

Factors Influencing the Decision to Establish a Green Enterprise Among University Students.

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Abstract:

This study aims to investigate the extent to which personal, psychological, and environmental factors of entrepreneurs influence the consolidation of the decision to create a green enterprise among university students. A sample of 125 students was selected from the Faculty of Economics, Business, and Management Sciences, specifically third-year undergraduate and second-year master's students at the University of Sidi Bel Abbes. To answer this research question, the questionnaire was analyzed using SPSS V.22. The study concluded that there are statistically significant positive effects of personal, psychological, and environmental factors on the decision to create a green enterprise among university students at the Faculty of Economics, Business, and Management Sciences, University of Sidi Bel Abbes.

Keywords: Green entrepreneurship, entrepreneurial behaviors, contextual factors.

JEL Classification: E22

Introduction :

The concept of green entrepreneurship is a relatively new concept that focuses on establishing environmentally friendly businesses that contribute to solving pollution problems and achieving sustainable development. These projects aim to balance profit and sustainability through the use of environmentally friendly technologies and the production of products and services that minimize negative environmental impact (York, 2009).

Surprisingly, current trends in Algeria indicate a surge in young entrepreneurs interested in participating in companies promoting new environmentally friendly products (Lotfi et al., 2018), such as waste repositories, product recycling, land use, and the search for sustainable energy alternatives. Driving forces behind this behavior include green values, market opportunities, the realization of sustainable living, and a growing desire to serve the public interest (Kirkwood & Walton, 2010). Green entrepreneurship is on the rise.

Given this context, we pose the following research question:

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What is the impact of factors that foster entrepreneurial behaviors on the decision to establish a green enterprise??

Research hypotheses:

Psychological and personality traits and contextual factors (environmental conditions) are factors that consolidate green entrepreneurial behaviors.

1: Concept of Green Entrepreneurship:

Green entrepreneurship refers to the discovery, evaluation, and exploitation of economic opportunities related to environmental protection, and the establishment of new ventures that implement environmentally friendly business practices. It is also considered the primary strategy for the success of the "green" idea, which is reflected in the lives of many people in different ways to encourage them to think about the environment and green businesses. Green entrepreneurship is fundamentally based on the awareness of environmental challenges arising from human practices where environmental issues are not a priority within their objectives, thus creating a negative impact on society and the economy (Contreras & Cruz, 2018).

3. Green Entrepreneurial Traits:

The clear understanding of green entrepreneurial behavior is based on several theories that explain the development of such behavior. Among the most prominent of these theories are the Theory of Planned Behavior and the Entrepreneurial Event Model.

The **Theory of Planned Behavior** by Ajzen and Fishbein is based on the idea that an individual's attitude towards a particular behavior is the best predictor of that behavior. This theory is considered one of the essential tools for studying entrepreneurial intentions, and it relies on three main components:

Attitudes toward the behavior ; Subjective norms; Perceived behavioral control (Laghia & Georgievski, 2019).

On the other hand, **the Entrepreneurial Event Model** by Shapero and Sokol focuses on the choice of the entrepreneurial path compared to any other career. This model explains that **transformations**, whether negative, positive, or neutral, influence individuals' decisions and direct them toward entrepreneurship, particularly among university students (Oteyo & Tallas, 2017).

Additionally, **Structuration Theory**, proposed by Giddens (1984), emphasizes how individuals interact with their environment. This theory views entrepreneurship as a process in which individuals respond to scenarios provided by their environment, shaping their behavior accordingly.

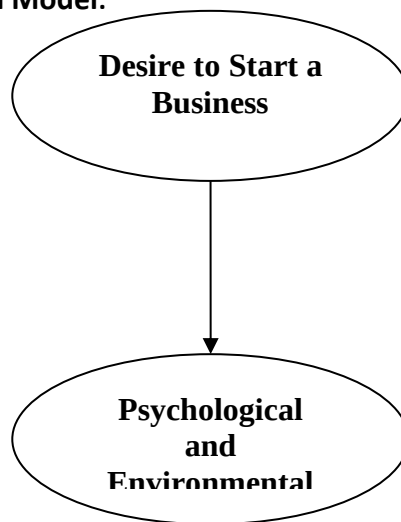
4. Entrepreneurial Motivations:

Entrepreneurial motivation is one of the most important elements that affect the improvement of entrepreneurial performance. A positive correlation was found between the goals that entrepreneurs seek and their level of performance. Entrepreneurial motivation has been described as the expression of the goal that entrepreneurs aim to accomplish (Alange & Sverker, 1988). It represents the driving force behind entrepreneurs' actions, guiding them toward achieving specific objectives in their entrepreneurial endeavors. This motivation shapes their decisions and behaviors, influencing how they navigate challenges and pursue opportunities in the business environment; they gathered the different elements that measure

entrepreneurial motivation into four motivational factors: external rewards, intrinsic rewards, independence/autonomy, and family security based on the results of their study of 163 entrepreneurs residing in Italy. Motivational factors for entrepreneurship were divided into seven groups: achievement (related to feelings of individuality, achievement, and development); altruism (related to the well-being of the individual, family, or society); status (related to recognition, prestige, and respect); material (related to economic considerations); escape (related to escaping an undesirable situation); freedom (related to flexibility in work, time, and cooperation); and role model (related to the continuity of family traditions). Rodrigo (1986) also discovered, in his study of 64 entrepreneurs in Cali, Colombia, the following motivating factors for entrepreneurship: independence, the desire to make their ideas a reality, confidence in their abilities, the desire to develop their initiative and creativity, money, the desire to be their own bosses, and the desire to determine the course of their lives before they get older. Vidyu Lata (1990), Dubini and Aziendale (1988) suggest that security, status, power, and social service are equally likely motives.

Section 4: Research Methodology

1. Proposed Research Model:



Source: Prepared by the researchers.

2. Sample:

Our study targeted a sample of second-year master's students, considering them to be on the verge of entering the job market. The sample was drawn from the Faculty of Economics, Business, and Management Sciences, specifically the Management Sciences department at the University of Sidi Bel Abbes. We distributed 150 questionnaires during the first semester of the academic year 2023/2022. A total of 138 questionnaires were retrieved, of which 125 were valid for analysis.

3. Statistical Methods Used:

A variety of statistical methods were employed In our study. The SPSS software was used to input and process the collected data to test the relationship between the variables of the proposed model.

Section 1: Study Results

Table 1: Distribution of the Study Sample According to Demographic Variables

Variable	Category	Frequency	Percentage
Gender	Male	54	43.2%
	Female	71	56.8%
	Total	125	100%
Age	21-24 years	98	78.4%
	26-29 years	20	16%
	29+ years	7	5.6%
	Total	125	100%

Source: Prepared by the researchers based on SPSS V.22 output.

This table presents the demographic characteristics of the study sample.

Section 2: Measuring the Desire to Start a Business:

Likert scale: A 7-point scale was used to measure the desire to start a business.

Items: The questionnaire included items such as "I am willing to do whatever it takes to become an entrepreneur" and "I intend to start a business within five years of getting my degree."

Cronbach's Alpha: The Cronbach's Alpha for the scale was 0.971, indicating high internal consistency.

Table 2: Desire to Start a Business

Statement	Cronbach's Alpha
I am willing to do whatever it takes to become an entrepreneur.	
My career goal is to become an entrepreneur.	
I am determined to start a business in the future.	
I am seriously thinking about starting a business.	
I plan to start a business someday.	
I intend to start a business within five years of getting my degree.	
If you could choose between working for yourself/owning your own business or being employed by someone else, would working for yourself be your choice?	
Cronbach's Alpha	0.944
Corrected Item-Total Correlation	0.971

Source: Prepared by the researchers based on SPSS V.22 output.

A high value of 0.971 suggests that the items in this scale are highly correlated and effectively measure a single, consistent concept. This indicates a reliable and cohesive scale for assessing the intended construct.

Table 3: Psychological and Environmental Factors of Entrepreneurs

Statement	Cronbach's Alpha	Corrected Item-Total Correlation
I care very much about the environmental value of my project.		
I believe that institutions should have a concern for social value.		
Social responsibility should be considered before embarking on any project.		
I have an intention for sustainable entrepreneurship.		
Psychological and Environmental Factors	0.946	0.971

Source: Prepared by the researchers based on SPSS V.22 output.

- **Statements:** The table consists of several statements designed to measure the respondents' concern for environmental and social issues, as well as their inclination towards sustainable entrepreneurship.
- **Likert Scale:** A 7-point Likert scale was used to measure the level of agreement with each statement, ranging from 1 (strongly disagree) to 7 (strongly agree).
- **Cronbach's Alpha:** Cronbach's alpha is a measure of internal consistency, indicating how well the items in the scale measure the same construct. The high value of 0.946 and 0.971 suggests that the items in the scale are highly correlated and measure a single underlying construct.
- **Corrected Item-Total Correlation:** This measures the correlation between each item and the total score of the scale. The high values indicate that each item contributes significantly to the overall scale score.

Section 3 : KMO and Bartlett's Test:

, we will explore the use of factor analysis In this study, focusing on two key indicators: the (KMO) measure of sampling adequacy and Bartlett's test of sphericity.

Table 4: KMO and Bartlett's Test Results

Variable	KMO	Bartlett's Test (p-value)	Number of Items
Green Business Establishment	0.858	0.00	6
Psychological and Environmental Factors of Entrepreneurs	0.791	0.00	4

Source: Prepared by the researchers based on SPSS V.22 output.

The KMO values for both variables, "Green Business Establishment" and "Psychological and Environmental Factors of Entrepreneurs," are greater than 0.6, indicating that the sample size is adequate for factor analysis. Additionally, the p-values for Bartlett's test are less than 0.05, confirming that the correlations among the variables are significant. These results provide strong support for the use of factor analysis in this study.

Table 5: Total Explained Variance

Component	Initial Eigenvalues	Extraction Sums of Squared Loadings
Total	% of Variance	Cumulative %
1	3.213	80.330
2	0.514	12.853
3	0.175	4.364
4	0.098	2.454

Source: Prepared by the researchers based on SPSS V.22 output.

This table presents the results of a factor analysis. The first component (factor) explains 80.33% of the total variance, meaning that this factor accounts for the largest portion of the variability in the data. The subsequent components explain smaller proportions of the variance. The eigenvalues represent the magnitude of each factor, with larger eigenvalues indicating more important factors.

Table 6: Model Summary

Model	R	R Squared	Adjusted R Squared	Standard Error of the Estimate
1	0.545a	0.297	0.291	6.22240

Source: Prepared by the researchers based on SPSS V.22 output.

The following table presents the results of the factor analysis, showing that the first component (factor) accounts for 80.33% of the total variance. This indicates that this factor represents the largest portion of variability in the collected data. Additionally, the eigenvalues indicate the magnitude of each factor, with larger values signifying more important factors.

Table 7: ANOVA Test

Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	2011.460	1	2011.460	51.951	0.000b
Residual	4762.339	123	38.718		
Total	6773.799	124			

Source: Prepared by the researchers based on SPSS V.22 output.

There is a significant relationship between the two variables, meaning that the psychological and environmental factors of entrepreneurs have a significant impact on the decision to establish a green business.

- **Sig. value:** Equals 0.000, which is much smaller than the significance level of 0.05, confirming a significant relationship between the variables

Table 8: Regression Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	12,089	1,980		6,105	,000
	Factors	,829	,115	,545	7,208	,000

Source: Prepared by the researchers based on SPSS V.22 output.

The table above presents the results of the regression analysis that studies the relationship between the independent variable (psychological and environmental factors for contractors) and the dependent variable (the decision to establish a new green enterprise).

Beta value: The beta value of 0.545 indicates a moderate positive relationship between psychological and environmental factors of contractors and the decision to create a new green enterprise. This suggests that as positive psychological and environmental factors increase, the likelihood of establishing a new green enterprise also increases.

t-statistic: The t-statistic of 7.208 is quite large, and the significance level (Sig. = 0.000) is much smaller than the conventional significance threshold of 0.05. This indicates that the relationship between the variables is statistically significant, and we can reject the null hypothesis that there is no relationship between the psychological and environmental factors and the decision to create a green enterprise.

Conclusion:

A comprehensive review of the literature reveals a convergence in the academic discourse surrounding green entrepreneurship, sustainable entrepreneurship, and environmental entrepreneurship. This study systematically synthesizes the theoretical underpinnings of green entrepreneurial behavior, identifying psychological, personality, and contextual factors as key determinants. Empirical evidence from a sample of university students supports the hypothesis that these factors positively influence the propensity to engage in green entrepreneurial activities.

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