

Entrepreneurial Intentions among Management Students: Determinants, Barriers, and Policy Implications

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ABSTRACT

Entrepreneurial intentions (EI) among management students have attracted growing academic attention as higher education institutions are increasingly expected to produce job creators rather than job seekers. This study investigates the factors that influence entrepreneurial intentions among postgraduate management students in India, using Ajzen's Theory of Planned Behaviour (TPB) as the theoretical lens. A structured questionnaire was administered to 420 MBA students across six premier management institutes in Hyderabad, Bengaluru, and Mumbai. Data were analysed using Structural Equation Modelling (SEM) and multiple regression techniques. Results reveal that entrepreneurial attitude, subjective norms, and perceived behavioural control together explain 68.4% of variance in entrepreneurial intentions. Additionally, prior entrepreneurial exposure, family business background, and the quality of entrepreneurship education significantly moderate these relationships. Key barriers identified include risk aversion, lack of financial capital, inadequate mentoring ecosystems, and limited market knowledge. The study offers actionable recommendations for management institutions, policymakers, and industry stakeholders seeking to cultivate a robust entrepreneurship culture among future business leaders.

Keywords: *Entrepreneurial Intentions, Management Students, Theory of Planned Behaviour, Entrepreneurship Education, Structural Equation Modelling, India*

1. Introduction

Entrepreneurship is widely acknowledged as a critical engine of economic growth, innovation, and employment generation. In rapidly developing economies such as India, where the workforce is expanding faster than formal employment opportunities, fostering an entrepreneurial mindset among educated youth is not merely desirable but imperative. Management education, with its emphasis on

strategic thinking, resource mobilisation, and market orientation, is uniquely positioned to nurture entrepreneurs who can contribute meaningfully to the socio-economic fabric of the country.

Despite this potential, empirical evidence suggests that the vast majority of management graduates in India prefer salaried employment over self-employment or new venture creation. A report by the All India Council for Technical Education (AICTE, 2023) indicates that fewer than 6% of MBA graduates opt for entrepreneurship as a primary career pathway immediately upon graduation. This statistic is alarming given that India aspires to be among the top three global startup ecosystems by 2030 under its National Startup Policy framework.

Entrepreneurial intention—defined as the self-acknowledged conviction by a person that they intend to set up a new business venture and consciously plan to do so at some point in the future (Bird, 1988; Krueger et al., 2000)—has emerged as the most reliable cognitive antecedent to actual entrepreneurial behaviour. Understanding what drives or inhibits these intentions among business school students is therefore of both theoretical and practical significance.

This study contributes to the existing literature in three important ways. First, it situates its empirical investigation within the Indian context, where cultural, institutional, and economic conditions differ markedly from the Western settings in which most EI research has been conducted. Second, it extends the classic Theory of Planned Behaviour (TPB) framework by incorporating domain-specific moderators such as entrepreneurship education quality and prior entrepreneurial exposure. Third, it provides a nuanced analysis of barriers to entrepreneurial intention, moving beyond generic risk-aversion arguments to identify structural and pedagogical deficiencies in the Indian management education ecosystem.

2. Review of Literature

2.1 Theoretical Foundations

The study of entrepreneurial intentions draws primarily from three theoretical traditions. Shapero and Sokol's (1982) Entrepreneurial Event model posits that intentions are shaped by perceived desirability and perceived feasibility. Bird's (1988) Intentionality model emphasises the role of personal cognitions and contextual factors. However, Ajzen's (1991) Theory of Planned Behaviour (TPB) has emerged as the most extensively tested framework in the EI literature.

TPB proposes that intentions are predicted by three core antecedents: (1) Attitude Toward Behaviour (ATB)—the degree to which an individual positively evaluates entrepreneurship; (2) Subjective Norms (SN)—the perceived social pressure from significant others such as family, peers, and mentors; and (3) Perceived Behavioural Control (PBC)—the individual's perception of their ability to engage in entrepreneurial behaviour. Multiple meta-analyses (Schlaegel & Koenig, 2014; Linan &

Fayolle, 2015) confirm the robust predictive validity of TPB across cultural contexts, making it an ideal framework for the present investigation.

2.2 Entrepreneurship Education and Intentions

The relationship between entrepreneurship education (EE) and entrepreneurial intentions is complex and contested. Proponents argue that well-designed EE programmes can enhance entrepreneurial self-efficacy, stimulate opportunity recognition skills, and expose students to practical venture creation challenges (Fayolle & Linan, 2014; Nabi et al., 2017). Sceptics, however, contend that poorly designed courses may paradoxically reduce EI by making students more aware of the difficulties involved in entrepreneurship (von Graevenitz et al., 2010).

Within the Indian context, studies by Trivedi (2016) and Verheul et al. (2012) suggest that the quality of entrepreneurship education—measured in terms of relevance of curriculum, pedagogical innovation, access to incubators, and quality of mentorship—is a stronger predictor of EI than mere exposure to entrepreneurship courses. This distinction between exposure and quality has important implications for curriculum design and institutional strategy.

2.3 Personal and Contextual Factors

A growing body of literature examines how individual-level characteristics and contextual variables moderate the TPB relationships. Gender differences in EI have been consistently documented, with male students generally reporting higher entrepreneurial intentions than female counterparts, primarily due to differences in self-efficacy and risk tolerance (Zhao et al., 2010; Gupta et al., 2014). However, recent cohort studies suggest this gap is narrowing among younger, urban, and highly educated populations.

Family background in business is another robust predictor. Students from entrepreneurial families demonstrate higher EI, likely due to role modelling effects, tacit knowledge transfer, and access to informal networks and financial support (Chlosta et al., 2012). Prior entrepreneurial experience—including internships at startups, part-time ventures, or participation in business plan competitions—has also been linked to elevated EI through its positive effect on entrepreneurial self-efficacy (Carr & Sequeira, 2007).

2.4 Barriers to Entrepreneurial Intention

While drivers of EI have received substantial attention, the literature on barriers remains comparatively underdeveloped, particularly for developing country contexts. Identified barriers include fear of failure and risk aversion (Wyrwich et al., 2016), lack of financial resources and difficulty in accessing credit (Mwatsika, 2015), inadequate mentoring and support ecosystems (Salamzadeh et al., 2013), regulatory complexity and bureaucratic hurdles, and insufficient market knowledge and business

skills (Karimi et al., 2016). In the Indian context, additional social barriers include family pressure to pursue stable, well-paying employment and the stigma associated with business failure.

3. Research Objectives and Hypotheses

3.1 Research Objectives

The present study is guided by the following objectives:

- To examine the influence of attitude toward entrepreneurship, subjective norms, and perceived behavioural control on the entrepreneurial intentions of management students.
- To assess the moderating role of entrepreneurship education quality and prior entrepreneurial exposure on TPB-EI relationships.
- To identify the key barriers that inhibit entrepreneurial intentions among management students.
- To propose evidence-based recommendations for management institutions, policymakers, and industry stakeholders.

3.2 Research Hypotheses

Based on the reviewed literature, the following hypotheses are proposed:

H1: Attitude toward entrepreneurship will have a significant positive effect on entrepreneurial intentions.

H2: Subjective norms will have a significant positive effect on entrepreneurial intentions.

H3: Perceived behavioural control will have a significant positive effect on entrepreneurial intentions.

H4: Quality of entrepreneurship education will positively moderate the relationship between TPB antecedents and entrepreneurial intentions.

H5: Prior entrepreneurial exposure will positively moderate the relationship between TPB antecedents and entrepreneurial intentions.

4. Methodology

4.1 Research Design and Sample

A quantitative cross-sectional research design was employed. The target population comprised postgraduate management (MBA/PGDM) students enrolled in full-time programmes. Purposive sampling was used to select six management institutes located in Hyderabad, Bengaluru, and Mumbai—cities that constitute India's primary startup hubs—to ensure ecological validity of findings. A total of 450 questionnaires were distributed, of which 420 were returned in usable condition, yielding a response rate of 93.3%.

4.2 Instrument Development

The questionnaire was adapted from validated scales in the EI literature. Entrepreneurial Intentions (6 items) were measured using the EIQ scale developed by Linan and Chen (2009). Attitude Toward Entrepreneurship (5 items), Subjective Norms (4 items), and Perceived Behavioural Control (6

items) were operationalised using items from the Entrepreneurial Intention Questionnaire (EIQ) and the Ajzen (2002) TPB scale. Entrepreneurship Education Quality (5 items) and Prior Entrepreneurial Exposure (4 items) were measured using researcher-developed items informed by Nabi et al. (2017) and Trivedi (2016). All items were rated on a 7-point Likert scale (1 = Strongly Disagree; 7 = Strongly Agree).

The instrument underwent content validation through expert review (3 entrepreneurship scholars, 2 practitioners) and pilot testing with 35 students not included in the final sample. Necessary modifications were made to improve clarity and comprehension.

4.3 Sample Profile

Characteristic	Category	Frequency (%)
Gender	Male	58.1%
	Female	41.9%
Age Group	21–25 years	73.6%
	26–30 years	26.4%
Family Business Background	Yes	37.4%
	No	62.6%
Prior Startup Experience	Yes	29.3%
	No	70.7%
City	Hyderabad	36.9%
	Bengaluru	33.1%
	Mumbai	30.0%

Table 1: Sample Profile (N = 420)

4.4 Data Analysis

Data were analysed in three stages. First, exploratory factor analysis (EFA) using principal components extraction with varimax rotation was conducted to confirm the factor structure. Second, confirmatory factor analysis (CFA) and Structural Equation Modelling (SEM) were performed using AMOS 26.0 to test the hypothesised relationships. Third, hierarchical multiple regression was employed to test the moderating effects of entrepreneurship education quality and prior entrepreneurial exposure.

5. Results

5.1 Reliability and Validity

All constructs demonstrated satisfactory internal consistency, with Cronbach's alpha values ranging from 0.81 to 0.91. Composite reliability (CR) values exceeded the threshold of 0.70, and

average variance extracted (AVE) values were above 0.50 for all constructs, confirming convergent validity. Discriminant validity was established as the square root of AVE for each construct exceeded its correlations with other constructs (Fornell & Larcker, 1981).

5.2 Model Fit Indices

Fit Index	Recommended Value	Obtained Value
Chi-square/df (CMIN/DF)	< 3.0	2.41
RMSEA	< 0.08	0.054
CFI	> 0.90	0.937
TLI (NNFI)	> 0.90	0.921
IFI	> 0.90	0.938
SRMR	< 0.08	0.061

Table 2: SEM Model Fit Indices

The SEM model demonstrated acceptable fit with the data across all commonly recommended indices, confirming the appropriateness of the theoretical model.

5.3 Hypothesis Testing

H	Path	Std. β	S.E.	t-value	p-value	Decision
H1	ATB $\rightarrow$ EI	0.412	0.063	6.54***	< 0.001	Supported
H2	SN $\rightarrow$ EI	0.284	0.071	3.99***	< 0.001	Supported
H3	PBC $\rightarrow$ EI	0.337	0.058	5.81***	< 0.001	Supported
H4	EEQ moderates TPB $\rightarrow$ EI	0.196	0.084	2.33*	0.020	Supported
H5	PEE moderates TPB $\rightarrow$ EI	0.221	0.079	2.80**	0.005	Supported

Table 3: Structural Model Results and Hypothesis Testing

Note: ATB = Attitude Toward Behaviour; SN = Subjective Norms; PBC = Perceived Behavioural Control; EEQ = Entrepreneurship Education Quality; PEE = Prior Entrepreneurial Exposure; EI = Entrepreneurial Intentions. * $p < 0.05$; ** $p < 0.01$; *** $p < 0.001$

All five hypotheses were supported. ATB emerged as the strongest predictor of EI ($\beta = 0.412$), followed by PBC ($\beta = 0.337$) and SN ($\beta = 0.284$). Together, the three TPB antecedents explained 68.4% of the variance in entrepreneurial intentions ($R^2 = 0.684$, $F = 124.73$, $p < 0.001$). Moderation analyses confirmed that both entrepreneurship education quality (H4) and prior entrepreneurial exposure (H5) significantly amplified the TPB-EI relationships.

5.4 Identified Barriers to Entrepreneurial Intention

Respondents were asked to rate the extent to which various factors constrained their entrepreneurial intentions on a 5-point scale (1 = Not a barrier at all; 5 = Major barrier). Descriptive statistics for the top-ranked barriers are presented below.

Rank	Barrier	Mean	Std. Dev.
1	Lack of adequate financial capital / difficulty accessing funding	4.42	0.71
2	Fear of failure and associated social stigma	4.31	0.78
3	Family pressure to secure stable employment	4.18	0.83
4	Inadequate mentoring and guidance infrastructure	3.97	0.86
5	Limited practical market knowledge and business skills	3.84	0.91
6	Regulatory complexity and bureaucratic compliance burden	3.76	0.94
7	Uncertainty about economic viability of intended business idea	3.71	0.89
8	Lack of a co-founder or trusted business partner	3.54	0.97

Table 4: Barriers to Entrepreneurial Intention (N = 420)

6. Discussion

6.1 The Primacy of Attitude

The finding that entrepreneurial attitude is the most influential determinant of EI among Indian management students aligns with meta-analytic findings from Western contexts (Schlaegel & Koenig, 2014) and confirms the cross-cultural robustness of the TPB framework. This underscores the importance of developing positive evaluative beliefs about entrepreneurship as a career option. Attitudinal change is likely to be most effectively achieved through experiential learning methods—such as live projects, design thinking workshops, and immersive startup internships—rather than conventional lecture-based pedagogies.

6.2 The Role of Social Environment

The moderate but significant effect of subjective norms on EI deserves nuanced interpretation in the Indian context. India's collectivist cultural orientation means that family and peer approval remains a powerful determinant of career choices. The fact that subjective norms emerge as a significant predictor—despite being the weakest of the three TPB antecedents—suggests that entrepreneurial role models within students' immediate social environments matter considerably. This has implications for the design of guest lecture series, alumni mentorship programmes, and community-of-practice initiatives within management institutions.

6.3 Self-Efficacy and Perceived Control

Perceived behavioural control, conceptually related to Bandura's (1986) self-efficacy construct, emerged as the second strongest predictor of EI. This finding resonates with entrepreneurship education research showing that skill-building programmes that increase students' confidence in their ability to manage business challenges—such as venture finance, market research, and team leadership—are particularly effective in elevating entrepreneurial intentions. Business plan competitions, venture labs, and incubation challenges appear to be valuable pedagogical tools for building perceived behavioural control.

6.4 The Critical Role of Education Quality

The moderation of entrepreneurship education quality (H4) reveals that institutions with more practice-oriented, mentorship-rich, and industry-integrated entrepreneurship programmes are more successful in converting positive entrepreneurial attitudes and self-efficacy into genuine career intentions. This finding provides important guidance for accreditation bodies such as AMBA, AACSB, and NBA, which should evaluate not only the presence but the quality and design orientation of entrepreneurship courses in management programmes.

6.5 Barriers: Structural vs. Psychological

The barriers analysis reveals a dual challenge. Psychological barriers—fear of failure and family pressure—are largely socio-culturally conditioned and require sustained attitudinal interventions at both the institutional and societal levels. Structural barriers—inadequate access to capital, weak mentoring ecosystems, and regulatory complexity—call for more direct policy interventions. The Government of India's Startup India initiative, MUDRA loans, and SIDBI's startup financing schemes address some of these structural barriers, but their penetration and accessibility among first-generation entrepreneurs from non-business backgrounds remain limited.

7. Recommendations

7.1 For Management Institutions

Curriculum reform should prioritise experiential entrepreneurship education through mandatory incubation projects, live client consulting, and structured startup mentorship programmes. Business schools should partner with established startup ecosystems to provide students with real-world exposure. In-house incubators and seed funding facilities can dramatically reduce the perceived risk of attempting entrepreneurial ventures during or immediately after graduation.

7.2 For Policymakers

Government agencies should streamline the regulatory environment for new venture creation, including simplification of GST compliance, company registration procedures, and intellectual property protection mechanisms. Expanding reach of existing schemes such as Startup India, Stand-Up India,

and MSME credit guarantee programmes to business school graduates would directly address the financial capital barrier identified in this study. National-level mentorship platforms connecting student entrepreneurs with experienced serial entrepreneurs could help address the mentoring deficit.

7.3 For Industry

The corporate sector can play a catalytic role by sponsoring entrepreneurship challenges, funding business plan competitions, and providing internship opportunities within high-growth startups. Establishing corporate venture funds that specifically invest in student-led startups would create powerful incentive structures that align with and amplify entrepreneurial intentions emerging from management education.

8. Conclusion

This study provides a comprehensive empirical investigation of entrepreneurial intentions among management students in India, grounded in the Theory of Planned Behaviour and enriched by domain-specific moderators and a detailed analysis of barriers. The findings confirm that attitude toward entrepreneurship, perceived behavioural control, and subjective norms are significant and robust predictors of EI, with attitude emerging as the dominant force. Entrepreneurship education quality and prior entrepreneurial exposure meaningfully amplify these intentions, underscoring the critical importance of how—and not merely whether—entrepreneurship is taught in management programmes.

The barrier analysis exposes a complex interplay of psychological, socio-cultural, and structural factors that suppress entrepreneurial intentions even among students with positive attitudes and high self-efficacy. Addressing these barriers requires coordinated action from management institutions, government bodies, and the corporate sector.

Future research should adopt longitudinal designs to track whether EI translates into actual entrepreneurial behaviour, and should explore sector-specific and technology-domain-specific EI patterns, given India's rapidly evolving digital economy landscape. Gender-disaggregated analyses and cross-country comparative studies would further enrich the emerging body of knowledge on entrepreneurship in developing economy contexts.

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