relevant documents on how to set up a business.	384	3.1536	1.40303
EI4	I don't have plans to start my own business.	384	3.2812	1.41756
EI5	I spend time studying to start a new business.	384	3.5677	1.29494
EI6	Do you intend to start a new business in the future?	384	3.8021	1.40584
	<b>The overall scale</b>	384	3.4275	.64073

Table 18 above shows the analysis of the descriptive statistic for the items used in the questionnaire to measure entrepreneurial intention. The overall mean of the scale is 3.4375 and a standard deviation of .64073, this means that most of the responses were "agree" with the statements designed in the questionnaire. The results of the table also show that item 6 “Do you intend to start a new business in the future?” got the highest value with a mean of 3.8021 and a standard deviation of 1.40584 while item 3 “I don't read relevant documents on how to set up a business” got the lowest value with a mean of 3.1536 and the standard deviation of 1.40303.

## 4.4 Test hypothesis of the Study

### 4.4.1 Result of the First Hypothesis Test

**H<sub>1</sub>**: There is a significant relationship between financial challenges and student entrepreneurs' entrepreneurial intention.

A simple linear regression test was used to test this hypothesis, the table 19 shows the results of the findings.

**Table 19**

*Results of the first hypothesis Test: the relationship between Financial Challenges and Entrepreneurial Intention.*

Hypothesis	R Correlation coefficient	R square Coefficient of determination	B	F	T	P-value
H <sub>1</sub>	.221	.049	.192	19.637	4.431	.000

**Significant at  $p \leq 0.05$**   
**T value = 1.96**

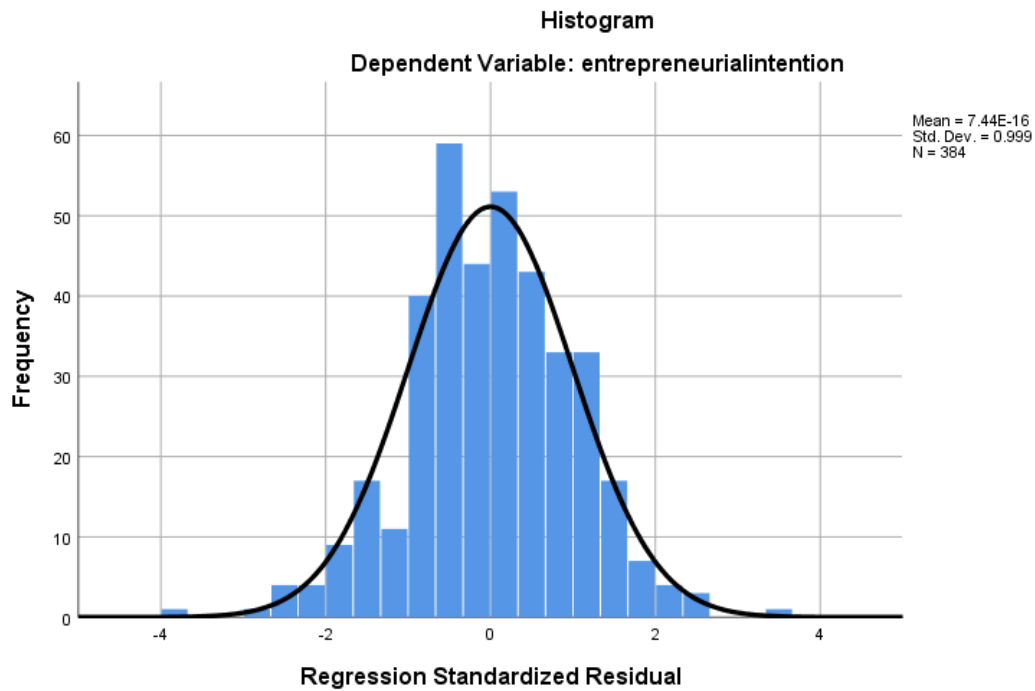
The table above shows the results of the test of the first hypothesis (H<sub>1</sub>). The independent variable is the financial challenges and the dependent variable is the entrepreneurial intention. The table clearly shows that there is a significant relationship between the two variables through the value of p ( $p = .000$ ) which is lower than 0.05 and through the value of T (4.431) which is greater than its tabular value (1.96).

The correlation coefficient  $R = 22.1\%$  indicates that there is a weak relationship between financial challenges and entrepreneurial intention. The coefficient of determination  $R^2 = 0.49$  shows that financial challenges explained 49% of the variance in entrepreneurial intention.

In view of the above, we can accept hypothesis H<sub>1</sub> which says: There is a significant relationship between financial challenges and student entrepreneurs' entrepreneurial intention.

**Figure 7**

*Histogram of the First Hypothesis*



**4.4.2 Result of the Second Hypothesis Test**

**H<sub>2</sub>:** There is a significant relationship between administrative challenges and student entrepreneurs’ entrepreneurial intention.

A simple linear regression test was used to test this hypothesis, the table 4.12 shows the results of the findings.

**Table 20**

*Results of the second hypothesis Test: the relationship between Administrative Challenges and Entrepreneurial Intention*

<b>Hypothesis</b>	<b>R Correlation coefficient</b>	<b>R square Coefficient of determination</b>	<b>B</b>	<b>F</b>	<b>T</b>	<b>P-value</b>
H <sub>2</sub>	.098	.010	.079	3.685	1.920	.056

**Significant at  $p \leq 0.05$**

**T value = 1.96**

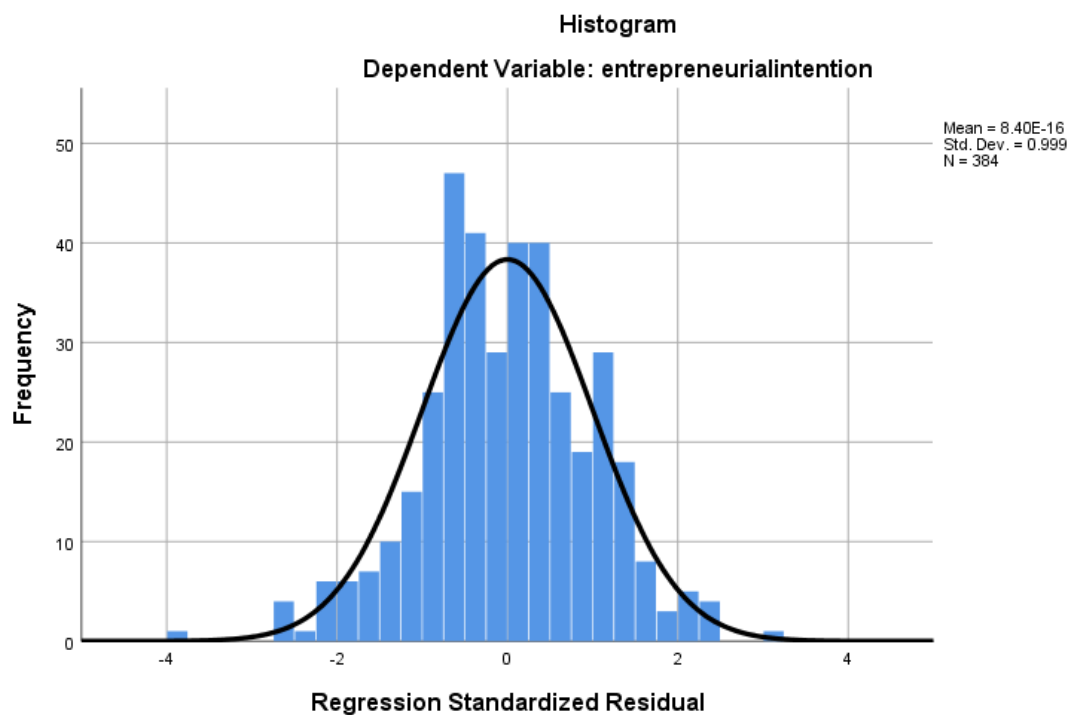
The table above shows the results of the test of the second hypothesis (H<sub>2</sub>). The independent variable is the administrative challenges and the dependent variable is the entrepreneurial intention. The table clearly shows that there is no significant relationship between the two variables through the value of p (p = 0.56) which is lower than 0.

The correlation coefficient R = 9.8% indicates that there is a weak relationship between administrative challenges and entrepreneurial intention. The coefficient of determination R<sup>2</sup> = 0.10 shows that administrative challenges explained 10% of the variance in entrepreneurial intention.

In view of the above, we cannot conclude that there is a relationship between the two variables. Therefore, we reject hypothesis H<sub>2</sub> and accept the null hypothesis H<sub>2</sub> which says: There is no significant relationship between administrative challenges and student entrepreneurs' entrepreneurial intention.

**Figure 8**

*Histogram of the Second Hypothesis*



#### 4.4.3 Results of the Third Hypothesis Test

**H<sub>3</sub>:** There is a significant relationship between entrepreneurship education and student entrepreneurs' entrepreneurial intention.

A simple linear regression test was used to test this hypothesis, the table 4.13 shows the results of the findings.

**Table 21**

*Results of the Third Hypothesis Test: the relationship between Entrepreneurship Education and Entrepreneurial Intention*

<b>Hypothesis</b>	<b>R Correlation coefficient</b>	<b>R square Coefficient of determination</b>	<b>B</b>	<b>F</b>	<b>T</b>	<b>P-value</b>
H <sub>3</sub>	.079	.006	.069	2.397	1.548	.122

**Significant at  $p \leq 0.05$**

**T value = 1.96**

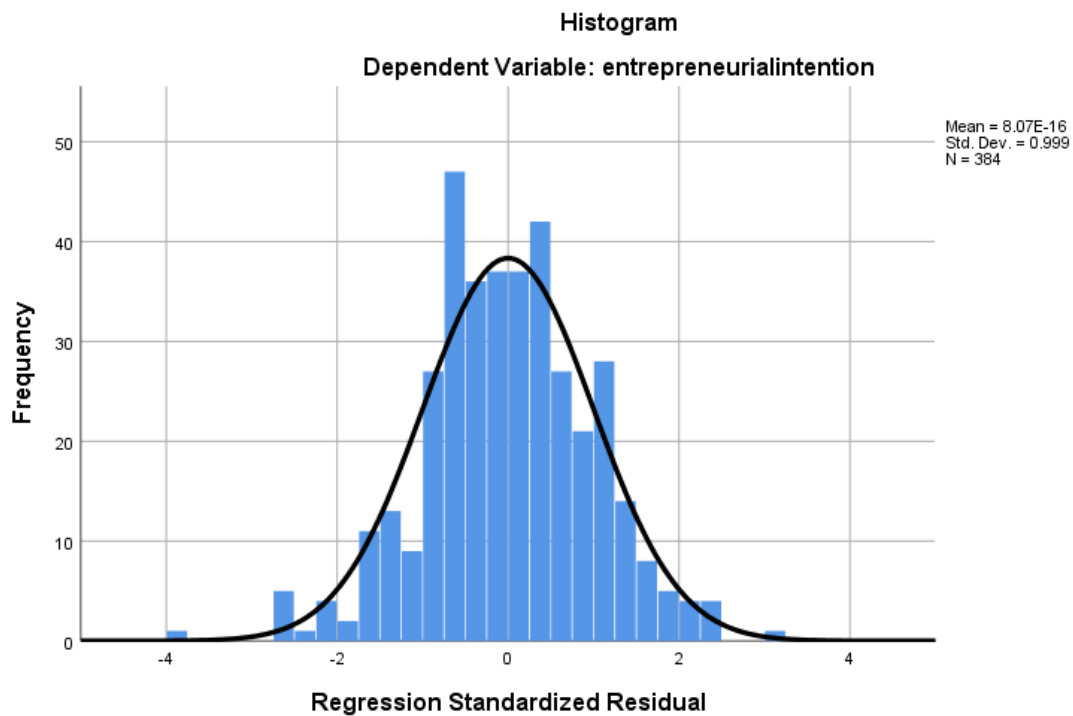
The table above shows the results of the test of the third hypothesis (H<sub>3</sub>). The independent variable is entrepreneurship education and the dependent variable is entrepreneurial intention. The table clearly shows that there is no significant relationship between the two variables through the value of p ( $p = .122$ ) which is greater than 0.05 and through the value of T (1.825) which is lower than its tabular value (1.96).

The correlation coefficient  $R = 7.9\%$  indicates that there is a weak relationship between entrepreneurship education and entrepreneurial intention. The coefficient of determination  $R^2=0.06$  shows that entrepreneurship education explained 0.6% of the variance in entrepreneurial intention.

In view of the above, we cannot conclude that there is a relationship between the two variables. Therefore, we reject hypothesis H<sub>3</sub> and accept the null hypothesis H<sub>03</sub> which says: There is no significant relationship between entrepreneurship education and student entrepreneurs' entrepreneurial intention.

**Figure 9**

*Histogram of the Third Hypothesis*



**4.4.4 Results of the Fourth Hypothesis Test**

**H<sub>4</sub>:** There is a significant relationship between social and cultural challenges and student entrepreneurs’ entrepreneurial intention.

A simple linear regression test was used to test this hypothesis, the table 4.14 shows the results of the findings.

**Table 22**

*Results of the Fourth Hypothesis Test: the relationship between Social and Cultural Challenges and Entrepreneurial Intention.*

Hypothesis	R Correlation coefficient	R square Coefficient of determination	B	F	T	P-value
H <sub>4</sub>	.093	.009	.064	3.300	1.817	.070

**Significant at  $p \leq 0.05$**

**T value = 1.96**

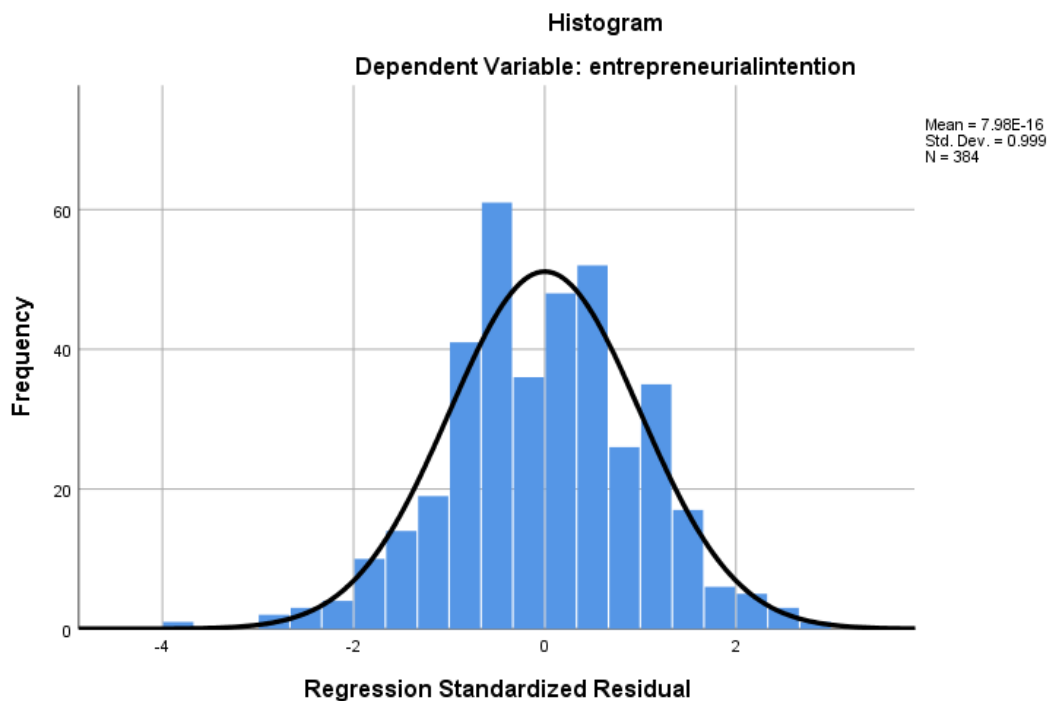
The table above shows the results of the test of the fourth hypothesis (H<sub>4</sub>). The independent variable is social and cultural challenges, and the dependent variable is entrepreneurial intention. The table clearly shows that there is no significant relationship between the two variables through the value of p ( $p = 0.70$ ) which is greater than 0.05 and through the value of T (1.817) which is lower than its tabular value (1.96).

The correlation coefficient  $R = 9.3\%$  indicates that there is a weak relationship between social and cultural challenges and entrepreneurial intention. The coefficient of determination  $R^2 = .009$  shows that social and cultural challenges explained 0.9% of the variance in entrepreneurial intention.

In view of the above, we cannot conclude that there is a relationship between the two variables. Therefore, we reject hypothesis H<sub>4</sub> and accept the null hypothesis H<sub>04</sub> which says: There is no significant relationship between social and cultural challenges and student entrepreneurs' entrepreneurial intention.

**Figure 10**

*Histogram of the Fourth Hypothesis*



#### 4.4.5 Results of the Fifth Hypothesis Test

**H<sub>5</sub>:** There is a significant relationship between personal challenges and student entrepreneurs' entrepreneurial intention.

A simple linear regression test was used to test this hypothesis, the table 4.15 shows the results of the findings.

**Table 23**

*Results of the Fifth Hypothesis Test: the relationship between Personal Challenges and Entrepreneurial Intention*

<b>Hypothesis</b>	<b>R Correlation coefficient</b>	<b>R square Coefficient of determination</b>	<b>B</b>	<b>F</b>	<b>T</b>	<b>P-value</b>
H <sub>5</sub>	.135	.018	.083	7.114	2.667	.008

**Significant at  $p \leq 0.05$**

**T value = 1.96**

The table above shows the results of the test of the fifth hypothesis (H<sub>5</sub>). The independent variable is personal challenges, and the dependent variable is entrepreneurial intention. The table clearly shows that there is a significant relationship between the two variables through the value of p ( $p = .008$ ) which is lower than 0.05 and through the value of T (2.667) which is greater than its tabular value (1.96).

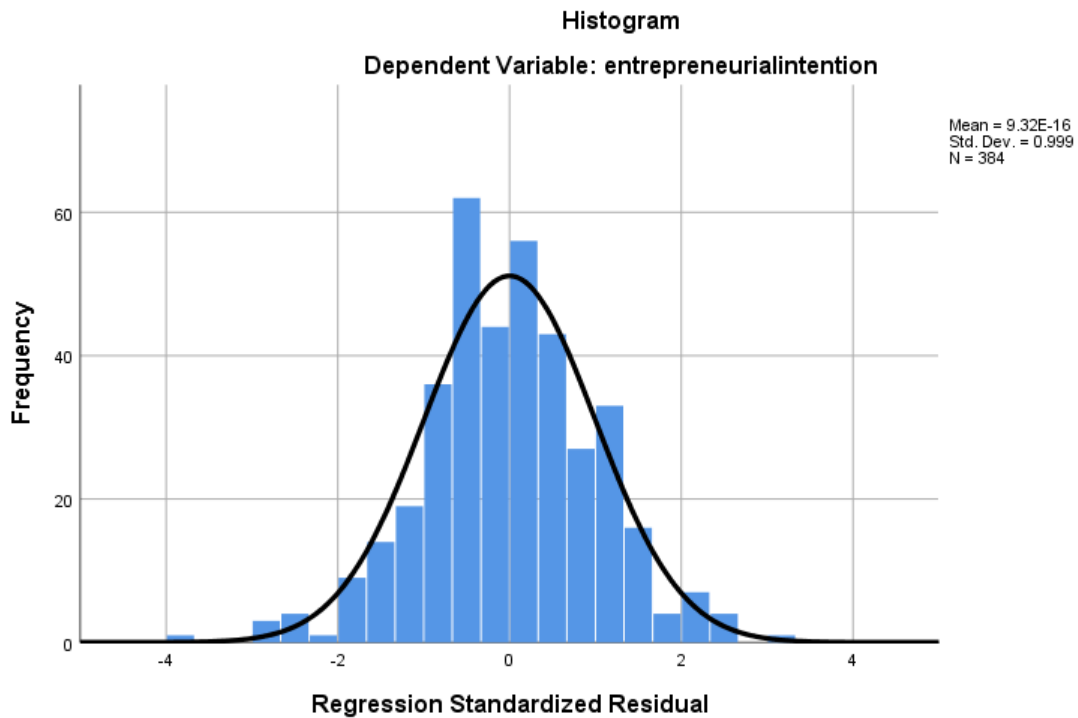
The correlation coefficient  $R = 13.5\%$  indicates that there is a weak relationship between personal challenges and entrepreneurial intention. The coefficient of determination  $R^2 = 0.18$  shows that financial challenges explained 18% of the variance in entrepreneurial intention.

In view of the above, we can accept hypothesis H<sub>5</sub> which says: There is a significant relationship between personal challenges and student entrepreneurs' entrepreneurial intention.



**Figure 11**

*Histogram of the Fifth Hypothesis*



#### 4.4.6 Results of the Sixth Hypothesis Test

**H<sub>6</sub>:** There is a significant relationship between market challenges and student entrepreneurs’ entrepreneurial intention.

A simple linear regression test was used to test this hypothesis, the table 4.15 shows the results of the findings.

**Table 24**

*Results of the Sixth Hypothesis Test: the relationship between Market Challenges and Entrepreneurial Intention.*

Hypothesis	R Correlation coefficient	R square Coefficient of determination	B	F	T	P-value
H <sub>6</sub>	.140	.020	.055	7.625	2.761	.006

**Significant at  $p \leq 0.05$**   
**T value = 1.96**

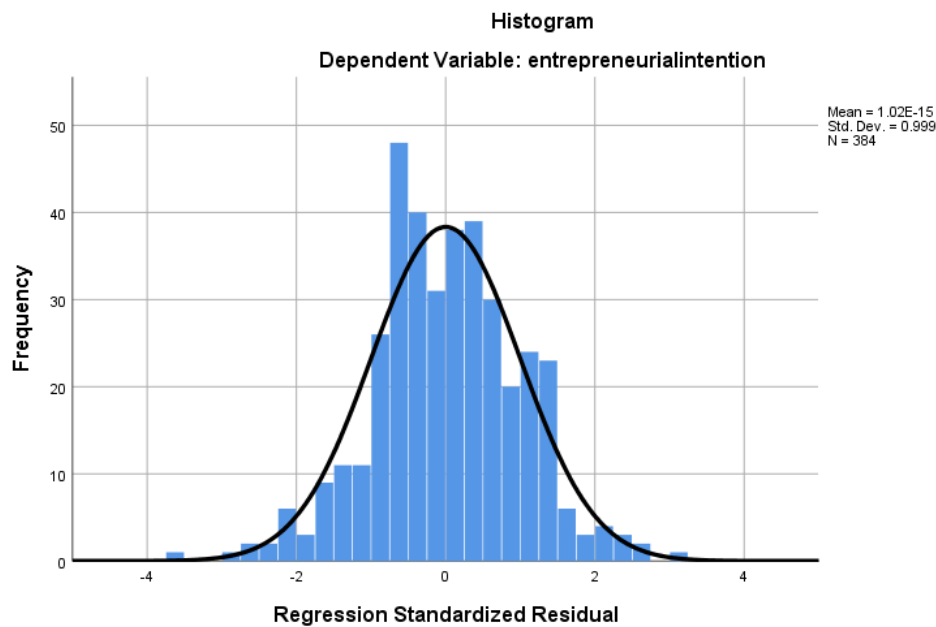
The table above shows the results of the test of the sixth hypothesis ( $H_6$ ). The independent variable is market challenge, and the dependent variable is entrepreneurial intention. The table clearly shows that there is a significant relationship between the two variables through the value of p ( $p = 006$ ) which is lower than 0.05 and through the value of T (2.761) which is greater than its tabular value (1.96).

The correlation coefficient  $R = 14\%$  indicates that there is a weak relationship between market challenges and entrepreneurial intention. The coefficient of determination  $R^2 = 0.20$  shows that market challenges explained 20% of the variance in entrepreneurial intention.

In view of the above, we can accept hypothesis  $H_6$  which says: There is a significant relationship between market challenges and student entrepreneurs' entrepreneurial intention.

**Figure 12**

*Histogram of the Sixth Hypothesis*



#### 4.5 Revised Hypothesis

Hypothesis were revised based on the results of the study:

**H<sub>1</sub>:** There is a significant relationship between financial challenges and student entrepreneurs' entrepreneurial intention.

**H<sub>0</sub><sub>2</sub>:** There is no significant relationship between administrative challenges and student entrepreneurs' entrepreneurial intention.

**H<sub>0</sub><sub>3</sub>:** There is no significant relationship between entrepreneurship education and student entrepreneurs' entrepreneurial intention.

**H<sub>0</sub><sub>4</sub>:** There is no significant relationship between social and cultural challenges and student entrepreneurs' entrepreneurial intention.

**H<sub>5</sub>:** There is a significant relationship between fear of failure and student entrepreneurs' entrepreneurial intention.

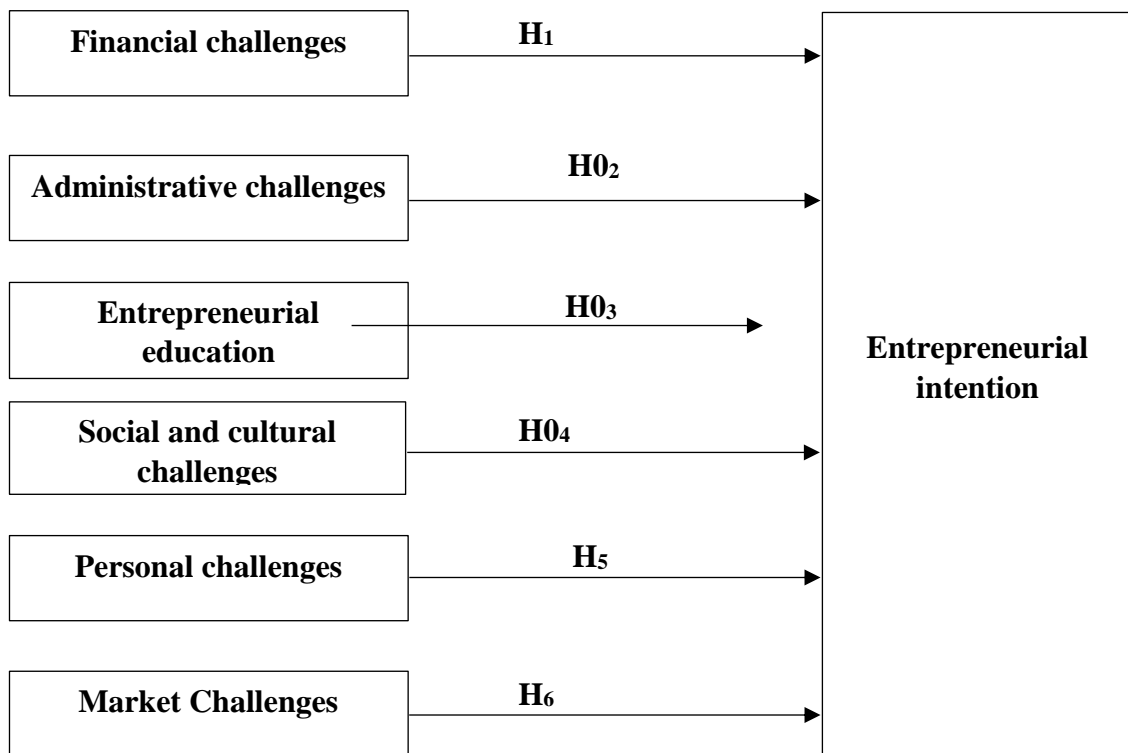
**H<sub>6</sub>:** There is a significant relationship between market challenges and student entrepreneurs' entrepreneurial intention.

#### 4.6 Revised Research Model

The research model was revised based on the results of the study.

**Figure 13**

*Revised Research Model*



# **CHAPTER 5**

## **DISCUSSION AND CONCLUSION**

### **5.1 Introduction**

The main outcomes of chapter four results are discussed in this chapter. Discussion of the findings of descriptive statistics, including illustrations and justifications of the causal relationships between the dependent and independent variables. Due to their significance, the theoretical and practical implications are also included. It mentions limitations. This chapter comes to a brief conclusion by outlining some key points regarding the thesis's significance, objectives, and outcomes.

### **5.2 Results Discussion**

The purpose of this thesis was to study the relationship between the challenges of student entrepreneurs and entrepreneurial intention through a quantitative study.

Firstly, the demographic information about the respondents was reported in Table 4.1 in the first portion of the results. There were 204 male respondents, whereas there were only 180 female ones. The majority of respondents were between 26 and 30 years old, representing 46.4% of the total number of respondents. The second largest age range of respondents was 18-25 which is 45.1% out of a total of 384 respondents. The last range representing students over 30 years old represents 8.6% of the population studied. Most of the respondents were bachelor's students, the second highest level of respondents was the Master's students, and the lowest level was Ph.D. students.

The descriptive analysis did not confirm that student entrepreneurs experience all of the model's challenges.

According to the data, financial challenges were the biggest problem for student entrepreneurs, with an arithmetic mean equal to 3.3880, and personal challenges, with an arithmetic mean equal to 3.2109, pose the worst problem. The following is a list of challenges classified according to their arithmetic mean:

entrepreneurship education challenges, then market challenges, then finances challenges, then administrative challenges, then social cultural challenges, then the personal challenges. The difficulty in obtaining finance, whether from investors, angel investors, or banks, was the most financial challenge faced by student entrepreneurs with an arithmetic mean equal to 3.7240. The entrepreneurship education challenge was the lack of competence to start and run a business with an arithmetic mean of 3.6693. Market challenges were reflected according to the respondents by the support for entrepreneurship businesses and/or is biased away from supporting entrepreneurship businesses with an arithmetic mean equal to 3.4062. Administrative challenges were bribes and tips are not required to complete tasks with an arithmetic mean equal to 3.4271. Social cultural challenges were reflected according to the respondents by their national culture and society that see entrepreneurs as successful and self-reliant people with an arithmetic mean equal to 3.4531. Personal challenges was basically their fear of failure with an arithmetic mean equal to 3.3750.

This study shows that the challenges faced by student entrepreneurs have an effect on their entrepreneurial intention. According to the results of the hypothesis testing analysis, the challenges faced by student entrepreneurs are ranked from the most significant to the least significant in terms of their effects on entrepreneurial intention as follow: financial challenges then market challenges, then personal challenges and lastly entrepreneurship education challenges, social and cultural challenges and administrative challenge have no impact on entrepreneurial intention. The acceptable and unacceptable hypothesis are shown in the following table below.

**Table 25**

*Summary of the finding of Hypothesis tested*

<b>Hypothesis tested</b>	<b>P-value</b>	<b>Acceptable/Unacceptable</b>
H <sub>1</sub>	Significant	Acceptable
H <sub>2</sub>	No Significant	Unacceptable
H <sub>3</sub>	No Significant	Unacceptable
H <sub>4</sub>	No Significant	Unacceptable
H <sub>5</sub>	Significant	Acceptable
H <sub>6</sub>	Significant	Acceptable

The findings of this study are consistent with those of Islam et al., (2019), Oliveira & Rua (2018); Ceptureanu, & Ceptureanu (2015); and Wagdi & Hasaneen, (2019) in the challenge that business owners have in getting capital from banks. It did not confirm the administrative issues cited by Wagdi & Hasaneen 2019 such as tax policies that are unjust and a lack of government assistance.

The results of the studies on the personal challenges of entrepreneurs confirm that they are afraid of social criticism and rejection, which is supported by (Islam et al., 2019).

The findings on entrepreneurial education showed that entrepreneurs do not encounter a lack of support for their entrepreneurial career from the educational institutions they attended, which was defined as no significant challenge. These findings do not support the argument made by Ceptureanu & Ceptureanu (2015) that education is important for giving entrepreneurs the entrepreneurial skills and competencies they need to pursue entrepreneurship as a career rather than looking for traditional jobs.

The biggest market challenge that entrepreneurs experience was lack of market support (suppliers and/or consumers) which support the findings of Ceptureanu, & Ceptureanu (2015) and Alon & Shneor (2017).

This research does not concur with (Islam et al., 2019 et al., 2019 Belwal et al., 2014, 2014 Cavada et al., 2018) regarding the social and cultural obstacles that entrepreneurs must overcome, including the fact that the national culture see entrepreneurs as successful and self-reliant people”.

### **5.3 Limitations and Further Research**

First, the number of respondents who took part in the study was limited. The data was gathered from 384 respondents, all the respondents were Northern Cyprus students. Since this is a smaller sample size, it is difficult to extrapolate the study's findings to the student body as a whole. The study's scope was also limited and it became more focused because not all university students participated in it.

The research's second limitation is that it was only conducted as a quantitative study utilizing a self-administered questionnaire. The study did not include any additional qualitative data collection techniques, such as focus groups, interviews, or observations, which would have improved the reliability of the findings.

Geographically speaking, the study was based only on the responses of students who are presently residing in Cyprus. Additionally, under these circumstances, it would be difficult to extrapolate the findings from populations or countries outside of Cyprus. Additionally, this is reducing the impact of the research's findings.

In future studies, including demographic variables as moderating variables will aid in delivering more precise results regarding the difficulties that particular demographic groups encounter apart from the others, enabling the creation of various solutions that are unique to each difficulty and address the issue of that demographic group. Age, personal experience, or gender are a few examples of the suggested demographic factors.

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# APPENDIX

## Appendix 1 Questionnaire

Dear Participant,

This research project is being conducted by Julia Magda Makita Moubouti a business administration master's student. This research project aims to investigate the challenges face by student entrepreneurs. This survey is intended for student who have already create a business or those who intend to create a business.

The proposed study is entitled "Student entrepreneurship and Business creation". You will be a participant of the project if you read and approve this informed consent form. You are expected to participate in this survey study only once. This survey is anonymous. Other than being anonymous, no information is required to identify you and you cannot be identified by the answers you supply. Information to be obtained within the scope of this study will only be shared in scientific publications, presentations and online environments for educational purposes by the researcher. The data collected is anonymous and will be kept safely in an encrypted file on a computer.

Participation in this study is voluntary. None of the steps in the survey can cause personal discomfort. However, if you feel uncomfortable for any reason, you are free to quit the survey and leave the research without explaining the reason. In such a case, the information you provide will only be used by the researcher with your consent.

Thank you in advance for participating in this study. If you need any further information about the study or if you have any question you would like to ask you can contact me on (*email: Julia.moubouti@final.edu.tr, phone: +90 533 848 34 80*), the researcher.

Thank you,

Julia Magda MAKITA MOUBOUTI

10/03/2023.

## **Section A: Demographic data**

### **1. Gender**

- Male
- Female

### **2. Age**

- 18-25
- 26-30
- Above 30

### **3. What is your level of education?**

- Bachelor
- Master
- PhD
- Other

### **4. Occupation**

- Student

Teacher

### **5. Are you an entrepreneur?**

- Yes
- No

## **Section B. Finances challenges**

Please mark the appropriate scale in the table to answer the questions in this section.

<b>Finances challenges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1. I face difficulty in obtaining funding from banks and/or other lending institutions.</b>					
<b>2. I face difficulty in obtaining loan since the process was complicated and lengthy.</b>					
<b>3. I face difficulty in obtaining loan because I am a student.</b>					
<b>4. I face difficulty in finding investors and/or angels to obtain funding.</b>					
<b>5. I face difficulty in generating enough income to grow.</b>					
<b>6. I was afraid of not being able to be committed to paying back my loan, credit, or borrowed money.</b>					
<b>7. The government provides appropriate financial support to promote entrepreneurship.</b>					

### **Section C: Administrative challenges**

Please mark the appropriate scale in the table to answer the questions in this section.

<b>Administrative challenges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1. Tax regulations are supportive and fair.</b>					
<b>2. Intellectual property laws are strongly enforced.</b>					
<b>3. Bribes and tips are not a necessity to get things done.</b>					
<b>4. The process and procedures required to start a new business are not complicated, lengthy, or frustrating.</b>					



## Section D: Entrepreneurship education

Please mark the appropriate scale in the table to answer the questions in this section.

<b>Entrepreneurship challenges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1. I have the knowledge and skills required to start and run a business successfully (management, accounting, and analytics).</b>					
<b>2. I have the necessary experience to start and run a business successfully.</b>					
<b>3. I have participated in training programs and/or formal education related to entrepreneurship.</b>					
<b>4. Either parents or family members are educated/entrepreneurs.</b>					
<b>5. The educational institution I attended has supported my entrepreneurial career.</b>					
<b>6. I am competent enough to start and run my business successfully.</b>					
<b>7. I have the right skills and capabilities to start and run my business successfully.</b>					

## Section E: Social and cultural challenges

Please mark the appropriate scale in the table to answer the questions in this section.

<b>Social and cultural challenges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1. Our national culture and society are very supportive of individual efforts to be succeed.</b>					
<b>2. Our culture and society are highly supportive of student entrepreneurs.</b>					
<b>3. Our national culture and society view entrepreneurs as successful self-reliant people.</b>					

## Section F: Personal challenges

Please mark the appropriate scale in the table to answer the questions in this section.

<b>Personal challenges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1. I am afraid of failure.</b>					
<b>2. I am afraid of facing criticism and rejection from society.</b>					
<b>3. I am afraid of facing criticism and rejection because I am a student</b>					

## Section G: Market Challenges

Please mark the appropriate scale in the table to answer the questions in this section.

<b>Market challenges</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1. My business faces intensive competition.</b>					
<b>2. There are many difficulties to reach customers.</b>					
<b>3. The market (i.e., customers and/or suppliers' relationships) doesn't provides enough support for entrepreneurship business and/or is biased away from supporting entrepreneurship business.</b>					

## Section H: Entrepreneurial Intention

Please mark the appropriate scale in the table to answer the questions in this section.

<b>Entrepreneurial Intention</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>
<b>1. I never look for business start-up opportunities.</b>					
<b>2. I save money to start a new business.</b>					
<b>3. I don't read relevant documents on how to set up a business.</b>					
<b>4. I don't have plans to start my own business.</b>					
<b>5. I spend time studying starting a new business.</b>					
<b>6. Do you intend to start a new business in the future?</b>					

## Appendix 2 Ethics Approval Form



### İÇ YAZIŞMA / INTER OFFICE MEMORANDUM

**Gönderilen/To:** Julia Magda Makita Moubouti

**Tarih/Date:** 02/03/2023

**Gönderen/From:**   
Prof. Dr. Hüseyin YARATAN  
Rector

**Ref/Sayı:**100/050/REK.001

**Konu/Subject:** About ethical approval

In line with the decision taken at the Ethics Committee meeting on February 28th, 2023, it was decided that your study was ethically and scientifically appropriate.

Distribution: Chair of the Ethics Committee

#### **Ethics Committee Decision:**

##### **Decision No 2023/005/03:**

The application titled " Student Entrepreneurship and Business Creation " was submitted by Julia Magda MAKITA MOUBOUTI to the Ethics Committee for ethical approval to be conducted under the guidance of Prof. Dr. Şafak Gündüz. The application has been considered by the Committee and the proposed research, rationale, purpose, approach and methods stated in the application were found ethically and scientifically appropriate.

SK/HY