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### Perceived Benefits and Challenges of Management Graduates of Far Western University towards the Entrepreneurship Intention

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#### Abstract

Entrepreneurs are contributing a lot for the economic and social development of each country of world. The aim of this study is to explore perceived benefits and challenges of management graduates of Far Western University towards the entrepreneurial intention. Data were collected from 107 students who are currently studying M.Phil., MBA and MBS in central campus Far Western University. A set of questionnaires was designed as the main instrument of data collection which consist the 17 questions related to perceived strength, weakness, opportunities and threats (SWOT) of the respondents. Out of the 17 questions, first four are related to the opportunities, second five are related to challenges, third four are related to strength and last four are related to weakness. The instrument for data collection comprised of 6-point Likert type scale. To explore the perceived benefits and challenges of entrepreneurship intentions of management graduates of Far Western university descriptive statistics has been used. Data were processed by using computer software SPSS. The result indicates that ongoing rapid urbanization has perceived a great opportunity or highly motivates the students to start up business and financial problem is perceived as main obstacles to be an entrepreneur.

**Keywords:** Entrepreneurship, Entrepreneur intention, opportunity, threat, strength, weakness

#### Introduction

Entrepreneurship is a most important input for economic development of the country. Economic prosperity the country highly depends up on how well the country processed or utilized this input. For achieving the goal of economic development, it is necessary to increase entrepreneurship both qualitatively and quantitatively in the country. For developing countries like Nepal unemployment is a major issue, where many educated youths have

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great difficulty in finding suitable employment for them. In such situation, entrepreneurship plays significant role for solving these big social problems of unemployment by not only employing themselves into their own business organization but also by creating jobs for others. Therefore, it is necessary to promote entrepreneurship by policy makers; and higher education curriculum designers also should play their role by installing the entrepreneurial qualities among the students to create awareness and interest toward entrepreneurship.

Entrepreneurship is act of being entrepreneur because it is discussed under the functions of entrepreneur like risk taking, innovation, identifying and capturing the opportunities etc. it is the process of analyzing the market situations and identifying the opportunities and exploiting the opportunities by developing innovative ideas. Entrepreneurship is all about identifying and exploiting opportunity, and risk taking in order to fulfill the market gap (Locke & Baum, 2007). Entrepreneurship is a process of identifying the market gap or unmet need and fulfilling these gaps profitably. Stam, (2008) entrepreneurship is combining resources in some new ways and show some change in the marketplace.

Entrepreneurial intention is a one's desire to start business venture. Entrepreneurial intention can be described as an individual desire to establish and run one's own startup company (Krueger, Reilly, & Carsrud, 2000). Previous studies have shown that starting a new business is influenced by many factors, such as parental background, educational level, ability of the individual to recognize and identify business opportunities and take risk, as well as culture, legal and the broader economic and environmental factors (Thompson 2009). Entrepreneurial intention is a mood of individual to run a new business and bring some innovation in existing firm (Tanveer 2013).

In Nepal, government has lunched the different programs and provides the subsidies to attract the youth entrepreneurs' and universities are also running different business management courses to encourage the management graduates toward the entrepreneurship. But it is observed that growth rate and progress of it is very slow. Youth unemployment and migration rate are high in Nepal. About 38 percent of the youths are currently unemployed (CBS 2019). According to Department of Immigration of Tribhuvan International Airport 1500 plus youths migrate abroad daily to foreign job market. Therefore, promotion of entrepreneurship is necessary for economic health of the country. Like all other universities, Far Western University has also launched the different programs under the faculty of management to develop the entrepreneurship. However, the number of graduates starting businesses is still less encouraging. According to Stam (2008) lack of motivation among students and also risk adverse behavior are responsible. Therefore, this study is focused on

to explore the intentions of management graduates of Far Western University toward the entrepreneurship. What are the perceived benefits and challenges to be an entrepreneur? What are the controllable factors that influence the students' entrepreneurship intentions? Does the gender influence to choose the career? This study will be helpful to explore the cause of students' intention toward the entrepreneurship. The main objective of the study is to explore perceived benefits and challenges of management graduates of Far Western University towards the entrepreneurial intention. The specific objectives are:

- To explore the key factors that encourages management graduates of Far Western University toward the entrepreneurship;
- To explore the specific factors that discourages the entrepreneurial intention of management graduates of Far Western University and,
- To examine the role of gender on the entrepreneurial intention of management graduates.

## **Review of literature**

Entrepreneurial intentions are a thinking or positive attitude or personal orientation which leads to start up new business. Entrepreneurial intentions represent the individual and/or of a group of people's intentions to create a new business/idea. Such an intention is a conscious mental state that precedes the action and directs attention towards the goal of establishing a new business. Van Gelderen et al. (2008) highlight entrepreneurial intention as the intentions of setting up one's business in the future. Simply an entrepreneur is a businessperson who runs business but being an entrepreneur is not just run a business, an entrepreneur has strong drive and innovative idea to succeed in business. The country's economic policy environment must be favorable for organizations to achieve efficiencies in today's global market. it helps entrepreneurs better fulfill their personal needs but because of the economic contribution of the new ventures. More than increasing national income by creating new jobs, entrepreneurship acts as a positive force in economic growth by serving as the bridge between innovation and market place (Santhi and Kumar, 2011).

There are numbers of motivational variables which develop the intention of students to create his/her venture. It is also believed that motivational factors are varying by countries, regions, and cultures and these contextual factors influence the personal and psychological traits (Turker and Selcuk, 2009). In previous studies, desire for independence has been emerged as one of the most important factors for the student to choose entrepreneurship as career (Douglas & Fitzsimmons, 2005). Desire for wealth is the most common objective and goal of entrepreneurs (Shane et al. 2003). Similarly, Marco and (Kirkwood, 2009) found that

monetary benefit is the primary source of motivation for most of entrepreneurs. According to Hisrich and Brush (2009) Entrepreneurial education can enhance the intention of students to become entrepreneur (Frank & Luthje, 2004). The role of gender is also an influential factor in Entrepreneurial intention of student (Veciana et al, 2005). It is investigated that men have more desire and chances to become entrepreneur as compared to female (Wang & Wong, 2004). Women face more difficulties and challenges, especially to arrange necessary financial obligations (Becker-Blease & Sohl, 2007). It is also confirmed women have very low success ratio, profitability and sales (Brush et al.2006; Welter et al.2006). Moreover, the motivational aspects of entrepreneurial intention include Desire for independence, Job security factor, Capital investment, Successful entrepreneurial Role models, Market opportunity, Earning, and Challenging career (Tanveer et al. 2013).

## **Methods**

The focus of the study is to explore perceived benefits and challenges of management graduates of Far Western University towards the entrepreneurial intention. The design used for the study was descriptive survey research design. Data were collected from 107 students who are currently studying M. phil., MBA and MBS in central campus Far Western University. A set of questionnaires was designed as the main instrument of data collection which consist the 17 questions related to perceived benefits and challenges. Perceived benefits are divided into two parts, external and internal. External factors are those factors which provide the benefits but these are out of the control of respondents. These uncontrollable factors are known as opportunities. Internal factors are those factors which provide the benefits and can be controlled by respondents; such factors are known as strength. Challenges are also divided into two parts viz external and internal. External factors are those which threat the business and out of the control of businessman, these factors are known as challenges. Internal factors are those which negatively influence the business but can be controlled by respondents these factors are commonly known as weakness. SWOT analysis (Strengths, Weaknesses, Opportunities and Threats) analysis is one of several strategic planning tools that takes information from an environmental analysis and separates it into internal (strengths and weaknesses) and external issues (opportunities and threats) (Ifediora, Idoko, & Nzekwe, 2014).

Out of the 17 questions, first four are related to the opportunities, second five are related to challenges, third four are related to strength and last four are related to weakness. The instrument for data collection comprised of 6-point Likert type scale, where 1= strongly agreed, 2= moderately agreed, 3= slightly agreed, 4= slightly disagreed 5= moderately disagreed and 6= strongly disagreed. 90 questionnaires were personally distributed to the

students and collected immediately and 17 questionnaires collected through internet. To measure the reliability of questionnaire, Cronbach alpha was calculated. The reliability was 0.64.6 for benefits and 0.61.4 for challenges. To explore the perceived benefits and challenges of entrepreneurship intentions of management graduates of Far Western university descriptive statistics has been used. Data were processed by using computer software SPSS.

## **Results**

Descriptive analysis was conducted to explore the perceived benefits and challenges of management graduates of Far Western University towards the entrepreneurial intention. There were 9 items which motivates and 8 items which discourage the students to start and run their own business. The result indicates that ongoing rapid urbanization has perceived a great opportunity or highly motivates the students start up business. Its mean value is 1.77 with standard of 0.65. Growing financial institution has highest mean value 3.14 with standard deviation of 0.95, it is perceived as least motivational factors out of the studied variables under opportunities. The result of analysis of students perceived strength showed that personal freedom has least mean value 1.45 with standard deviation of 0.52, and enjoy taking risk has highest mean value of 2.22 with standard of 0.8. Out of the studied variables under the perceived strength, the result indicates that students want personal freedom but slightly risk avoider

The result of analysis of students perceived challenges showed that financial problem has least mean value 1.81 with standard deviation of 0.91, and corrupted bureaucracy has highest mean value of 2.89 with standard of 0.9. Out of the studied variables under the perceived challenges, the study result revealed that students perceived financial problem is most important obstacles and corrupted bureaucracy has not perceived as a big challenge. Result of analysis of weakness factors under studied, poor entrepreneur skill has the least mean value of 2.26 with standard deviation of 0.99 and additional working hour has the highest mean vale of 3.36 with standard of 1.11. This indicates that poor entrepreneur skill has perceived as main weakness to be an entrepreneur. The result also indicates that gender has a influences on the students entrepreneur intentions. The result indicates boys get relatively good family support than girl to start up own business. The mean value of family support is 1.95 and 2.43 respectively for boys and girls respectively.

## **Conclusion**

The economic development of country depends upon industrial development of the country. Entrepreneurship in least developed country like Nepal has big potential for sustainable economic development. Based on the findings, it was concluded that rapid urbanization attracts the students to start up own business. The study has provided an

important conclusion that on the one hand students perceived that financial problem as main obstacles which negatively influence the entrepreneur intention of management students but on the other hand, growing financial institutions are not perceived by the students as good opportunity to start up their own business. The study also concluded that poor entrepreneur skill is one of the highly negatively influencing factors which indicate universities course contents, teaching methods are not matching with the market requirement. It is important for the government, universities and financial institutions to understand how to develop and nurture potential entrepreneurs even while they are still students.

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