

**“INTENTION TOWARDS ENTREPRENEURSHIP AMONG  
ENGINEERING STUDENTS: (WITH SPECIAL REFERENCE  
TO THE UNIVERSITY OF RUHUNA - FACULTY OF  
ENGINEERING)”**

**BY  
SACHINI CHANDIMA NAGAHAWATTA**

**“INTENTION TOWARDS ENTREPRENEURSHIP AMONG  
ENGINEERING STUDENTS: (WITH SPECIAL REFERENCE  
TO THE UNIVERSITY OF RUHUNA –FACULTY OF  
ENGINEERING)”**

**BY  
SACHINI CHANDIMA NAGAHAWATTA**

A research submitted to the University of Sri Jayewardenepura in partial fulfillment of the requirements for the Degree of Master of Business Administration.

“The work described in this research was carried out by me under the supervision of Mrs D. S. R. Samarasinghe and a report on this has not been submitted in whole or in part to any university or any other institution for another Degree/ Diploma”.

RS2PL

.....  
Sachini Chandima Nagahawata

2010076

“I certify that the above statement made by the candidate is true and that this research is suitable for submission to the University for the purpose of evaluation”.

.....

Mrs D. S. R. Samarasinghe

Senior Lecturer

Head of the Department

Department of Marketing Management

University of Sri Jayewardenepura

Gangodawila, Nugegoda.

## TABLE OF CONTENTS

---

<b>CHAPTER 01 – INTRODUCTION</b>	
<b>1.1 Introduction</b>	1
1.1.1 Background in Sri Lanka	2
1.1.2 Engineers and Entrepreneurship	5
<b>1.2 Research problem</b>	7
<b>1.3 Research objectives</b>	7
<b>1.4 Significance of the study</b>	8
<b>1.5 Scope of the study</b>	9
<b>1.6 Chapter organization</b>	9
<b>CHAPTER 02 - LITERATURE REVIEW</b>	
<b>Introduction</b>	11
<b>2.1 Entrepreneurship</b>	13
<b>2.2 Entrepreneur</b>	14
2.2.1 Entrepreneurial potential	16
<b>2.3 Entrepreneurial Intention</b>	17
<b>2.4 Personality Traits</b>	18
2.4.1 Need for Achievement	21
2.4.2 Risk taking propensity	22
2.4.3 Locus of Control	23
<b>2.5 Perceived Desirability</b>	25
2.5.1 Attitude toward the behavior	26
2.5.2 Subjective norms	27
<b>2.6 Perceived feasibility</b>	28
2.6.1 Perceived Behavioural Control	29
2.6.2 Entrepreneurial Self Efficacy	30

<b>2.7 Education</b>	31
<b>2.8. Gender</b>	35
<b>2.9 Intention Models</b>	35
2.9.1 Shapero's Entrepreneurial Event Theory	36
2.9.2 Theory of Planned Behaviour (Ajzen, 1991)	38
2.9.3 Entrepreneurial Potential Model	39
<b>Summary</b>	42
<b>CHAPTER 03 - RESEARCH METHODOLOGY</b>	
<b>Introduction</b>	44
<b>3.1 Methodological Consideration</b>	45
<b>3.2 Operationalization of Variables</b>	47
<b>3.3 Hypothesis</b>	48
3.3.1 Target 1	48
3.3.2 Target 2	49
3.3.3 Target 3	50
3.3.4 Target 4	50
<b>3.4 Research process / research design</b>	51
3.4.1 Research Philosophy	52
3.4.2 Research Approach	53
3.4.3 Research Strategy	54
3.4.4 Research Choice	58
3.4.5 Time horizon	58
<b>3.5 Techniques and procedures</b>	58
<b>3.6 Validity and Reliability</b>	59
<b>Summary</b>	60
<b>CHAPTER 04 – ANALYSIS AND FINDINGS</b>	
<b>Introduction</b>	61

<b>4.1 Relationship between Gender, Specialization area, entrepreneurship education and entrepreneurial intention.</b>	64
4.1.1 Gender and Entrepreneurial Intention	64
4.1.2 Specialization area and the entrepreneurial intention	65
4.1.3 Entrepreneurship education and entrepreneurial intention	67
<b>4.2 Relationship between Entrepreneurship education and perceived desirability and feasibility</b>	68
4.2.1 Entrepreneurship Education and perceived desirability	68
4.2.2 Entrepreneurship education and the perceived feasibility	69
<b>4.3 Personality traits, perceived desirability, perceived feasibility and entrepreneurial intention</b>	70
4.3.1 Personality Traits and Entrepreneurial Intention	70
4.3.1.1 Need for Achievement and Entrepreneurship Intention	71
4.3.1.2 Risk taking propensity and Entrepreneurial intention	72
4.3.1.3 Internal locus of control and Entrepreneurial Intention	73
4.3.2 Perceived desirability and Entrepreneurial Intention	74
4.3.2.1 Attitude towards behavior and entrepreneurial intention	75
4.3.2.2 Subjective norms and Entrepreneurial Intention	76
4.3.3 Perceived feasibility and Entrepreneurial Intention	77
4.3.3.1 Perceived behavioral Control and Entrepreneurial intention	78
4.3.3.2 Entrepreneurial self efficacy and Entrepreneurial intention	79
<b>4.4 Regression analysis</b>	80
<b>Summary</b>	81
 <b>CHAPTER 05 – DISCUSSION</b>	
<b>Introduction</b>	89
<b>5.1 Discussion about the contribution of students’ personality traits, perceived desirability and perceived feasibility in shaping their entrepreneurial intention.</b>	90
5.1.1 Personality traits and their entrepreneurial intention	90
5.1.2 Students perceived desirability and their entrepreneurial intention	91
5.1.3 Students perceived feasibility and their entrepreneurial intention	91
<b>5.2 Discussion about the contribution of students’ need for achievement, risk taking propensity, internal locus of control, attitude towards behavior, subjective norms, entrepreneurial self efficacy and perceived behavior control in shaping their entrepreneurial intention.</b>	92
5.2.1 Need for achievement and entrepreneurial intention	93
5.2.2 Risk taking propensity and entrepreneurial intention	94

5.2.3 Internal locus of control and entrepreneurial intention	94
5.2.4 Attitude towards behavior and their entrepreneurial intention	95
5.2.5 Subjective norms and their entrepreneurial intention	95
5.2.6 Entrepreneurial self efficacy and their entrepreneurial intention	95
5.2.7 Perceived behavioral control and their entrepreneurial intention	96
<b>5.3 Discussion about the contribution of students' gender, specializing area and entrepreneurship module in shaping their entrepreneurial intention</b>	96
5.3.1 Students' gender and their entrepreneurial intention	97
5.3.2 Students' specialization area and their entrepreneurial intention	97
5.3.3 Entrepreneurship education and entrepreneurial intention	97
<b>5.4 Discussion about the contribution of two credit entrepreneurship module in shaping their perceived desirability and perceived feasibility</b>	98
5.4.1 Students' entrepreneurship education and their perceived desirability	98
5.4.2 Students' entrepreneurship education and their perceived feasibility	99
<b>5.5 Regression Analysis</b>	99
<b>Summary</b>	100
<b>CHAPTER 06– SUMMARY AND CONCLUSION</b>	101
<b>REFERENCES</b>	105
<b>APPENDIX</b>	
<b>01- Sample Plan</b>	115
<b>02- Descriptive Statistics</b>	116
<b>03- Rotated factor matrix</b>	117
<b>04- Questionnaire</b>	118



## LIST OF TABLES

---

Table 1.1- Unemployment rate by level of education Third quarter 2012	3
Table 1. 2 -Ease of starting and doing a business	4
Table 3.1 -Summary of the positivist characteristics	53
Table 4.1- Validity and reliability	62
Table 4.2 - Validity	63
Table 4.3 -Frequency table –Gender	64
Table 4.4 – Independent sample t- test - Gender Vs Entrepreneurial Intention	65
Table 4.5 - Frequency table –Department	66
Table 4.6 -ANOVA table – Specialization area Vs Entrepreneurial Intention	67
Table 4.7– Independent sample t- test - Entrepreneurship education Vs Entrepreneurial Intention	68
Table 4.8 – Correlation - Perceived Desirability and Education	69
Table 4.9 –Correlation - Perceived feasibility and education	69
Table 4.10 – Correlation - Personality Traits and Entrepreneurial Intention	70
Table 4.11 –Correlation - Need for Achievement and Entrepreneurship Intention	71
Table 4.12 – Correlation – Risk taking propensity Entrepreneurial Intention	72

Table 4.13 – Correlation – Internal Locus of Control and Entrepreneurial Intention	73
Table 4.14 – Correlation - Perceived desirability and Entrepreneurial Intention	74
Table 4.15 – Correlation - Attitude towards behavior and entrepreneurial intention	75
Table 4.16 Correlation -Subjective norms and Entrepreneurial Intention	76
Table 4.17 -Correlation Perceived feasibility and Entrepreneurial Intention	77
Table 4.18 -Correlation Perceived behavioral control and Entrepreneurial Intention	78
Table 4.19 –Correlation Entrepreneurial self efficacy and Entrepreneurial Intention	79
Table 4.20 –ANOVA table- Regression Analysis	80
Table 4.21 - Goodness of model – Regression Analysis	80
Table 4.22 -Correlation – Regression Analysis	81

## LIST OF FIGURES

---

Figure 2.1 Entrepreneurial Event Model	37
Figure 2.2 Theory of Planned Behaviour Model	39
Figure 2.3 Entrepreneurial Potential Model	41
Figure 3.1 -Conceptual frame Work	45
Figure 3.2 Research Onion	52
Figure 4.1- Gender	64
Figure 4.2 – Department	66

## ACKNOWLEDGEMENT

---

I wish to thank most sincerely both my supervisors Mrs D. S. R. Samarasinghe for her patience, support, encouragement and most of all understanding throughout this academic journey.

I also wish to acknowledge my gratitude to all the undergraduates who participated in my research because without their help this research would not be possible, sincerely thank you.

A special note of appreciation needs to go to the academic and administrative staff in University of Ruhuna, Faculty of Engineering. A special thank to the Dean of the faculty, Dr Nayana Alagiyawanna and the Head of the Department Interdisciplinary Studies Mrs S. N Malkanthi who kindly gave me the permission to distribute my survey among students.

I would also like to acknowledge the life time of support I have received from my Mother and Father who have believed in me long before I believed in myself. Thank you for your love and encouragement.

This research Dedicated to my parents and to the teachers who guided me from Kindergarten to Masters Level.

***“INTENTION TOWARDS ENTREPRENEURSHIP AMONG  
ENGINEERING STUDENTS: (WITH SPECIAL REFERENCE TO  
THE UNIVERSITY OF RUHUNA –FACULTY OF  
ENGINEERING)”***

***BY  
SACHINI CHANDIMA NAGAHAWATTA***

**ABSTRACT**

---

The purpose of this paper is to investigate the intention towards entrepreneurship among engineering students in Sri Lanka. The sample comprised of engineering students of university of Ruhuna, a questionnaire survey was adopted to collect the primary data from the respondents whom they were randomly selected, total of 611 eligible questionnaires were received. The study findings indicate a low level of students' intentions on entrepreneurship and their willingness to put their efforts in entrepreneurship activities. But some determinants such as the students' perceived desirability, feasibility highlighted that there is a high chance of increasing students' intention by sharpening and removing barriers between those determinants. Furthermore, it is suggested that entrepreneurship education should focus on development of competencies related to entrepreneurship and cultural awareness.

## CHAPTER 1 - INTRODUCTION

---

### 1.1 Introduction

“Entrepreneurship” is the buzzword in 21st century. Entrepreneurship is there because of innovations. Innovations formed because of creativity. Creativity is the ability to develop new ideas and to discover new ways of looking at problems and opportunities. So, simply entrepreneurship is the art of turning a good idea into a business. If we look back few decades ago, the major economic activities were agriculture and mining. Then with the industrialization industrial sector has boomed up. With the influence of social and economic changes in competitive economies, new, small enterprises have become a key element in creating employment, wealth and social welfare. So the need to identify entrepreneurs has become more essential today as they are the catalysts of the economic development.

Entrepreneurship has more critical role for economies, especially in developing countries, since it can be the engine of economic progress, job creation, and social adjustment. Entrepreneurial intention is a state of mind when people wish to create a new firm or a new value driver inside existing organizations.

Most popular world class business organizations in the world are a result of entrepreneurial mindsets. They have begun their organizations in small scale and now generating good wealth and job opportunities. Countries with such entrepreneurial activities generate new and improved products and opportunities and also enhance the standard of living of the people of the country. It has found that entrepreneurship help to enhance work attitudes and requires sound management expertise.

Entrepreneurship as a research field attracts the interest of many researchers because it is a tool of development for many economies in the world. Many researchers have recently highlighted the importance of small business and entrepreneurship as a prominent instrument to conquer the unemployment problem. According to past researches many policy makers also hail entrepreneurship as one of the best economic development strategies to boost a country's economic growth (Antonites, 2003). And also it has considered as solution to the ever growing problem of unemployment among graduates. Therefore according to them most of the universities throughout the world has valued entrepreneurial intention and include entrepreneurship related courses in their undergraduate and graduate degree programs. The investigation of the factors that leads particular people to become entrepreneurs instead of others has been a question of many researches. So, many researchers have tried to understand the reasons leading those people to entrepreneurship. According to them one important research question is why people choose to act as entrepreneurs (Stevenson and Jarillo, 1990) and what factors determine these behaviors. In this study also researcher tried to identify the factors that determine the students' entrepreneurial intention and the remedies to overcome the barriers that deviate students from entrepreneurial intention.

### **1.1.1 Background in Sri Lanka**

In Sri Lanka unemployment and under employment have become very serious issues especially among graduates. When a country is developing, the need of skilled labor also should increase. Therefore unemployment rate among graduates is supposed to decrease. But surprisingly in Sri Lanka unemployment has risen among young and better-educated people. Below statistics (Table 1) proves it.