

**Entrepreneurship Matters: Why Not for
Management Students in University of Sri
Jayewardenepura?
A Case of Undergraduates in the Department of
Business Economics**

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INTRODUCTION AND RESEARCH PROBLEM

Introduction

Sri Lanka is at a juncture where entrepreneurship has a crucial role to play in fueling economic growth. Entrepreneurship especially can be recognized as one of the best ways out of the economic downturn that the country had been in for 30 years (Sarvananthan, 2011). If it is to come out of the Middle Income Trap, it is only with a boom of the innovative entrepreneurs of a country (Wijesinhe, 2013). Further, encouraging entrepreneurship has been suggested as a solution for youth unemployment especially among graduates as it generates new job opportunities (Qunlian, 2011). Thus there is an increasing trend of developing entrepreneurs at university level, which made it imperative to study the challenges that have to be faced in developing undergraduates into entrepreneurs in order to promote a climate of entrepreneurship (Kumara, 2012).

Research Problem

The study is initiated to address the low tendency of graduates to develop into entrepreneurs. Further it examines the challenges in developing entrepreneurship among university students/graduates of the national university system of Sri Lanka.

METHODOLOGY

The study is an exploratory study in a form of a case study. It does not intend to bring out any causality thus far. The population concerned comprises undergraduates studying in the University of Sri Jayewardenepura, Sri Lanka. For the purpose of the survey 100 undergraduates from the Department of Business Economics of the Faculty of Management Studies and Commerce, University of Sri Jayewardenepura, were selected using a random sampling technique. A structured self-completion questionnaire was used for data collection with a pilot survey of 10% of the sample. The measurement scale was the five point Likert scale. The main variables that measured in the questionnaire were; 1. Entrepreneurial Intention, 2. Economic factors, 3. Social factors, 4. Psychological factors, and 5. Political and Legal factors. The Theory of Planned Behaviour and Shapero and Sokol's (1982) Entrepreneurial events model have been used in model building, both of them having been supported by literature (Perera et al., 2012).

RESULTS AND FINDINGS

The reliability of the data was measured calculating Corn Bach alpha. The results confirm that the data which were used to measure entrepreneurial intention, economic, social, psychological, political and legal, and technological factors were reliable as the reliability coefficients were closer to one. There is a significant relationship between entrepreneurial intention and economic, psychological, and

political and legal factors. There is no significant relationship between entrepreneurial intention and technological or social factors.

Entrepreneurial intention- Sixty-nine percent of the students from the sample agreed that they would like to become entrepreneurs and they believe to have the personality suitable to entrepreneurship. However, 70% disagreed that starting a new business is easy. In addition, 70% of them believed that undergraduates must be financially stabilized before starting a business.

Economic factors -It was noted that 63% disagree that the government provides enough subsidies for entrepreneurs. Further, 42% of the sample says that not enough funding is available in financial institutions for entrepreneurs.

Social factors- It could be noted that the 79% of the sample believe that they could become entrepreneurs if they have an entrepreneurial background, family wealth or family support. In addition, 63% agree that entrepreneurship education is important to start a business.

Psychological factors – Forty-five percent of the sample agree that job insecurity is a reason for not being an entrepreneur while 40% admit the reason why they do not want to start a business is the risk associated with it.

Political and legal factors – Thirty-one percent disagree that government policies in Sri Lanka are favorable to start a business. Sixty-three percent says there are not enough programs to encourage young entrepreneurs while 74% emphasize government encouragement is inadequate.

Technological factors – Seventy-three percent confirms that there are not enough research and development and technology. Fifty-nine percent says that undergraduates are not aware of new technologies

and social media. Thirty-six percent state that they do not have enough knowledge on virtual business platforms.

CONCLUSIONS, IMPLICATIONS AND SIGNIFICANCE

Undergraduates believe that it is difficult to start a business. Even though the majority of respondents is willing to become entrepreneurs. They also state that it is important to be financially stable first. A challenge has also been recognized with respect to the belief that it is important to have an entrepreneurial background to start a business.

In addition it is also recognized that undergraduates are keener to have job security than become an entrepreneur.

In the political and legal context, it was recognized that the current political background and the government policy scheme were not supportive of entrepreneurs. Further, it was identified that government programmes to develop entrepreneurship in as well as outside of the university system were not sufficient.

In addition, analysis of technological factors shows that there is not enough encouragement for research and development of new technologies. It is also noted that university students do not have enough knowledge about the virtual challenges.

In conclusion, it can be highlighted that even though the majority of undergraduates are willing to become entrepreneurs, due to the above it is highly unlikely to develop entrepreneurs out of university system. Hence, it is important to overcome these challenges through institutional, attitudinal changes within the society.

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