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## Extended Abstract

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# **The Impact of Entrepreneurial Motivation on Self Employment Intention among full-time students of Advanced Technological Institutes (ATIs), Special Reference to Jaffna and Trincomalee ATIs**

*Vannarajah T. L<sup>1</sup> and Jude Leon S. A<sup>2</sup>*

*Advanced Technological Institute, Jaffna<sup>1</sup>*

*Department of Marketing Management, Vavuniya Campus of the University of Jaffna<sup>2</sup>*

*Correspondence email: judeleon27@gmail.com*

## **1. Abstract**

Entrepreneurship is a practicable solution to unemployment issue and it offers a way to increase wealth of individual and nation. This study focuses on the impact of entrepreneurial motivation on self-employment intention. Both primary and secondary data were used for this study. Primary data were collected using questionnaires and secondary data were collected through books, journals, media news, reports and magazines. This descriptive type of study was conducted by quantifying the data collected via close ended questionnaires. 270 students from Jaffna and Trincomalee ATIs were selected as the sample for this study by using stratified proportionate sampling method as 10% from each institute. 25 questionnaires were not considered due to various errors made by the respondents and 245 duly filled questionnaires were taken into account with almost 90% response rate, as 118 from Jaffna ATI and 127 from Trincomalee ATI. Collected data were analyzed using various methods of analysis such as, reliability test, descriptive statistics, correlation analysis and regression analysis. Findings of the study clearly indicated that the entrepreneurial motivation significantly influences self-employment intention. These results are more useful for policy makers, government officials, educators and potential entrepreneurs in Sri Lanka to improve their entrepreneurship capabilities. Entrepreneurship should be introduced and included as a core subject in Higher education curriculums.

## **2. Introduction and Research Problem**

Entrepreneurship is a worldwide phenomenon combined with economic growth across the globe and it is positively influenced by the emergence of new and innovative business start-ups. Entrepreneurship focuses in creating job opportunities by introducing entrepreneurs to various industries and its contribution to the national economy by reducing unemployment and increasing income. Therefore, entrepreneurship is the key factor for economic development (McStay, 2008). Renowned universities and other higher education institutes have implemented various postgraduate, undergraduate and diploma programs on small business

management and entrepreneurship (Plant and Ren, 2010; Nishantha, 2008). In a developing country like Sri Lanka, the role of entrepreneurship development is more important than those in developed countries. Providing employment opportunities for all graduates and diploma holders is a crucial issue for the Sri Lankan government (Ummah, 2009).

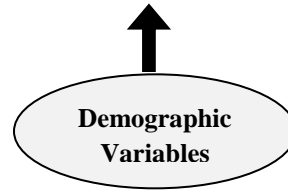
Even though, the entrepreneurship is considered as a key to the ever growing problem of unemployment, it has been the second or last choice of employability among younger people (Thrikawala, 2011). According to the Stansworth and Gray (1991), the lack of management expertise in small firms is the main reason for the failure of those businesses. In order overcome these problems, the management needs competent and capable leaders to lead the business activities. After the end of civil war, there is a radical change in the entrepreneurial undertakings with the support rendered by Sri Lankan and Foreign governments, especially to Northern and Eastern Provinces. Sri Lanka has been suffering from unemployment issues with the average rate of 4.5%. Most contemporary research has highlighted that the skills of educated youth, especially those of Sri Lankan graduates, are not suited to private sector employment opportunities and private sector job requirements. Another set of researchers believes that, although the economy has employment opportunities, for some job categories, since seekers are not adequately found and for majority of the other jobs that are available, job seekers do not have the necessary skills (Gunatilaka, 1989; Dickens and Lang, 1996; Rodrigo, 1994; Kelly, 1994, Chandrasiri, 2008).

Especially in Sri Lanka, undergraduates from University of Kelaniya, University of Colombo, University of Sri Jayewardenepura, South Eastern University of Sri Lanka, and Eastern University of Sri Lanka have been tested on the concept of entrepreneurial intention (Ummah, 2009). But Advanced Technological Institutes have not been touched by the researchers and this study aims to fill this gap by focusing Jaffna and Trincomalee ATIs. Therefore, it is important to empirically examine the actual impact of entrepreneurial motivation on self employment intention in Sri Lankan higher education system.

### 3. Research Methodology

This is an explanatory study, which describes the relationship between entrepreneurial motivation and self employment intention. It used quantitative data collected through close ended questionnaires. Both primary and secondary data were used for this study. Well structured questionnaires were used as the primary data source and books, journals, media news, reports and magazines were used for collecting secondary data. 270 students were chosen as sample from both ATIs (Jaffna and Trincomalee) by using stratified proportionate sampling technique as 10% from each institute. 25 questionnaires were not taken into account due to irrespective responses and 245 questionnaires (118 from Jaffna ATI and 127 from Trincomalee ATI) were considered for this study and those data were processed using various statistical methods such as, reliability test, descriptive, correlation, and regression analyses. Conceptual framework of this study as follows;





**Figure 1 – Conceptual Framework**

*Source: Developed by the researcher*

#### 4. Results and Findings

##### Descriptive Statistics for Demographic Factors

**Table 1: Frequency distribution for demographic factors**

Demographic Factor	Levels	Frequency	Percentage (%)
Gender	Male	99	40.4
	Female	146	59.6
District	Jaffna	118	48.2
	Trincomalee	127	51.8
Preferable Sector	Government	153	62.4
	Private	92	37.6

*Source: Survey Data*

The above table manifested the personal details and preferences of the samples. Male to female in this study indicates relatively 2:3 ratio and samples from districts Jaffna and Trincomalee based on stratified proportionate method. More numbers prefer the government sector comparing with the private sector.

##### Reliability Test

Before applying statistical analysis, testing the reliability of the scale is very much important as it shows the extent to which a scale produces consistent results. Nunnally (1978) suggested that a value of .70 or higher for Cronbach's alpha demonstrates satisfactory reliability. The estimated Cronbach's alpha values are given in Table 2.

**Table 2: Reliability Test Statistics**

Main Factor / Variable	Number of Items	Cronbach Alpha Value
------------------------	-----------------	----------------------

Attractiveness of self-employment	4	0.770
Possibility of self-employment	4	0.768
Acceptance of safety	4	0.759
Apparent of government support	4	0.751
Self-employment Intention	4	0.700

### Correlation Analysis

The main objective of this research is to check the correlation between self employment intention and entrepreneurial motivation. Correlation between the variables can be checked by Pearson correlation analysis and simple regression analysis. The Pearson correlation analysis between intention and motivation is given in Table 3.

**Table 3: Pearson correlation between Entrepreneurial Motivation and Self Employment Intention**

		Entrepreneurial Motivation	Self Employment Intention
Entrepreneurial Motivation	Pearson Correlation	1	0.699**
	Sig. (2-tailed)		0.000
	N	245	244
Self Employment Intention	Pearson Correlation	0.699**	1
	Sig. (2-tailed)	0.000	
	N	244	244

\*\*Correlation is significant at the 0.01 level (2-tailed).

The above table indicates that there is a positive significant correlation exists between self employment intention and entrepreneurial motivation ( $r = 0.699$ ,  $p=0.000$ ) at 1% significance level.

### Regression Analysis

#### Analysis between Entrepreneurial Motivation and Self Employment Intention

To confirm the above correlation between the entrepreneurial motivation and self employment intention, simple regression analysis was carried out and the outputs are given in Table 4.

**Table 4: Model Summary**

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.699 <sup>a</sup>	0.489	0.487	0.35413451

a. Predictors: (Constant), Entrepreneurial Motivation

The above analysis shows that, entrepreneurial motivation influences the variation on self employment intention by 48.7% and the rest of 51.3% is explained by other factors. Entrepreneurial motivation has

significant impact on self employment intention among ATIs students and if entrepreneurial motivation increases by one unit, self employment intention will be increased by 0.807.

### Analysis between Dimensions of Independent Variable and Self Employment Intention

Regression analysis was conducted between the dimensions of the independent variable (attractiveness of self employment, possibility of self employment, acceptance of safety and apparent of government support) and self employment intention. The results indicate that, R square values for attractiveness of self employment, possibility of self employment, acceptance of safety and apparent of government support are 0.279, 0.298, 0.320 and 0.323 respectively and which mean 27.9%, 29.8%, 32% and 32.3% variations shown by the above mentioned variables on self employment intention. All the independent variables have significant impact on self employment intention with 0.000 values. The coefficient values show that, if attractiveness of self employment, possibility of self employment, acceptance of safety and apparent of government support increase by one unit, self employment intention will be increased by 0.482, 0.500, 0.528 and 0.522 respectively.

### Descriptive Analysis between Self Employment Intention and Gender Factor

**Table 5a: Group Statistics**

	Gender	N	Mean	Std. Deviation	Std. Error Mean
Intention	Male	99	0.0763362	0.46216741	0.04644957
	Female	145	-0.0521192	0.51007748	0.04235963

**Table 5b: Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Intention	Equal variances assumed	0.886	0.347	2.006	242	0.046	0.1285	0.0640	0.0023	0.2546
	Equal variances not assumed			2.043	223.556	0.042	0.1285	0.0629	0.0046	0.2523

The above t-test results confirmed that the self employment intention of Male and Female are significantly different because the probability value  $p=0.046$  at 5% level of significance. Furthermore, average self employment intention of male is higher than the average intention of female.

### Descriptive Analysis between Self Employment Intention and Preferable Sector

**Table 6a: Group Statistics**

	Preferable Sector	N	Mean	Std. Deviation	Std. Error Mean
Intention	Government	152	-0.0606831	0.48190823	0.03908792
	Private	92	0.1002590	0.50073747	0.05220549

**Table 6b: Independent Samples Test**

		Levene's Test for Equality of Variances		t-test for Equality of Means						
		F	Sig.	T	df	Sig. (2-tailed)	Mean Difference	Std. Error Difference	95% Confidence Interval of the Difference	
									Lower	Upper
Intention	Equal variances assumed	0.017	0.895	-2.491	242	<b>0.013</b>	-0.1609	0.0646	-0.2882	-0.0337
	Equal variances not assumed			-2.468	186.337	<b>0.014</b>	0.1609	0.0652	-0.2896	-0.0323

From the above independent two samples t-test results proved that the intention of seeking job in government and private sectors are significantly different ( $p=0.013$ ) at 5% level of significance. Also, average intention of seeking job in private sector is higher than seeking job in government sector.

### 5. Conclusions, Implications and Significance

Self employment is one of the greatest tools to solve the problem of unemployment. Since Sri Lanka is a developing country, it is still struggling to fix the problems from unemployment. Motivation towards self employment may encourage and stimulate the students to step into self employment zone rather than searching for alternatives. This study clearly stated that, all the selected independent variables have significant impact on self employment intention and entrepreneurial motivation also has positive significant

impact on self employment intention. Therefore, successful implementation of entrepreneurial programmes in higher educational institutions will increase the level of self employment in Sri Lanka.

This study revealed that the average self employment intention of male is higher than the average intention of female. It is obvious that female have to look after their children and family and because of that they may be unable to focus on self employment opportunities comparing with male. Also, this study has given a surprising result as the average intention of seeking job in private sector is higher than seeking job in government sector among full-time students of ATIs. There is a common thought among Sri Lankan people that most of the students are preferring government jobs than private jobs, but the result of this study contradicted with that.

Since there is a positive relationship between entrepreneurial motivation and self employment intention, government should provide adequate opportunities and motivations to the people who are ready to reap the benefits of self employment and it will be one of the effective tools of government to develop national Gross Domestic Product (GDP). In Sri Lankan context, majority of graduates and diploma holders are searching for employment opportunities somewhere to fix their selves rather than becoming employers or entrepreneurs. If they are utilized effectively, major problems of the economy will be solved automatically. Findings of the study are more useful for policy makers, government officials, educators and potential entrepreneurs in developing policies and programmes in relevant to self employment/entrepreneurship.

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