

# **Inclination towards Green Entrepreneurship among University Students: An Empirical Investigation with Management Students**

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## **INTRODUCTION**

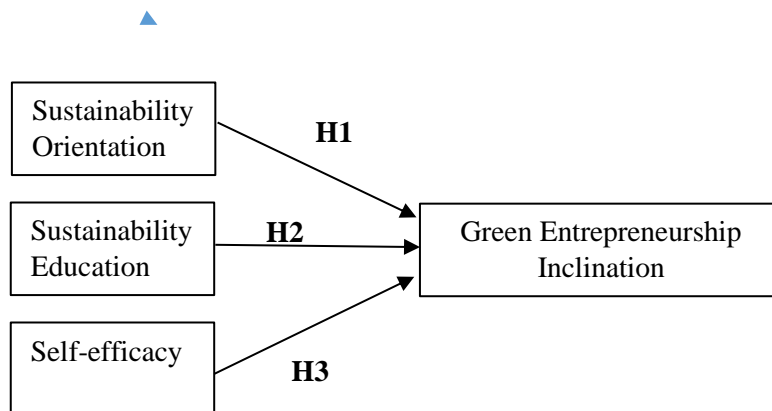
The concept of green economy has been gaining growing recognition around the globe over the past few decades. In its simple form, a green economy can be defined as one that results in improved human well-being and social equity, while significantly reducing environmental risks and ecological scarcities (UNEP, 2011). Greening the economy helps address the burning issues related to the increased depletion of scarce natural resources, overwhelming environmental issues, and the wellbeing of the poor at the bottom of the economic pyramid (Rahman et al., 2014). Undoubtedly, green entrepreneurship is at the top of those enabling conditions and underlying mechanisms that are required for the transition to a green economy. This new dimension of sustainability leads to the formation of a completely new entrepreneurship paradigm; green entrepreneurship (Ahmad et al., 2015).

Green entrepreneurship is all about conducting business in an environmentally and socially responsible manner such as improving energy or resource efficiency, reducing greenhouse gas emissions, decreasing waste/pollution, protecting the ecosystem and promoting/supporting the community (Ahmad et al., 2015). Being quite a new concept, green entrepreneurship is yet to be explored largely, especially in the context of developing countries.

Going greening or achieving sustainable development requires a fundamental shift in the mindset of people as well as attitudinal changes in society (Ahmad et al., 2015). More than government rules and regulations the entrepreneurial spirit is more likely to trigger green business initiations and innovations. A study conducted by Szamosi (2006) revealed that the entrepreneurial spirit can be seen more among the youth than the rest of the present generation. Thus, focusing on this generation would be a prolific attempt to nurture a sustainable business

culture. Moreover, entrepreneurship studies especially those that are aimed at exploring entrepreneurial inclination should be conducted in the context of youth.

Prevailing literature on entrepreneurship shows that sustainability orientation, sustainability education, and self-efficacy are major determinants of entrepreneurial inclination (Ahmad et al., 2015; Rahman et al., 2014). Sustainability orientation links environmental and societal reflections in business activities (Kuckertz and Wager, 2010). Souitaris et al. (2007) stated that entrepreneurship education coupled with sustainability education help change the individuals' mindset and attitudes, thus positively influencing entrepreneurial intention. Self-efficacy is an individuals' belief that they have skills and abilities and can successfully translate those capabilities into cohesive output (Ahmad et al., 2015). In literature, self-efficacy is well acknowledged for its triggering effect on entrepreneurial intention and behaviors. In a context where green entrepreneurship has not yet been extensively researched, the present study investigated green entrepreneurial inclination among Sri Lankan university students, a sample that best represents the educated young generation, and the association between inclination towards green entrepreneurship and sustainability orientation, sustainability education and self-efficacy (Figure 1).



**Figure 01: Conceptual Model**

## **METHODOLOGY**

Non-probability purposive sampling was used to draw the sample from management faculties of three Sri Lankan state universities. The web-based questionnaire was sent to 500 undergraduates of the selected faculties. A total of 386 usable responses were received, representing a response rate of 77.2%. The first section of the survey questionnaire consisted of 29 items on a 5-point Likert scale (from 1- strongly disagree to 5-strongly agree) which measures the four constructs of the study. Survey items were adopted from relevant literature on entrepreneurship/green entrepreneurship. Green entrepreneurial inclination, sustainability orientation, sustainability education and self-efficacy were measured using five, ten, ten and four items respectively. The expressions of the survey items were adjusted, where appropriate to the study context under investigation. The second section of the questionnaire consisted of questions related to the demographic characteristics of the respondents and the year level of the degree program.

Descriptive statistics were calculated for the Likert-scale items and Structural Equation Modeling (SEM) was used to test the hypothesized relationships between the variables shown in Figure 01.

## **FINDINGS**

Analysis of the demographic profile of the respondents shows that the majority of the respondents were female (n=232, 60.1%). Hundred and thirty-three respondents (34.4%) were in their first year of study, while 108 (27.9%) and 80 (20.7%) respondents were in the third and second year respectively. The least representation is final year students with 65 (16.8%) respondents. The descriptive statistics of the variables and the reliability statistic, Cronbach's  $\alpha$  for the four constructs were presented in table 01. A reliability analysis using Cronbach's  $\alpha$  was obtained for survey items to assess the internal consistency of the survey instrument. The values of Cronbach's  $\alpha$  for the four constructs were 0.85, 0.91, 0.82 and 0.88 respectively. And resulting values of Cronbach's  $\alpha$  more than 0.7 confirmed the internal consistency of the constructs.

The level of green entrepreneurship inclination is moderately high among the participants. The highest mean value was recorded for the

sustainability orientation (4.12) while the lowest was for self-efficacy (3.02).

**Table 1: Descriptive Statistics and Reliability**

	Mean	SD	Cronbach's $\alpha$
1. Green Entrepreneurship Inclination	3.09	0.95	0.85
2. Sustainability Orientation	4.12	0.83	0.91
3. Sustainability Education	3.51	1.18	0.82
4. Self-efficacy	3.02	1.62	0.88

The analysis of variance (ANOVA) on the gender of the respondents showed no statistically significant difference in the group means for the four constructs.

To assess the model's fitness, the absolute fit index was calculated and reporting a value within the acceptable range for CMIN confirmed the model fitness. Similarly, the values for the goodness of fit index (GFI), adjusted GIF (AGFI), normal fit index (NFI), comparative fit index (CFI) and root mean square error of approximation (RMSEA) were all found to be within the acceptable ranges as shown in table 02.

**Table 2: Goodness of fit Statistics**

Model fit indicators and values	CMIN	GFI	AGFI	NFI	CFI	RMSEA
	2.71	0.91	0.975	0.932	0.988	0.039
Acceptable range	< 3	> 0.90	> 0.90	> 0.90	> 0.90	< 0.05

The result of the Structural equation modelling which was used to assess the effect size of hypothesized relationships among the variables is reported in Table 3. Proposed relationships were explored in terms of standard error (SE), critical ratio (CR) and significance level ( $p < 0.01$ ). The results showed a positive and significant association between sustainability orientation and green entrepreneurial inclination (SE=0.048, CR=11.631,  $p < 0.01$ ). Therefore, H1 was supported. Similarly, H2 was accepted. However, the proposed

relationship between self-efficacy and green entrepreneurial inclination was not accepted.

**Table 3: Assessment of Structural Model**

Hypothesis	Relationship	Estimate	SE	CR	Result
1	Sustainability orientation --> GE	0.681	0.048	11.631*	Supported
2	Sustainability education --> GE	0.552	0.062	6.904*	Supported
3	Self-efficacy -> GE	0.009	0.021	0.72	Not supported

## CONCLUSIONS

The main purpose of this study is to explore the green entrepreneurial inclination among university students. The conceptual model of the study was developed to examine how sustainability orientation, sustainability education and self-efficacy affect green entrepreneurial inclination. Consistent with the literature, findings suggest positive and significant impacts of sustainability orientation and sustainability education on green entrepreneurial inclination. Among the two, sustainability orientation has the highest impact on the inclination towards green entrepreneurship. However, in the journey towards a greening economy, it is important to have both sustainable orientation and sustainable education among the youth. Findings further indicate that self-efficacy has no significant impact on green entrepreneurship. This insignificant result may be due to the fact that self-efficacy may be a determinant of entrepreneurial intention in general but not green entrepreneurial inclination. The findings of this study further confirmed the critical roles played by sustainability orientation and sustainability education in nurturing green entrepreneurial culture. Thus, educational programs needed to be restructured in a way to develop the correct mindset and attitudes towards establishing green businesses.

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