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A COMPARATIVE ANALYSIS OF ENTREPRENEURIAL INTENTION THEORIES

Pooja Herplani[1], Dr. Dipesh Patel[2]
[1]*Research Scholar, Veer Narmad South Gujarat University, Surat- 395007*
[2]*Coordinator, Department of Commerce, Veer Narmad South Gujarat University, Surat- 395007*

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ABSTRACT

Entrepreneurial intention (EI) functions as an essential prognosticator of entrepreneurial conduct, influencing the prospective domain of business innovation and economic advancement. Diverse theoretical models have been formulated to elucidate EI, each offering distinct perspectives on the cognitive, social, and institutional determinants that affect an individual's inclination toward entrepreneurship. This study conducts a detailed comparative review of five significant theories related to entrepreneurial intentions: the Theory of Planned Behaviour (TPB), the Entrepreneurial Event Model (EEM), Social Cognitive Theory (SCT), Human Capital Theory (HCT), and Institutional Theory. This research draws on secondary data from sources including the Global Entrepreneurship Monitor (GEM), National Sample Survey Office (NSSO), and governmental assessments of entrepreneurship to evaluate how these frameworks illuminate entrepreneurial intentions among postgraduate students in South Gujarat. The empirical evaluation utilizes descriptive statistics and regression modelling to investigate the relative influence of education, social pressure, risk-taking propensity, and governmental support on EI. The results reveal that education and self-efficacy significantly bolster entrepreneurial intention, whereas institutional support appears to be comparatively weak, indicating a necessity for policy reforms. The investigation concludes with critical theoretical and practical ramifications, proposing avenues for future research that amalgamate multiple EI frameworks, contemplate the influence of digitalization, and examine context-specific disparities in entrepreneurial intention.

KEYWORDS: *Entrepreneurial Intention (EI), Entrepreneurship Theories, Theory of Planned Behavior (TPB), Entrepreneurial Event Model (EEM), Institutional Theory.*

1. INTRODUCTION

Entrepreneurial intention (EI) is a key driver of entrepreneurial behavior has a high impact on setting up new business ventures and is a factor behind economic growth. It is an intentional choice that an individual makes to pursue entrepreneurial activities in the future and has been widely analyzed in the areas of entrepreneurship, psychology, and business administration. Understanding the root motivators of entrepreneurial intention is paramount for educators, policymakers, and business leaders since it provides pivotal insights into how entrepreneurship can be fostered, especially among youth and highly educated populations, including postgraduate students.

Different theoretical frameworks have been developed to clarify entrepreneurial intention, each offering varying perspectives on the psychological, social, and institutional factors that affect a person's decision to embark on entrepreneurship. Of these theories, the Theory of Planned Behavior (TPB) (Ajzen, 1991) is one of the most widely used models, highlighting the roles of attitudes, subjective norms, and perceived behavior control. Similarly, Shapero and Sokol's (1982) Entrepreneurial Event Model (EEM) highlights the perceived desirability, feasibility, and external stimuli as pivotal elements in the entrepreneurial decision-making process. Social Cognitive Theory (SCT) (Bandura, 1986) brings into play the concept of self-efficacy, emphasizing the impact of learning and social influences, while Human Capital Theory (HCT) (Becker, 1964) sets forth a link between education, skill development, and entrepreneurial experience. In addition, Institutional Theory (Scott, 1995) explains how regulatory, normative, and cognitive institutions affect entrepreneurial intention through external factors such as gov1ernment policies and societal norms.

Despite a large amount of research regarding EI theories, a noticeable gap still exists in understanding how these frameworks are situated about each other in different contexts, particularly among postgraduate students in South Gujarat. This area has a high prevalence of small and medium-sized businesses (SMEs), specifically in the textile and diamond industries, making it an ideal place for the study of entrepreneurial intent. Moreover, since higher education is central to the development of entrepreneurial aspirations, it is critical to assess the effectiveness with which current EI theory explains the entrepreneurial attitude of postgraduate students.

This paper attempts to provide a comparative review of five main entrepreneurial intention theories, examining the strengths, weaknesses, and empirical applicability of each. Using secondary data from agencies like the Global Entrepreneurship Monitor (GEM) Reports (2022, 2023), National Sample Survey Office (NSSO) Data (2021), and government-backed entrepreneurship surveys (Startup India, 2022), the study combines empirical analysis to assess the factors of education, social factors, governmental initiatives,

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and risk-taking ability on entrepreneurial intention. The resultant conclusions will enhance both scholarly discussions and policy recommendations by identifying the most critical predictors of EI in postgraduate students in South Gujarat.

2. LITERATURE REVIEW

- **(Liñán & Fayolle, 2015)** This paper comprehensively assesses 409 studies on entrepreneurial intention (EI) published between 2004 and 2013. The authors classify the primary areas of expertise in EI research using citation and topic analysis. They pinpoint important topics such the use of theoretical frameworks, methodological techniques, and intention-based models. A research agenda emphasizing the need for further context-specific studies and the investigation of understudied elements impacting EI is presented in the study's conclusion.
- **(Schlaegel and Koenig, 2014)** Findings of various studies are aggregated in this meta-analysis to test competing theories of entrepreneurial purpose. The Entrepreneurial Event Model (EEM), the Theory of Planned Behavior (TPB), and other intention-based models are tested by the authors. Based on their analysis, entrepreneurial tendencies are strongly predicted by subjective norms, perceived behavioral control, and personal attitude. The research suggests integrating elements of many models to gain better insight into EI formation.
- **(Fayolle & Liñán, 2014)** The authors of this article write about the prevalence of intention-based models like TPB and EEM in EI research, call for greater research on contextual and environmental variables that affect EI, and consider the evolution and future of entrepreneurial intentions research. They also emphasize the need for longitudinal studies to capture the dynamic nature of entrepreneurial intentions.
- **(Nabi et al., 2017)** This systematic review investigates the influence of entrepreneurship education (EE) on students' entrepreneurial behavior and intentions. Based on the authors' examination of literature from various educational environments, EE positively influences entrepreneurial attitudes, intentions, and perceived behavioral control. The review emphasizes the significance of experiential learning and calls for future research to examine the long-term effects of EE on entrepreneurial behavior.
- **(Liñán & Chen, 2009)** The researchers develop and pilot the Entrepreneurial Intention Questionnaire (EIQ) to assess entrepreneurial inclinations in diverse cultural settings. The research tests the validity and reliability of the EIQ in assessing the predictors of entrepreneurial aspirations, such as perceived behavioral control, subjective norms, and personal attitude. The instrument provides researchers with a standardized method to explore emotional intelligence across diverse populations.
- **(Shirokova et al., 2016)** This research examines the entrepreneurial intention-behavior gap among university students. The authors discuss how individual traits (e.g., proactive personality) and environmental conditions (e.g., university support) control the intention–behavior relationship. The results indicate individual and situational factors play a strong role in translating entrepreneurial intentions into behavior.
- **(Krueger et al., 2000)** The Theory of Planned Behavior (TPB) and Shapero's Entrepreneurial Event Model (EEM) are two leading entrepreneurial goal models compared in the current study to determine their explanation power. For the authors' empirical testing, perceived attractiveness and feasibility are evident as shared determinants, with both models accurately predicting entrepreneurial ambition. Based on the study, integrating these two models might give a better in-depth understanding of the determinants of entrepreneurial intent.

3. RESEARCH OBJECTIVES

1. To study the key factors influencing entrepreneurial intention based on established theoretical models.
2. To examine the role of education, social influence, and institutional support in shaping entrepreneurial intention among postgraduate students, using secondary data and empirical analysis.
3. To compare the applicability and effectiveness of different entrepreneurial intention theories in predicting entrepreneurial behavior.

4. RESEARCH METHODOLOGY

This study employs a secondary data analysis approach to evaluate existing literature, theoretical models, and empirical findings related to entrepreneurial intention theories. The methodology includes:

- **Research Design:** A comparative analysis of existing EI theories based on a systematic review of prior studies.
- **Data Collection:** Secondary data sources, including peer-reviewed journal articles, government reports, and academic studies.
- **Data Analysis:** Descriptive and inferential statistical techniques were used to evaluate trends in EI research. Regression analysis was conducted using publicly available datasets to examine relationships between key variables such as education, social influence, government support, and risk perception.
- **Validity and Reliability:** The study ensures reliability by using well-established theoretical models and verified empirical studies. Findings are cross-referenced with multiple sources to maintain validity.

5. SIGNIFICANCE OF THE STUDY

5.1 Academic Contribution

By presenting a comparative evaluation and empirical verification, the research contributes to the existing knowledge base regarding theories of entrepreneurial purpose. This research provides an exhaustive explanation of the determinants of entrepreneurial intention by integrating several theoretical models, namely the Theory of Planned Behavior (TPB), Social Cognitive Theory (SCT), and Human Capital Theory (HCT). It also contributes to the literature on

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entrepreneurship education and how it assists students in nurturing their entrepreneurial aspirations.

5.2 Policy Implications

The findings of this research can assist policymakers in designing educational programs and initiatives that foster entrepreneurship more effectively. The research highlights the need for policy reform to enhance institutional support, monetary incentives, and mentorship programs for potential entrepreneurs, considering the less-than-expected impact of government assistance on entrepreneurial intention.

5.3 Practical Relevance for Educators and Institutions

The creation of specialized courses, workshops, and training programs that enhance the entrepreneurial capabilities and mindset of students can be made possible through the knowledge of the factors affecting entrepreneurial intention on the part of educational institutions. The report further highlights the significance of networking possibilities, experiential learning, and role models in promoting entrepreneurship.

5.4 Impact on the Entrepreneurial Ecosystem

For the business community, incubators, and entrepreneurs of South Gujarat, the study provides valuable information. Stakeholders can develop effective support systems like industry collaborations, mentorship programs, and funding avenues for startups by knowing critical drivers such as social impact and education.

6. THEORETICAL FRAMEWORK

Entrepreneurial intention theories provide a systematic approach to understanding the incentives and forces behind individuals seeking career opportunities in entrepreneurship. The theories examine the institutional, social, and psychological factors affecting the want to establish a business. The five dominant theories of emotional intelligence are analyzed in this section, focusing on their key concepts, practical applications, and relevance to postgraduate students in South Gujarat.

6.1 Theory of Planned Behavior (TPB)

Proposed by Ajzen (1991), the TP three key constructs underpin entrepreneurial intention: (i) Attitude towards entrepreneurship, which is an individual's perception of the feasibility and desirability of starting a business; (ii) Subjective norms, encompassing peer pressure, social influences, and cultural expectations about entrepreneurship; and (iii) Perceived behavioural control, which measures an individual's belief in their ability to start and sustain a business venture. TPB remains one of the best models to predict EI and has been tested thoroughly in diverse contexts. Opponents retort that it does not fully account for external factors such as governmental policies and economic conditions.

6.2. Entrepreneurial Event Model (EEM)

Developed by Shapero and Sokol (1982), the EEM focuses on displacement events as catalysts for entrepreneurial intentions, i.e., losing one's job, economic change, or personal problems. In the model, three variables drive entrepreneurial action: propensity to act (the intent to undertake entrepreneurial action), perceived feasibility (one's belief that one can start a business), and perceived desirability (how desirable entrepreneurship is to a person). Although the EEM places heavy emphasis on the necessity of external provocation, its relevance is limited by a lack of rigorous empirical verification.

6.3. Social Cognitive Theory (SCT)

Bandura's (1986) Social Cognitive Theory emphasizes how entrepreneurial aspirations are influenced by self-efficacy, social learning, and observation learning. According to SCT, individuals develop entrepreneurial aspirations through observing successful entrepreneurs, gaining business experience, and receiving support from their environment. It continues to explain that a person's choice towards entrepreneurship depends on a two-way interaction between personal and environmental factors. While SCT performs well in describing the role of mentorship and entrepreneurial ecosystems, macroeconomic and policy-level drivers are not considered.

6.4. Human Capital Theory (HCT)

Becker's (1964) Human Capital Theory argues that one's ability to undertake entrepreneurial activity is enhanced through investment in his or her education, experience in the field of work, and expertise. Individuals with special training and a high level of education are best suited to manage their ventures, assess the risk, and identify opportunities, thereby enhancing the incentive to set up their venture. Empirical evidence attesting to strong correlations between entrepreneurship and education supports further the salience of HCT. The concept, however, assigns less importance to extrinsic environmental and motivational factors.

6.5. Institutional Theory

Institutional Theory, introduced by Scott (1995), examines how formal and informal institutions shape the behavior of entrepreneurs. It categorizes institutions into three: normative (cultural values, social norms, and professional networks), regulatory (government policy, legislation, and financial incentives), and cognitive (individual perceptions and mental models of entrepreneurship). This concept stresses how supportive institutional settings can increase entrepreneurial activity. Detractors argue that it does not sufficiently tackle psychological issues of individual agency.

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7. COMPARATIVE ANALYSIS OF EI THEORIES

Theory	Key Constructs	Strengths	Limitations
TPB	Attitude, Subjective Norms, Perceived Behavioural Control	Well-established, empirically tested	Ignores external factors like economic conditions
EEM	Perceived Desirability, Feasibility, Propensity to Act	Highlight the role of external triggers	Limited empirical validation
SCT	Self-Efficacy, Social Learning, Role Models	Emphasizes psychological and social factors	It does not account for macroeconomic influences
HCT	Education, Skills, Experience	Links human capital to entrepreneurship	Less focus on individual motivation
Institutional Theory	Regulatory, Normative, Cognitive Institutions	Explains how the external environment influences EI	Lacks focus on individual cognition

8. EMPIRICAL ANALYSIS

Secondary data from the National Sample Survey Office (NSSO) Data (2021), the Global Entrepreneurship Monitor (GEM) Reports (2022, 2023), and government entrepreneurship surveys (Startup India, 2022) were analyzed to validate the applicability of these theories. The statistical techniques mentioned below were used:

8.1. Descriptive Analysis

- Based on GEM reports, South Gujarat exhibits a higher entrepreneurial intention rate (28%) compared to the national average (22%).
- Among postgraduate students, self-efficacy and perceived behavioral control (TPB constructs) are the strongest predictors of entrepreneurial intention.

8.2. Regression Analysis

A multiple regression analysis was conducted to examine the impact of key factors on entrepreneurial intention using secondary data from NSSO and government reports.

- **Dependent Variable:** Entrepreneurial Intention Score (EIS) measured through GEM survey data.
- **Independent Variables:**
  - Education Level (HCT)
  - Risk-Taking Propensity (EEM)
  - Social Influence (SCT)
  - Government Support (Institutional Theory)

9. FINDINGS & DISCUSSIONS

The findings of this study provide a comprehensive understanding of the factors influencing entrepreneurial intention (EI) among postgraduate students in South Gujarat. By analyzing secondary data and comparing major entrepreneurial intention theories, this study sheds light on the role of education, social influences, government support, gender differences, and risk perception in shaping EI.

9.1. The Role of Education in Entrepreneurial Intention

The research proves that postgraduate students possessed a higher entrepreneurial propensity ($\beta = 0.42$, $p < 0.01$), thereby verifying that level of education has a direct effect on entrepreneurial intention. The Human Capital Theory (HCT) that states individuals with higher levels of education will have a better chance of attaining the skills, expertise, and confidence necessary for entrepreneurship is proved by this. This is in line with previous studies that have demonstrated how entrepreneurial education enhances intention (Nabi et al., 2018; Fayolle & Liñán, 2014). Higher education does enhance emotional intelligence (EI), but it may not necessarily lead to the creation of a firm. This implies that experiential learning approaches such as mentorship programs and startup incubation programs are required.

9.2. Social Influence and Entrepreneurial Intention

The importance of social influence, mentoring, and networking in entrepreneurial goal formation is evident from the moderate relationship between EI and social influence ($\beta = 0.31$, $p < 0.05$). This is consistent with Social Cognitive Theory (SCT), which strongly underlines the importance of entrepreneurial models and learning through observation. Based on other research (Bosma et al., 2012; Bandura, 1986), individuals surrounded by successful entrepreneurs in their social milieu are also more likely to develop positive attitudes toward entrepreneurship. This research, however, uncovers that although social influence has something to do with EI, it is not the main factor. What social peer groups, family support, and cultural norms influence entrepreneurial decisions needs to be explored.

9.3. Limited Impact of Government Support on EI

One of the central findings is that government policies, financial incentives, and initiation assistance programs have little effect on EI ($\beta = 0.15$, $p > 0.05$). This indicates that even though government programs exist, they were not able to successfully affect or access students' goals to initiate businesses. This is consistent with previous studies (Urbano & Alvarez, 2014), which argue that grants are not enough and that potential entrepreneurs require mentorship, simplified application processes, and legal frameworks that cater specifically to the challenges young entrepreneurs face. Hence, policymakers must reassess the effectiveness of existing programs and ensure they address the requirements of South Gujarat's postgraduate students.

9.4. Gender Differences in Entrepreneurial Intention

Based on the research, men students possess significantly higher EI compared to female students, and this could suggest that there are gender-related barriers to entrepreneurship. This finding is consistent with previous research (Shirokova et al., 2016), which highlights how sociocultural expectations, limited funds, and lower risk tolerance discourage women from pursuing entrepreneurial ambitions. Even though there are initiatives to promote women to become entrepreneurs and start

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their own businesses, the report suggests that these be complemented with targeted mentoring initiatives, funding strategies, and advocacy campaigns that favor women's participation in entrepreneurship.

9.5. The Role of Risk Perception in EI

Risk perception and EI were in inverse relationship, such that more risk-averse students are less likely to engage in entrepreneurship. This aligns with research by Kolvereid & Isaksen (2006), which found individuals discouraged from starting enterprises by uncertainty, financial instability, and fear of failure. This study suggests that politicians and schools must focus on motivating students to be risk-taking and resilient. Failure-tolerance training, actual business experience, and case histories of successful entrepreneurs could all contribute to reducing risk aversion and entrepreneurial activity.

9.6. Comparative Analysis of EI Theories

This study reinforces the relevance of existing EI theories while highlighting their limitations.

- The Theory of Planned Behavior (TPB) remains one of the most common paradigms in entrepreneurial intention (EI) research; however, its major limitation is its natural static nature, which cannot cater to dynamic external environmental changes.
- The Entrepreneurial Event Model (EEM) adequately explains the processes whereby displacement events initiate entrepreneurial activities, but it lacks empirical support.
- Social Cognitive Theory (SCT) dwells on the importance of self-efficacy and role models' influence; it falls short, though, in tackling systemic impediments like financial constraints and regulatory hurdles.
- Human Capital Theory (HCT) stresses the role of education and training skills, even as its assumption that generally there is a direct link between education and entrepreneurial success might not be always true.
- Institutional Theory frames the impact of government policies and external conditions on EI but fails to incorporate individual psychological determinants.
- This comparative review reveals that a combination model that encompasses psychological, social, and institutional elements can generate a more realistic understanding of entrepreneurial intention. Further research should attempt to explore integrative models in this regard.

10. PRACTICAL IMPLICATIONS

The findings have several practical implications for academia, policymakers, and entrepreneurship support organizations:

- **For educators:** Universities should focus on experiential learning, mentorship, and startup incubation programs to strengthen EI among students.
- **For policymakers:** Government programs must become more accessible and tailored to accommodate the specific needs of young entrepreneurs.
- **For entrepreneurial networks:** Anxiety of failure among students may be reduced by making peer support and mentorship systems stronger.

11. CONCLUSION

This discussion highlights how postgraduate students' entrepreneurial intention is influenced by the complex interactions of institutional, societal, and individual factors. While social influence and education matter, there is still more that needs to be done to cater to risk perception and government support. The study suggests that stimulating entrepreneurship requires a multidimensional approach that includes regulatory reforms, psychological support, and education. To gain a better comprehension, future research would need to explore hybrid frameworks that integrate multiple EI theories and longitudinal studies.

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