

Entrepreneurial Intention Among University Students In Algeria: Case Study At The University Of Algiers

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Abstract

This study aims to identify and determine the most critical factors that can affect entrepreneurial intention among students at Algerian universities.

To answer the research question, an empirical basis is formed by a survey conducted among university students to explore the prospective career paths and personal characteristics of 93 students from different disciplines and clarify which elements play the most influential role in shaping the personal decision to start a firm.

Results indicate that Entrepreneurial knowledge and self-efficacy are the most significant factors explaining entrepreneurial intentions. However, the study found that social norms and Access to capital cannot explain entrepreneurial behavior and intentions among university students.

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1. Introduction

Commonly recognized is that embarking on an entrepreneurial path presents substantial prospects for individuals to attain financial self-sufficiency, while also playing a pivotal role in enhancing the economy through employment, fostering innovation, and driving economic advancement.

Entrepreneurship is gaining widespread recognition from government authorities across the planet. It is not only "a key mechanism for enhancing economic development, particularly in regions where entrepreneurial activity was once vibrant and is now lagging" but also "a good solution because it provides a relatively non-controversial way to increase the proverbial pie, creating jobs and enhancing per capita income growth"(Shane, 2007, pp. 22-30).

That is why "entrepreneurs need access to resources and markets to succeed, and this is where national policies play a vital role" (Kressel & Lento, 2012, pp. 44-53)

The current generation of students holds the promise of becoming the future budding entrepreneurs. This might elucidate the growing emphasis on fostering entrepreneurship within Algerian universities, where a variety of courses and programs in this domain are being offered. Nevertheless, there exists a gap in comprehending the elements influencing students' inclinations toward adopting an entrepreneurial path, as well as the intricate interplay between entrepreneurship education and the formation of students' attitudes and intentions concerning entrepreneurship(Souitaris et al., 2007, p. 570)

In a similar vein, there is limited understanding regarding variations in entrepreneurial attitudes and intentions among students from diverse cultural and ethnic backgrounds(Wilson et al., 2004, p. 177). This study aims to bridge this informational gap by conducting an empirical investigation. The research endeavors to rectify this lack of knowledge by examining a model rooted in the theory of planned behavior, which aims to shed light on the precursors of entrepreneurial intentions among students.

This study has been undertaken with the objective of exploring whether prior engagement with entrepreneurship education has an impact on students' outlook toward entrepreneurship, their subjective norms regarding entrepreneurial pursuits, and their perception of behavioral control. Furthermore, the research aims to investigate how these factors subsequently influence their intentions to pursue entrepreneurial paths. By delving into this investigation, the study contributes to our comprehension of the potential influence and mechanisms through which education can shape students' attitudes toward entrepreneurship and their belief in their own capacity to embark on such endeavors. In addition, the study analyzes the potential influence of family background on attitudes, norms, and intentions by conducting an analysis of students from varied backgrounds.

1.1 Research Question:

The central research question which the paper aims to answer is : What are the main drivers of entrepreneurial intention among university students in Algeria ?

1.2 Research hypotheses:

Based on the theory mentioned earlier, we propose the following hypotheses for empirical analysis in this paper:

- H₁: Social norms have a positive impact on entrepreneurial intention.
- H₂: Self-efficacy has a positive impact on entrepreneurial intention.
- H₃: Entrepreneurial knowledge has a positive impact on entrepreneurial intention.
- H₄: Access to capital has a positive impact on entrepreneurial intention.

1.3 Research methodology:

To answer the research problem and confirm the proposed hypotheses, we opted for a descriptive-analytical approach. This involved referring to secondary information sources such as books, journals, Arabic magazines, and internet services related to the concept of entrepreneurial intention. Additionally, we employed a case study method, where electronic questionnaires were the primary data collection tool.

2.Theoretical background:

2.1 Social norms :

Social norms encompass the informal rules that determine behavior within groups and societies (Elster, 2020, p. 119), Have been thoroughly examined within the realm of social sciences. Sociologists have concentrated on their societal roles and the manner in which they inspire individuals to take action. economists have examined how following norms affects market behavior.

Social norms are known as the unspoken norms that define preferred behaviors along with the corresponding penalties for disregarding these behaviors within a specific community or group(Kandori, 1992, pp. 75-78). In order to be classified as a social norm, a norm needs to be:a) shared by others and b) maintained by their support. (Elster, 2020, p. 130) .

There has been a scarcity of empirical examinations concerning the intersection of social norms and entrepreneurship in the realm of entrepreneurship literature.

The study conducted by(Krueger Jr et al., 2000, p. 415) examines and compares two intention-based models, Ajzen's theory of planned behavior (TPB) and Shapero's model of the entrepreneurial event (SEE), in their ability to predict entrepreneurial intentions. The study specifically investigates the impact of social norms on entrepreneurial intentions, but no evidence was found to support this relationship.(Giannetti & Simonov, 2004, p. 283)The study discovered that social norms did exert a particular influence on the initiation of entrepreneurship in Sweden.

The findings from these studies are mixed, and this variability may be attributed to the broad cultural spectrum among the sample members.

Variances in social norms among entrepreneurs, stemming from divergent value systems, are likely to impact both the motivation and intention to pursue entrepreneurship as a professional career.

2.2 Self-efficacy:

is at the core of the theories concerned with human motivation drivers . The term Self-efficacy is the term used to describe an individual's confidence in their ability to complete a given task.(Bandura, 1977, p. 125).

Research on self-efficacy as a crucial psychological factor has been ongoing since the 1970s, but it's only in recent times that efficacy beliefs in the field of entrepreneurship have received attention.

Self-efficacy, stemming from psychology, and it relates to “beliefs in one’s capabilities to organize and execute the course of action required to produce given attainments”(Bandura, 1977, p. 76).

The significance of efficacy beliefs arises from their direct influence on behavior, affecting an individual's thoughts, emotions, and actions. These beliefs determine what people choose to pursue and their perseverance when faced with challenges. They also shape whether one's thought patterns are positive or negative.

The crucial aspect of these beliefs on behavior lies in the fact that people are inclined to take specific actions when they believe these actions will lead to desirable outcomes. Conversely, individuals are less likely to attempt actions if they perceive the outcomes as unachievable.

However, it's important not to conflate self-efficacy with other self-concepts like self-concept or self-esteem. Self-concept pertains to individuals' perceptions of themselves, shaped by their personal experiences and the viewpoints of others whose opinions hold significance for them. (Krueger Jr et al., 2000, p. 429)have tested Shapero's model empirically and found it to be valuable tool for understanding intentions and the process of starting an organization. He emphasized that certain learned attitudes, such as self-efficacy, is crucial .

In summary, two main personality factors that appear significant for a person's intention to become an entrepreneur are the need for achievement and self-efficacy.

2.3 Entrepreneurial knowledge:

Learning is a critical process that can significantly impact the performance and outcome of new venture creation initiatives by influencing the acquisition and utilization of pertinent knowledge, skills, and competencies (Corbett, 2007; Politis, 2005).

Entrepreneurship scholars have increasingly underscored the fact that the process of acquiring and nurturing entrepreneurial knowledge can be achieved through two fundamentally different methodologies (Gabrielsson & Politis, 2012; Politis, 2005).

The first approach is utilising their pre-existent knowledge by engaging in repetitive actions with incremental enhancements, with a focus on learning how to execute tasks more effectively by advancing along the learning curve (Yelle, 1979, p. 315). The other approach is by developing entirely new sets of knowledge, characterized by an exploratory search-based learning mode (Minniti & Bygrave, 2001; Parker, 2006).

When considering the significance of education in relation to entrepreneurial skills, Several studies have investigated the extent to which an entrepreneur's educational background contributes to the enhancement of their entrepreneurial knowledge and abilities. For instance (Unger et al., 2009, p. 32) developed and evaluated a cognitive model of learning specifically designed for small businesses.

The model incorporated various factors such as cognitive ability, prior knowledge, deliberate practice, current knowledge, and firm performance (as outcomes resulting from deliberate practice efforts). Data was collected from a group of 90 South African business owners. The results showed that deliberate practice had a significant and direct effect on entrepreneurial knowledge, which in turn had an indirect influence on business growth. Education has been found to have positive indirect effects on business growth. In addition, there is a positive correlation between cognitive ability, deliberate practice, and entrepreneurial knowledge, which in turn has an indirect impact on business growth.

What remains unknown in the field of entrepreneurship research is how having this knowledge and these skills affects the career goals and intentions of students.

Research conducted by (Ede et al., 1998; Peterman & Kennedy, 2003) indicates that having entrepreneurial knowledge and skills might improve students' attitudes toward entrepreneurship.

As a result, this improvement in attitude towards entrepreneurship may also boost their intentions to pursue entrepreneurial careers after they graduate.

2.4 Access to capital :

Access to capital is a common challenge when initiating new businesses, especially in developing economies where financial institutions for credit and venture capital are underdeveloped. Numerous research studies have found that the lack of Access to capital and credit schemes and the limitations within financial systems are regarded by potential entrepreneurs as primary barriers to business innovation and success in developing economies (Marsden, 1990, p. 16).

Add to this , Potential sources of capital may encompass community-saving, extended family networks, personal savings, credit systems, or financial institutions and banks.

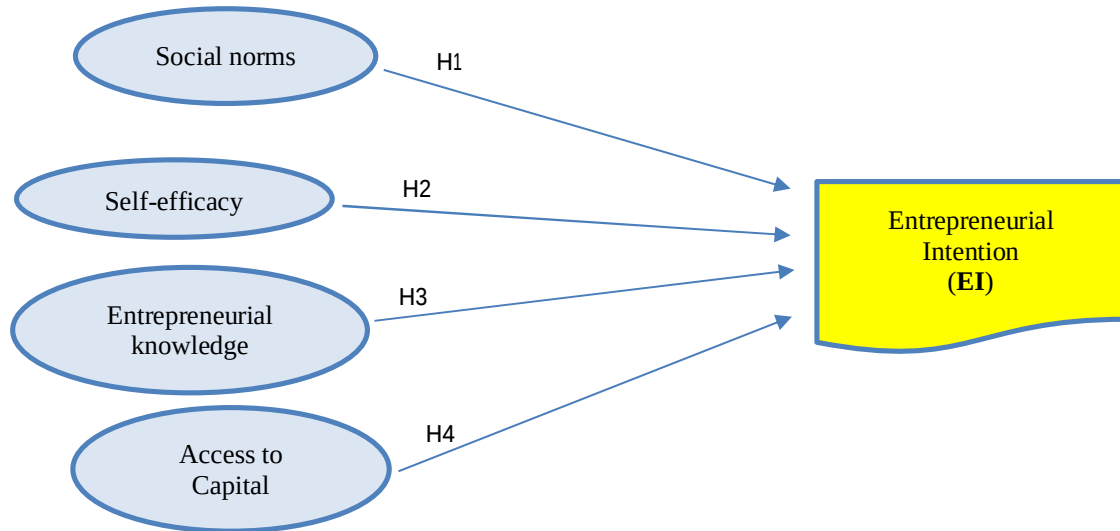
Further studies discovered that informal sources of credit, despite their relatively high interest rates, play a significant role in supporting business start-ups in developing countries,

This is particularly relevant in contexts where the capital-to-labor ratio tends to be low, and even small amounts of capital can be adequate for a business start-up.

3. Research Model :

The research model depicted in Figure 1 is derived from the theoretical and empirical contributions discussed in the preceding subsections, which aim to elucidate the phenomenon.

Fig. 1. The Research Model.



Source: Developed By The Researcher

4. Results and Discussion:

4.1 Study Population and Sample:

The study population consisted of 93 graduating and postgraduate students from the University of Algiers who answered the questionnaire between April and June 2024. The sample was selected based on the nature and the field of knowledge to which the surveyed students belong. An electronic questionnaire was used to obtain accurate and reliable results. Participation in the study was voluntary, and no remuneration was provided to the respondents.

4.2 Research Instrument:

The questionnaire used in this study consisted of 24 items (in Arabic and French) divided into 5 axes representing the study variables, with the first, third, fourth, and fifth axes containing 5 items each, and the second axis containing 4 items. It also included sections for personal and professional information of the respondents (gender, age, academic level).

All items were gauged on a five-point Likert scale as a tool for the study and analysis of the questionnaire. The questionnaire was pilot-tested prior to the mass distribution, and Data were analyzed and processed using the statistical program SPSS (version 26) and the following statistical tools were used:

- Descriptive statistics
- Reliability measurement using Cronbach's alpha

- Shapiro-Wilk test
- Spearman's rank correlation coefficient

4.3 Analysis of the Reliability:

The reliability and validity of the items for each axis of the questionnaire were tested using Cronbach's alpha, and results were summarized in the following Table:

Table 1: Reliability Analysis

CRONBACH'S ALPHA	NO OF ITEMS	VARIABLES
0.855	5	Entrepreneurial Intention
0.857	4	Social Norms
0.853	5	Self-Efficacy
0.849	5	Entrepreneurial Knowledge
0.854	5	Access to Capital
0.862	24	All Variables

Source: Results Based on SPSS v26

The Cronbach's alpha (α) values of variables were significantly higher than the 0.70 threshold, suggesting that they were deemed favorable.

4.4 Analysis of Normal Distribution of Questionnaire Items:

The Shapiro-Wilk test was used as it is the most appropriate test to determine the extent to which the data distribution conforms to the normal distribution when the sample size is less than or equal to 50 individuals. The following Table shows the test values and significance levels for the questionnaire axes:

Table 2 :Results of the Normal Distribution Test (Shapiro-Wilk) for all Items and Axes of the Questionnaire

items	Statistiques	ddl	Sig.
1	0,799	93	0,000
2	0,740	93	0,000
3	0,761	93	0,000
4	0,773	93	0,000
5	0,718	93	0,000
6	0,900	93	0,000
7	0,827	93	0,000
8	0,812	93	0,000
9	0,837	93	0,000

10	0,855	93	0,000
11	0,873	93	0,000
12	0,721	93	0,000
13	0,858	93	0,000
14	0,905	93	0,000
15	0,900	93	0,000
16	0,865	93	0,000
17	0,893	93	0,000
18	0,912	93	0,000
19	0,912	93	0,000
20	0,884	93	0,000
21	0,887	93	0,000
22	0,896	93	0,000
23	0,897	93	0,000
24	0,826	93	0,000

Main Axes

Entrepreneurial intention	0,906	93	0,000
Social norms	0,956	93	0,003
Self-Efficacy	0,967	93	0,001
Entrepreneurial Knowledge	0,972	93	0,004
Access to Capital	0,966	93	0,001

Source: Results Based on SPSS v26

The previous results show that all variables do not follow a normal distribution, which confirms the necessity of reliance on non-parametric tests.

4.5 Analysis of the personal characteristics of respondents:

The Table below depicts the demographic characteristics of students.

Table 3: The distribution of respondents based on their personal characteristics

VARIABLES	FREQUENCY	PERCENTAGE
<u>GENDER</u>		
MALE	61	59,8 %
FEMALE	32	31,4 %
TOTAL	93	100%
<u>ACADEMIC DEGREE</u>		
BACHELOR	31	30,4 %

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MASTER	49	48,0 %
DOCTORATE	13	12,7 %
<i>TOTAL</i>	<i>93</i>	<i>100%</i>
<u>AGE GROUPS</u>		
18 - 21	15	14,7 %
25 - 22	30	29,4 %
29 - 26	12	11,8 %
33 - 30	13	12,7 %
34 AND OVER	23	22,5 %
<i>TOTAL</i>	<i>93</i>	<i>100%</i>
<u>PREVIOUS EMPLOYMENT</u>		
PUBLIC SECTOR	18	17,6 %
PRIVATE SECTOR	34	33,3 %
SELF-EMPLOYED	13	12,7 %
NONE	28	27,5 %
<i>TOTAL</i>	<i>93</i>	<i>100 %</i>

Source: Results Based on SPSS v26

The previous Table shows male respondents dominance, representing approximately 59.8% of respondents, while female attendance is relatively lower, representing 31.4% of respondents. It is remarkable that the majority of respondents are students between 22 and 25 years old. However, the age group older than 26 years and younger than 29 years represents only 11.8% of the sample. Results also show that the majority of The respondents -48%- hold a master's degree, which significantly aligns with the study's objective. And reveals a difference in response rates among students. Responses from students with professional experience in the private sector reached 33.3%, compared to inexperienced students- 27.5%-. These numbers can be attributed to the low employment rates among students.

4.6 Data Analysis of Questionnaire Items:

The various sections and items of the questionnaire are analyzed below based on the mean and the standard deviation of each response.

Table 4: Analysis of Survey Items

NO ITEMS	ITEMS	MEAN	SD
	<u>Entrepreneurial intention</u>		
01	I worked hard to realize my professional goal of being an entrepreneur.	4,06	1,019
02	I'll make every effort to start and run my own business.	4,30	0,89
03	I'm determined to create a firm in the future.	4,23	0,91
04	I intend to solve my community's problems by starting my own business.	4,00	0,94
05	I prefer to be self-employed rather than be an employee in someone else's business.	4,29	1,00
	<u>Social norms</u>		
06	The entrepreneurial role is recognized in my society.	3,1828	1,18
07	my decision to start a new business may generate toxic feedback from my closed environment	3,6237	1,36
08	the entrepreneurial activity clashes with the religion and culture within your community	3,6989	1,34
09	the entrepreneurial activity is considered risky in your society.	3,5914	1,20
	<u>Self-efficacy</u>		
10	I have the leadership skills and mental maturity that are needed to start a business.	3,8925	0,99
11	I would have a high probability of succeeding. If I started a firm.	3,7634	0,88
12	I can always manage to solve complex problems if I try hard enough.	4,0645	1,06
13	If I decide to do something, I'll do it, and nothing will stop me.	3,7097	1,18
14	I believe in luck and that most people don't realize the extent to which their projects are influenced by accidental happenings	3,0108	1,27
	<u>Entrepreneurial knowledge</u>		
15	I have enough knowledge about the entrepreneurial environment.	3,21	1,14
16	the entrepreneurial courses and training helped me develop the necessary abilities to be an entrepreneur.	3,51	1,16
17	I have discussed entrepreneurial ideas and thoughts with experts.	3,11	1,12
18	I have enough knowledge about business associations and support bodies	3,08	1,20

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19	Indicate the level of knowledge you have about the measures needed to be taken to start a firm.	3,21	1,17
<i>Access to Capital</i>			
20	I am financially self-sufficient to start a business.	3,21	1,14
21	I can count on my family and my friends if I want to start a business	3,51	1,16
22	My country has efficient microfinance and (Micro-credit) mechanisms.	3,11	1,12
23	My country has sufficient funding and credit schemes available for new firms.	3,08	1,20
24	The financial system constraints in my country are considered an extreme barrier to starting new firms.	3,21	1,17

Source: Results Based on SPSS v26

4.8 Hypothesis testing :

To test the research hypotheses and assess the strength and nature of the relationships between variables, we use Spearman's rank correlation coefficient. This approach examines the relationship and correlation between variables(independent variable and dependent variable).

Testing the validity of the first hypothesis:

The first hypothesis states: **"Social norms have a positive impact on entrepreneurial intention"**.

The following Table shows the strength of the relationship and correlation between "Social norms" (the independent variable) and "entrepreneurial intention" (the dependent variable).

Table 5: Correlation analysis between social norms and EI

DECISION	Sig	The correlation coefficient
There is no relationship between the variables	0,962	0,005

Source: Results Based on SPSS v26

From the previous Table, it becomes evident that The hypothesis does not achieve statistical significance.

Testing the validity of the second hypothesis:

The second hypothesis states: **"Self-efficacy have a positive impact on entrepreneurial intention"**.

The following Table shows the strength of the relationship and correlation between " Self-efficacy " (the independent variable) and "entrepreneurial intention" (the dependent variable).

Table 6: Correlation analysis between Self-efficacy and EI

DECISION	Sig	The correlation coefficient
There is a strong relationship between the variables	0,000	0,462

Source: Results Based on SPSS v26

From the previous Table, it becomes evident that The hypothesis achieves statistical significance.

Testing the validity of the third hypothesis:

The second hypothesis states: **"Entrepreneurial knowledge have a positive impact on entrepreneurial intention"**.

The following Table shows the strength of the relationship and correlation between " Entrepreneurial knowledge " (the independent variable) and "entrepreneurial intention" (the dependent variable).

Table 7: Correlation analysis between Entrepreneurial knowledge and EI

DECISION	Sig	The correlation coefficient
There is a strong relationship between the variables	0.003	0,301

Source: Results Based on SPSS v26

From the previous results, it becomes evident that The hypothesis achieves statistical significance.

Testing the validity of the fourth hypothesis:

The fourth hypothesis states: **"Access to capital have a positive impact on entrepreneurial intention"**.

The following Table shows the strength of the relationship and correlation between " Access to capital " (the independent variable) and "entrepreneurial intention" (the dependent variable).

Table 8 :Correlation analysis between Access to capital and EI

DECISION	Sig	The correlation coefficient
There is no relationship between the variables	0.777	0.030

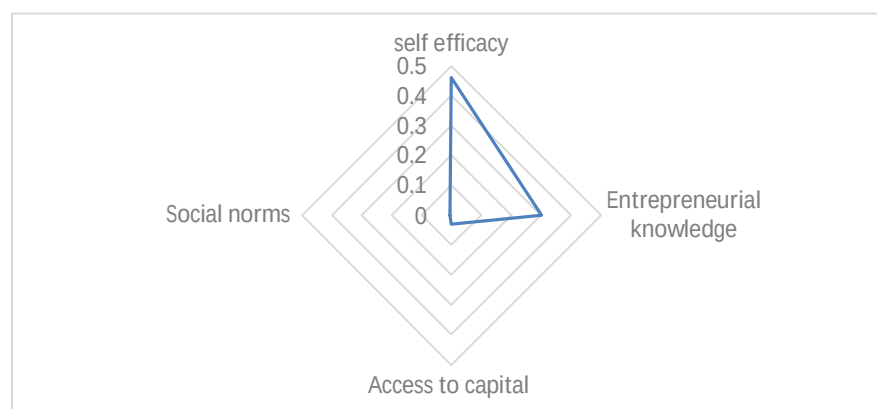
Source :Results Based on SPSS v26

From the previous Table, it becomes evident that The hypothesis does not achieve statistical significance.

5.Conclusion :

Enhancing entrepreneurial intention among students has become a focal point in recent years. The translation of their intentions into real action upon leaving their institutions has the potential to drive significant economic growth, innovation, and societal development.

Fig.2.Variables Correlation Power with EI



Source: developed by the researcher

the present study supports this by finding that **Entrepreneurial knowledge and Self-efficacy (Fig. 2)** is positively highly correlated with entrepreneurial intentions.

Essentially, this means that if someone believes they have the ability to start a new firm and have confidence in their skills, entrepreneurial education might further enhance their intent to actually start a new endeavor.

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