



doi 10.5281/zenodo.7977325

Vol. 06 Issue 05 May - 2023

Manuscript ID: #0864

## SURVEYING ENTREPRENEURIAL READINESS OF BUSINESS ADMINISTRATION STUDENTS - A CASE STUDY IN THE UNIVERSITY OF LABOUR & SOCIAL AFFAIRS (ULSA)

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### ABSTRACT

This research is conducted to explore the entrepreneurial readiness, along with its related factors, of business administration students from ULSA. Based on the Theory of Planned Behavior by Ajzen, I., (1991), the researchers used the survey focusing on the influence of four factors: (1) *the Entrepreneurial ability of students*; (2) *Motives/ Goals for students' entrepreneurship*; (3) *The impact of society on student entrepreneurship*; (4) *The impact of activities to support student entrepreneurship on "entrepreneurial readiness of students majoring in Business Administration at ULSA"*. The yielded results show that most factors have an average impact of 3/5 or more. Regarding the average impact, "Motives/ Goals for students' entrepreneurship" has the highest rate of 4,06; followed by "The impact of society on student entrepreneurship" at 3,72; "The impact of activities to support student entrepreneurship" at 3,35; "Entrepreneurial ability of students" at 3,29.

### KEYWORDS

Entrepreneurial readiness, business administration, University of Labour & Social Affairs, ULSA.



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## 1. Identify the problem

Promoting entrepreneurship has long been regarded as the nuclear for economic growth and employment creation, especially for entrepreneurs run by the younger generation and university students, whether or not majored in business administration (Hisrich, R.D., et al, 2013). Entrepreneurial intention is the first stage of an entrepreneur activity (Anderson, A.R., & Jack, 2000) which shows the level of willingness of an individual to commit the behavior and is the direct premise of the behavior (Ajzen, I., 1991). Entrepreneurial intention is the foundation of the journey of exploring, creating, and seizing the opportunities to start up, and establishing a new business (Gartner, W.B., et al, 1994).

The Business Administration major at ULSA launched the first course in 2013. Up to now, with more than 10 years of training, thousands of students have graduated. At present, the Faculty of Business Administration has more than 1200 students. Our aim to promote students' entrepreneurship and readiness to start up during and after their studies is essential and illustrated in the objectives and expected program outcome. To gain appropriate orientation and adaptation in the curriculum, content, and teaching methods, it is of tremendous necessity to research factors influencing entrepreneurial readiness. This research paper focuses on surveying the level of entrepreneurial readiness and factors that may affect it of students from business administration major, ULSA to clarify: (i) factors having an impact on students' readiness for entrepreneurship; (ii) Measure and assess that level of impact each factor has on students' readiness for entrepreneurship; (iii) Propose some solutions to provide essential knowledge, skills and to promote student entrepreneurship.

## 2. Factors having impacts on Students' Readiness for entrepreneurship

Prominent in the theory of Planned Behavior Ajzen, I., (1991), The Entrepreneurial Event – SEE Shapero và Sokol (1982), and Social cognitive theory Bandura, A., (1986), is the notion that before acting, humans must have an intention for it. The term “Entrepreneurial intention” can be defined as a process of making and implementing a business plan (Gupta, W.B., & Bhawe, N.M., 2007) One's entrepreneurial intention may originate from the realization of opportunities, the utilization of available resources, and support from the environment to establish one's own business. (Kuckertz, A., & Wagner, M., 2010).

“Readiness” is a prepared state for a particular situation, circumstance, or chance. According to Drnovsek, M. & Glas, M. (2001), not only does intention reflect the level of readiness of an individual, but it is also the direct premise for performing the act. (Ajzen, I., 1991). In this study, entrepreneurial readiness was defined as the perceived level of commitment, and willingness to start and own a new business. Thus, readiness is determined at a higher level, with more preparation than an intention to perform the action.

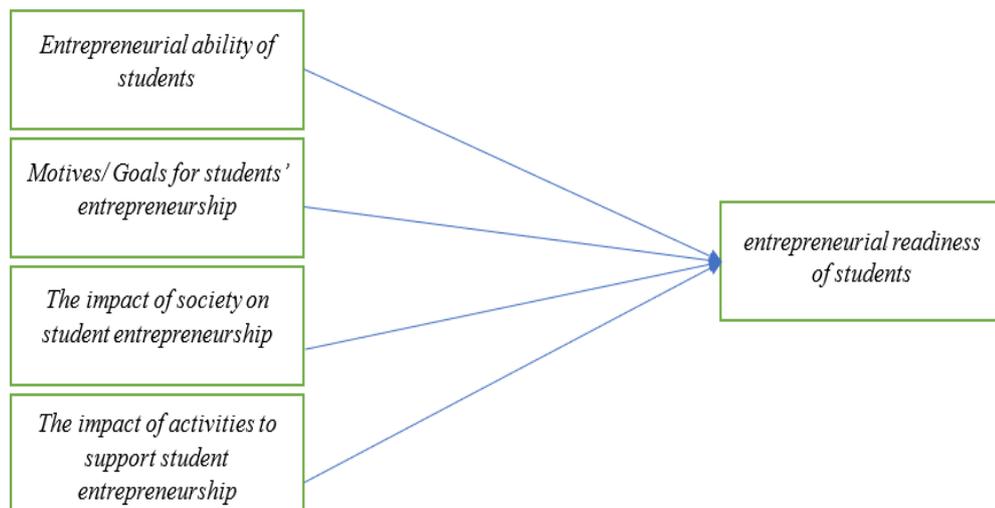
According to the Theory of Planned Behavior (TPB) by Ajzen, I., (1991), human behavior is originated from the attitudes of the reaction to that behavior. Attitude is regarded as a positive or negative assessment of the behavior. If one has a positive attitude towards a behavior, one will consider several factors, namely social pressure, the attitude of approval of one's relatives (called *Subjective Norms*), and the impact of the ease or difficulty of performing the behavior through the availability of resources and opportunities to perform the behavior (called *Perceived behavioral control*). Referring to the Theory of Planned Behavior (TPB) by Ajzen, I., (1991) in researching entrepreneurial intention, Alsos, G.A., et al, (1998); Autio, E. H., et al, (2001); Liñán, F., et al, (2009) pointed out having positive attitudes and passion for enterprise would favorably affect entrepreneurial intention. In addition,

The level of entrepreneurial readiness when opportunities come (Krueger, N.F., et al, 2000); the risk-taking ability and an independent personality (Kolvereid, L., et al, 2006) are factors to stimulate entrepreneurial intention.

As for students' readiness for entrepreneurship, some research focused on personal abilities, such as specialist skills, managing competence, leadership experiences, and family traditions. (Drennan et al, 2004; Carter, S. A., et al, 2011); specific characteristics, such as a desire for achievement, and risk-taking ability (Koh, H. C., 1996; Lüthje, C., Franke, N., 2003); and sociocultural factors (Krueger, N. F., et al, 2000). In addition to the aforementioned factors, students' entrepreneurial intention is also affected by proper orientation from educational curriculum and educators (Schwarz, C., et al, 2009). In Vietnam, a research paper conducted by Minh, L.T (2019); Nghi, N.Q., et al (2016); Mai, N.T.T., et al (2009), also indicated factors influencing student's entrepreneurial intention, including personal expectations; attitudes towards entrepreneurship; self-perceived capacity; moral standards; knowledge and financial resources.

Based on the literature review, this research examines factors affecting the entrepreneurial readiness of students majoring in Business Administration at ULSA. The four factors are (1) *the Entrepreneurial ability of students*; (2) *the Motives/ Goals for students' entrepreneurship*; (3) *The impact of society on student entrepreneurship*; (4) *The impact of activities to support student entrepreneurship on "entrepreneurial readiness of students"*.

**Picture 1: The model presenting factors affecting the entrepreneurial readiness of students majoring in Business administration, ULSA.**



**Resource:** Research Team

In this research, the entrepreneurial ability of students (assessing the level of confidence) includes *the ability to find opportunities; Ability to plan; Connect ability; Financial management ability; Human resource management ability; Ability to manage risks; Digital Competencies, and Skills.*

Individuals having confidence in themselves about entrepreneurship tend to have positive attitudes toward work, intentions, or plans to carry them out. Motives/ Goals for students' entrepreneurship are assessed with the following criteria: *Expectations of social recognition;*

*Financial autonomy expectations; Expectations of self-expression, self-control, and life experience; Dedication expectations; Work-life balance expectations.*

This research determines *family, friends, and social community* are important to students and have a significant impact on students' readiness for entrepreneurship.

The afore mentioned support in student entrepreneurship focuses on specific activities, relating to *financial, legal, information, scientific, technological, and management support*, and it is measured by assessing students' understanding of these support activities as one of the motivating factors for students to start a business.

With those four factors, the entrepreneurial readiness of students is measured in 3 respects, namely: (i) *Students planning to start a business in the near future*; (ii) *Students preparing to start a business*; (iii) *Students making an effort for entrepreneurship*.

### 3. Methodology

Based on determining the factors affecting the readiness to start a business of business management students, the factors included in the research model are (1) the Entrepreneurial ability of students; (2) Motives/ Goals for students' entrepreneurship; (3) The impact of society on student entrepreneurship; (4) The impact of activities to support student entrepreneurship. The survey is constructed with Likert 5 scale, including:

1. *Completely unconfident/ totally disagree/ completely unaware*
2. *Unconfident/ Disagree/ Unaware*
3. *Normal/ No opinion/ No opinion*
4. *Confident/ Agree/ Aware*
5. *Very confident/ Totally Agree/ Fully aware*

After making a survey form, the researchers conducted an in-depth interview with 5 students majoring in Business administration from D18, D17, D16, D15, and a newly graduated student. After the survey form is completed according to feedback from interviewees, the researchers conducted the random survey on 10 students. The overall result shows agreement upon the factors included. Based on the preliminary survey, the researchers made proper adjustments and conducted the survey via the link: ([https://docs.google.com/forms/d/e/1FAIpQLSe8J6J0L1WzCIIVSQYWnzK1Fmg\\_CcftQcmV9ad9OrfEzwAAPA/closedform](https://docs.google.com/forms/d/e/1FAIpQLSe8J6J0L1WzCIIVSQYWnzK1Fmg_CcftQcmV9ad9OrfEzwAAPA/closedform)) with the target participants is business administration students who have just graduated or are studying at the University of Labor and Social Affairs.

The data collection method conducted by the research team is based on the convenience sampling method and the "snowball" method (the method of finding the next object based on the suggestion or introduction of the interviewee) to ensure the required sample size. The number of survey questionnaires collected was 328.

When evaluating the factors, the collected data will be synthesized, calculated, and reflected by charts, tables, and figures using Excel and SPSS software. With the design of influence factors according to the Likert 5 scale, when assessing the influence of the factors, the research team calculates:

$$\text{Interval} = (\text{Maximum} - \text{Minimum})/n = (5-1)/5 = 0.8$$

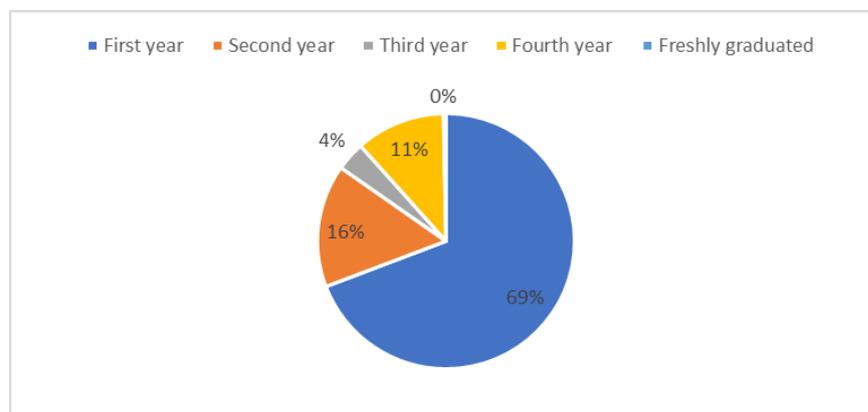
The average value of the calculated factors is ranged as follows:

- + 1.00 - 1.80: Completely unconfident/ totally disagree/ completely unaware
- + 1.81 - 2.60: Unconfident/ Disagree/ Unaware
- + 2.61 - 3.40: Neutral/ No opinion/ No opinion
- + 3.41 - 4.20: Confident/ Agree/ Aware
- + 4.21 - 5.00: Very confident/ Totally Agree/ Fully aware

## 4. Result

### 4.1. Description of survey participants

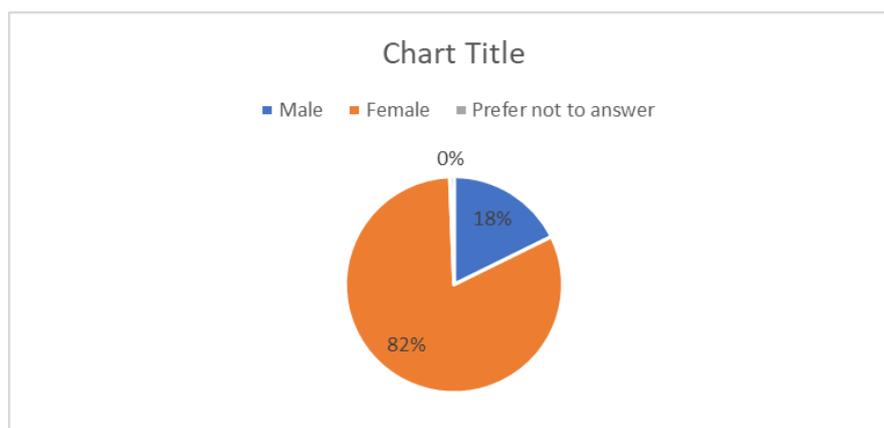
**Figure 1: Description of survey participants**



Source: Survey result

328 students were participating in the survey, of which 227 first-year students (69.2%), 51 second-year students (15.5%), 12 third-year students (3.7%), 37 fourth-year students (11.3%), and 1 fresh graduate (0.3%).

**Figure 2: Description of survey participant's gender**



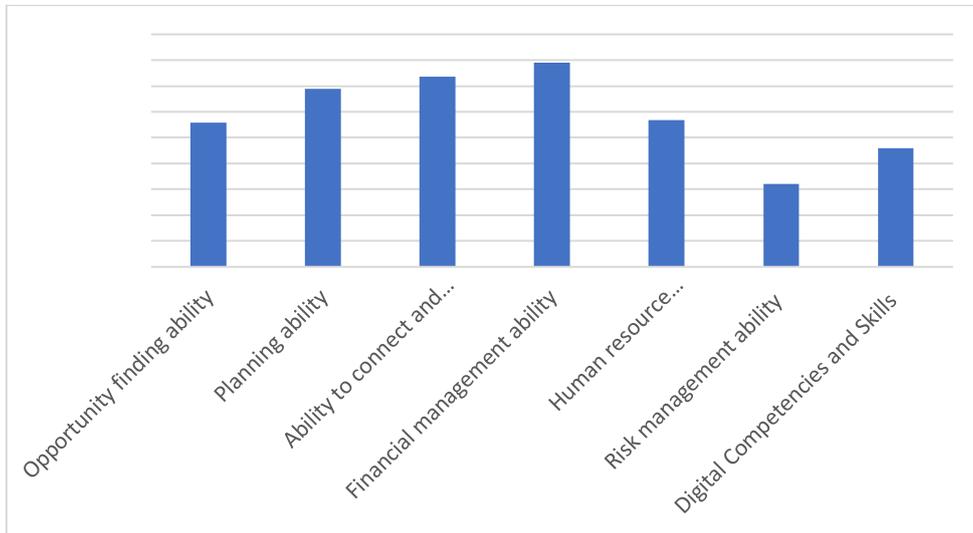
Source: Survey result

Among the 328 students who participated in the survey, 268 female students (81.7%), 58 male students (17.7%), and 2 students did not want to be gender specific (0.6%).

**4.2. The degree of influence of factors on students' readiness to start a business**

Regarding the level of influence of each factor considered and synthesized by the research team, the results are shown in Figures 3,4,5, and 6.

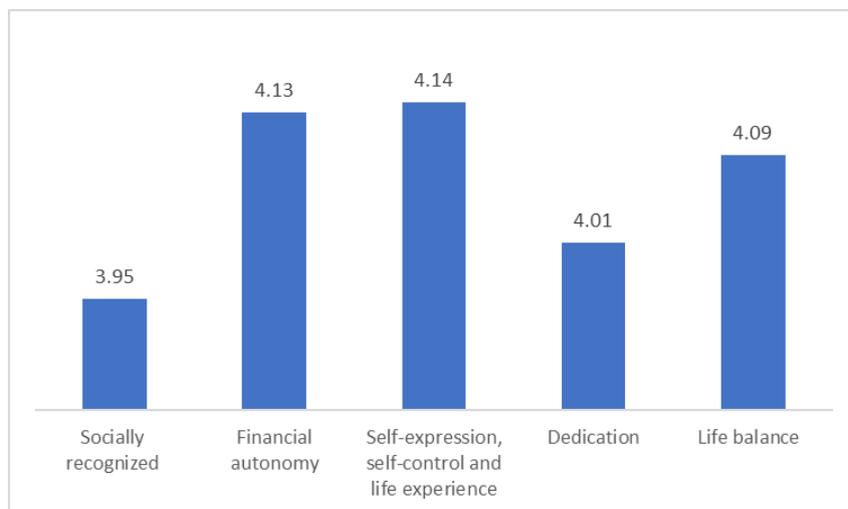
**Figure 3: Entrepreneurial ability of students**



Source: Survey result

Survey results of 328 business administration students with 7 competencies included in the survey, **financial management ability has the highest score** of 3.49 points. That shows that the survey participants are confident with their financial management ability; connection capacity has the second highest score of 3.44 points, showing the confidence of the survey participants in the ability to connect and interact with the community; The remaining competencies include planning ability, human resource management ability, opportunity finding ability, Digital Competencies and Skills with scores, respectively, of 3.39; 3.27; 3.26 and 3.16 are in the normal range; The **risk management ability score is the lowest among the observed competencies** at 3.02 but is still within the normal range.

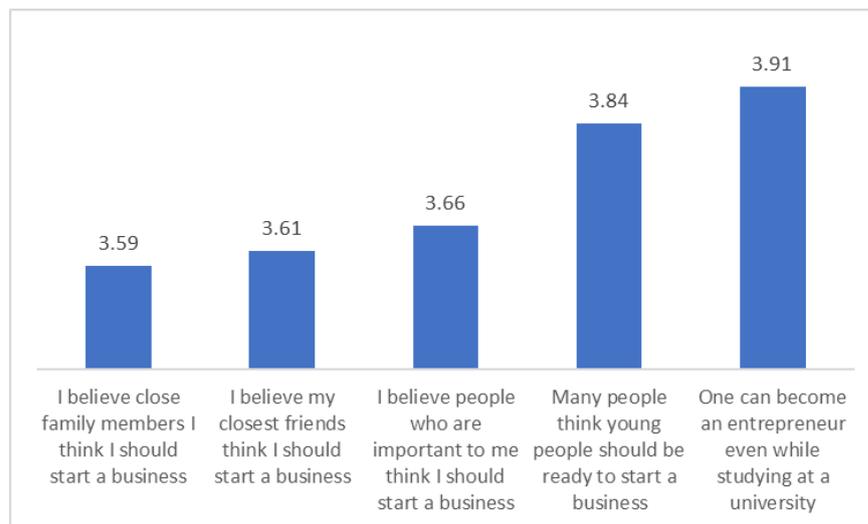
**Figure 4: Motives/ Goals for Students' entrepreneurship**



Source: Survey result

The survey result of 328 business administration students with 5 motivations/goals included in the survey, **the goal of expectation of self-expression, self-control, and life experience had the highest score** of 4.14 points, showing that survey subjects are very eager to express themselves, have self-control and experience life; The next goals include financial autonomy, life balance and dedication with scores, respectively, of 4.13; 4.09; 4.0 - within agreement range; The score of **socially recognized expectations is the lowest** at 3.95 but is still within the agreement range.

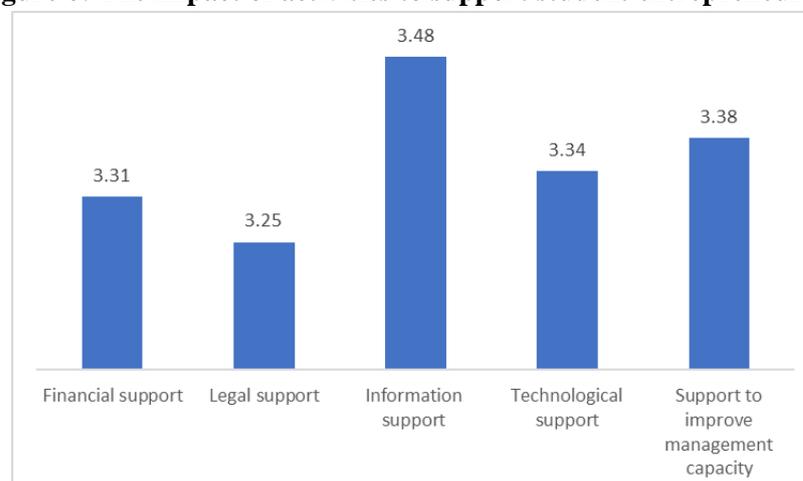
**Figure 5: The impact of society on BA student entrepreneurship**



*Source: Survey result*

Illustrated in the survey results of 328 business administration students with 5 impact factors included in the survey, the assessment that **a person can become an entrepreneur even while studying at a university is the one with the highest score** at 3.91, showing that the survey respondents agree that students can completely become entrepreneurs even while studying. Subsequent influences include the notion of “young people should be ready to start a business”; “the belief of those who are important to me that I should start a business”; “my closest friends think I should start a business” get a score of, respectively, 3.84, 3.66, 3.61 - within agreement range; The score of the **influence “I believe close family members I think I should start a business” is the lowest** at 3.59 but is still within the agreement range.

**Figure 6: The impact of activities to support student entrepreneurship**



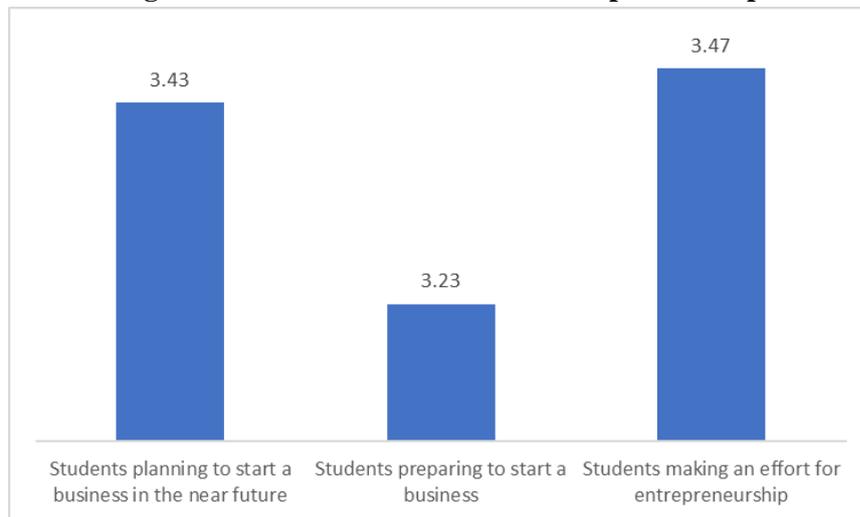
*Source: Survey result*

In the survey results of 328 business administration students with 5 support measures included in the survey, **information support has the highest score** of 3.48 points, showing that the survey participants know about support activities. The remaining support measures include support to improve management capacity, support in science and technology, and financial support with scores of, respectively, 3.38; 3.34, and 3.31 in the range of awareness; The **score of legal support is the lowest one** at 3.25, but it is still within the threshold of the survey subjects knowing about this support.

**5. Discussion**

In the survey results on factors affecting the readiness to start a business of business administration students at the University of Labor and Social Affairs, the average scores of “Students making an effort for entrepreneurship” and “Students planning to start a business in the near future” are in the agreement range, while the score of “Students preparing to start a business” ranges in Neutral/ No opinion.

**Figure 7: Students' Readiness for entrepreneurship**



*Source: Survey result*

From the survey results on the influence of factors in the model on students' readiness for entrepreneurship, the research team proposes the following suggestions:

- To enhance the readiness to start a business for business administration students at ULSA, the Faculty, and their families need more methods to directly or indirectly affect them so that they can have more knowledge, skills, and excitement about entrepreneurship, thereby arousing the entrepreneurial spirit of students.

- The business administration training program needs to spend more time on actual activities of surveying the market and interacting with businesses. Regularly organize consultations, seminars, discussions, and exchanges with businesses for students to learn from experience, encourage students' entrepreneurial spirit, and also for students to be self-aware to improve their skills.

- The Faculty of Business Administration needs to strengthen the establishment of information channels (Fanpage, consulting links...) to answer questions that students may encounter when starting a business, as well as share business experiences. In addition, the school and the Faculty

of Business Administration can provide links to help students research legal corridors related to entrepreneurship, business start-up, intellectual property, etc.

- The school and the Faculty of Business Administration continue to promote the activities of simulating start-up scenarios based on basic business knowledge and collected cases from start-ups, experts, and entrepreneurs so that it is convenient for students to participate in hypothetical start-up activities, thereby training students' sense of entrepreneurship. Implement the application of business software in teaching and learning activities, especially the business skills module in the faculty's training program, and at the same time design it to be able to check the output using case management, and problem-solving.

- Students need to establish ways to access business knowledge, be it in the form of approaching a start-up or resources, registered accounts... This not only equips them with entrepreneurial knowledge but also enhances their awareness, motivation, effort, as well as desire, and passion to motivate students to start a business. It is important to stimulate students to have clearer motivation/goals with learning and self-improvement in entrepreneurship in particular and in their future careers.

In fact, it can be seen that many other factors can affect students' readiness to start a business that has not been mentioned in this study. The study is also only conducted with business administration students of the University of Labor and Social Affairs while it can be extended to students of business administration from other schools. In addition, with the collected information, the article initially only calculates the average score of the scales and the factors affecting the student's readiness to start a business. The article is a premise for further research and can use more quantitative analysis software to better determine the impact of the factors, this is the next approach that the author can focus on in the near future.

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