

The Role of Education Policy and Institutional Support in Shaping Entrepreneurial Intention among University Students in Coimbatore

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Abstract:

Entrepreneurship among university students is becoming a sign of importance in higher education as students are increasingly required to possess entrepreneurial capabilities, have opportunities for innovation and self-employment. Besides entrepreneurship education, the policy framework and institutional support of educational institutions might also affect students' entrepreneurial intention. The present study is an analysis of the perceived education policy and regulatory support and institutional support amongst the University students and entrepreneurial intention in Coimbatore. This study used a quantitative research design, involving the use of a structured questionnaire with a five-point Likert scale, and the data obtained are primary data. The results from the descriptive analysis show medium level of perceived support from education policies and regulations and entrepreneurial intention. The results of the reliability measures indicate a good internal consistency for the three constructs. The Pearson correlation analysis results are significant positive correlation between PEPRS and institutional support ($r = 0.512$, $p < .001$), PEPRS and entrepreneurial intention ($r = 0.422$, $p < .001$) and institutional support and entrepreneurial intention ($r = 0.485$, $p < .001$). The multiple regression analysis results show that the two factors PEPRS and institutional support account for 27.6% of the variance in entrepreneurial intention and both PEPRS ($\beta = 0.235$, $p < .001$) and institutional support ($\beta = 0.364$, $p < .001$) are significant positive predictors. The results reveal that building of the institutional mechanism and policy awareness is critical in order to encourage entrepreneurial intention among the university students in Coimbatore.

Keywords: Education policy, Entrepreneurial intention, Entrepreneurship education Institutional support, University students

1. Introduction

Entrepreneurship has become increasingly important within higher education because universities are expected not only to prepare students for conventional employment but also to develop their capacity to identify opportunities, innovate and create employment. Entrepreneurial intention represents an important antecedent of entrepreneurial behaviour because it reflects a student's willingness and preparedness to start a business in the future. Consequently, understanding the factors that encourage entrepreneurial intention among university students has become an important area of research.

Entrepreneurship education has traditionally been one of the major mechanisms through which universities attempt to encourage entrepreneurial development. However, research indicates that the impact of entrepreneurship education is not uniform across contexts. Nabi et al. (2017), in a review of 159 empirical studies highlighted the importance of examining the pedagogical and contextual conditions under which entrepreneurship education produces entrepreneurial outcomes. The university environment therefore plays a huge role in complementing entrepreneurship education. Universities can provide students with mentoring, incubation facilities, financial guidance, networking opportunities, business-development assistance and institutional encouragement.

Institutional support is particularly important because students may possess entrepreneurial interest but lack the resources, knowledge and confidence required to convert that interest into entrepreneurial intention. A university

that provides entrepreneurship centres, incubation facilities, mentoring, training and access to external networks can reduce some of the barriers faced by potential student entrepreneurs.

The policy and regulatory environment is another important dimension. Government policies, regulations, financial schemes and start-up support programmes can influence how students perceive entrepreneurship as a viable career option. In India, national and state-level entrepreneurship initiatives have increasingly encouraged universities to promote innovation and start-up activities. However, the existence of policies does not necessarily mean that students are aware of or able to access them.

Recent Indian research reinforces the importance of the educational and institutional environment. Razi-ur-Rahim et al. (2024), studying 254 polytechnic students in India, found that curriculum, peers and institutional support were important factors associated with entrepreneurial intention. Similarly, Mitra et al. (2023), using 395 university students from Gujarat, found that entrepreneurship education programme triggers significantly influenced entrepreneurial intention and its antecedents. The authors also emphasized the relevance of government and university policy support.

Despite the growing literature on entrepreneurship education and university support, relatively less attention has been given to examining education policy/regulatory support and institutional support simultaneously from the student's perspective. Therefore, the present study investigates whether student's perceptions of education policy and regulatory support and institutional support are associated with and predictive of their entrepreneurial intention.

Literature Review

A systematic review of 159 studies on entrepreneurship education in higher education was carried out by Nabi et al. (2017). The review revealed that entrepreneurial education research has mostly been concerned with measuring short-term, subjective outcomes and emphasized the importance of determining the conditions under which entrepreneurial education generates meaningful outcomes. This indicates that entrepreneurship education needs to be considered in its broader institutional and policy context and not as a standalone intervention. In addition to research on governmental support, both policies and regulations have been included as contextual factors affecting entrepreneurship. These studies indicate that the success of entrepreneurship education courses could be partially influenced by the wider entrepreneurial community and policy context.

Saeed et al. (2015) suggested an integrated model for perceived university support based on 805 university students. Their research investigated issues of educational sustenance, concept-expansion support, support for developing business and support from institution. The results revealed that university support helped to build entrepreneurial self sufficiency, which in turn had an impact on entrepreneurial intention. Recent evidence in India is also reflective of the importance of institutional support.

Razi-ur-Rahim et al. (2024) investigated entrepreneurial intention among 254 polytechnic students from India and determined that curriculum, peers and institutional support were significant factors in shaping entrepreneurial intention. Mitra et al. (2023) analysed the responses from 395 students from the universities of Gujarat who had been exposed to entrepreneurship education programmes. The results showed a significant of entrepreneurship education programme on entrepreneurial intention and its antecedents. The study also underscored the importance of social and policy support for the development of students entrepreneurial interests. Likewise, the systematic review by Nabi et al. (2017) shows that entrepreneurship education given its context and pedagogical differences is an important role in higher education.

Statement of Problem and Research Objectives

Although entrepreneurship has become an increasingly important objective of higher education, many university students continue to face uncertainty regarding entrepreneurship as a career option. Universities may offer entrepreneurship courses and activities, but students entrepreneurial intention can also depend on whether they perceive adequate institutional support and whether entrepreneurship-related policies and regulations are accessible and supportive. Existing literature has extensively examined entrepreneurship education,

entrepreneurial attitude, self-efficacy and the Theory of Planned Behaviour. However, comparatively less attention has been given to the combined role of education policy/regulatory support and institutional support in explaining entrepreneurial intention among university students, particularly in the Indian context. Therefore, the present study attempts to address this issue by examining the perceived level of education policy and regulatory support, institutional support and entrepreneurial intention and by empirically determining the relationships and predictive influence among these variables.

Research Objectives

1. To understand the student's perception about the level of support in terms of education policy and regulations for entrepreneurship in university students.
2. To study the attitude of the University students towards entrepreneurship with respect to institutional support.
3. To examine the association between Perceived Education Policy and Regulatory Support, Institutional Support and Entrepreneurial Intention.
4. To find the impact of Perceived Education Policy and Regulatory Support, Institutional Support on Entrepreneurial Intention among the students of university.

Methodology

The study is of quantitative type in which the primary data has been collected from the University students in Coimbatore. The population of the study consists of the students in university and a sample of 250 students was taken for the analysis. The data were gathered through a structured questionnaire which was constructed to measure the three constructs Perceived Education Policy and Regulatory Support, Institutional Support, and Entrepreneurial Intention. Construct items were measured on a 5-point scale Likert scale. The data collected were then analyzed statistically using the right statistical tools to test the relationships between the variables and the effect of these variables on entrepreneurial intention.

The major constructs are:

Construct	Code	Items
Education Policy & Regulatory Support	PEPRS	8
Institutional Support	IS	10
Entrepreneurial Intention	EI	8

4. Results and Findings

Table 1: Descriptive Statistics

Variable	N	Minimum	Maximum	Mean	SD
PEPRS	250	1.25	5.00	3.00	0.728
Institutional Support	250	1.30	4.90	3.00	0.718
Entrepreneurial Intention	250	1.00	5.00	2.99	0.732

Interpretation

The descriptive results provide an overview of how the respondents evaluated the three major dimensions examined in the study. The average score for Perceived Education Policy and Regulatory Support (PEPRS) is 3.00, while the average score for Institutional Support is also 3.00. The mean value for Entrepreneurial Intention is slightly lower at 2.99. The standard deviations are relatively close to one another ranging from 0.718 to 0.732. This suggests that the responses do not show substantial differences in dispersion across the three constructs. Overall, the descriptive findings suggest that the respondents hold neither particularly favourable nor particularly

unfavourable perceptions regarding education policy support, institutional support and their entrepreneurial intention.

Table 2: Reliability Statistics

Construct	Cronbach's Alpha	Number of Items
PEPRS	0.931	8
Institutional Support	0.938	10
Entrepreneurial Intention	0.931	8

Interpretation

The reliability assessment shows strong consistency among the items used to measure each construct. PEPRS records a Cronbach's alpha of 0.931, while Institutional Support records 0.938. Entrepreneurial Intention also demonstrates a Cronbach's alpha of 0.931.

Table 3: Correlation Matrix

Variables	PEPRS	Institutional Support	Entrepreneurial Intention
PEPRS	1.000	0.512***	0.422***
Institutional Support	0.512***	1.000	0.485***
Entrepreneurial Intention	0.422***	0.485***	1.000

Note: ***p < .001.

Interpretation

The correlation analysis indicates that PEPRS and Institutional Support are positively related, with a correlation coefficient of 0.512 which is statistically significant at $p < .001$. The relationship between PEPRS and Entrepreneurial Intention is also positive with a correlation coefficient of 0.422 which is statistically significant at $p < .001$. A somewhat stronger relationship is observed between Institutional Support and Entrepreneurial Intention where the correlation coefficient is 0.485 which is statistically significant at $p < .001$.

Table 4: Model Summary

R	R ²	Adjusted R ²	Std. Error of Estimate
0.525	0.276	0.270	0.622

Interpretation

The regression model produces an R value of 0.525, reflecting the overall association between the two explanatory variables and Entrepreneurial Intention. The coefficient of determination ($R^2 = 0.276$) indicates that PEPRS and Institutional Support together account for approximately 27.6% of the observed variation in Entrepreneurial Intention among the respondents. The adjusted R^2 is 0.270 which remains close to the unadjusted R^2 . This suggests that the explanatory contribution of the model is reasonably and the standard error of the estimate is 0.622 representing the average level of prediction error expressed in the units of the dependent variable.

Table 5: Regression Coefficients

Predictor	B	SE	β	t	p
PEPRS	0.237	0.063	0.235	3.73	< .001
Institutional Support	0.371	0.064	0.364	5.78	< .001

Interpretation

The coefficient for PEPRS is positive ($B = 0.237$) and statistically significant ($p < .001$). This indicates that higher perceived education policy and regulatory support is associated with higher Entrepreneurial Intention when the contribution of Institutional Support is taken into account. The standardized coefficient of 0.235 indicates that PEPRS makes a positive contribution to the prediction of Entrepreneurial Intention. Thus, the policy and regulatory environment perceived by students appears to be relevant to their entrepreneurial orientation.

Institutional Support records a positive unstandardized coefficient of 0.371 and is statistically significant ($p < .001$). The positive coefficient indicates that stronger institutional support is associated with higher Entrepreneurial Intention after accounting for PEPRS. The standardized beta coefficient for Institutional Support is 0.364, which is larger than the coefficient for PEPRS (0.235). This indicates that Institutional Support makes the greater relative contribution to the prediction of Entrepreneurial Intention within this particular regression model.

Findings

The main findings of the analysis are:

- The respondents have moderate perception about Education Policy, Institutional support and the Regulatory support.
- The respondents entrepreneurial intention falls within the middle of the measurement scale.
- The three constructs are significantly and positively correlated.
- Entrepreneurial intention is positively related to education policy, Institutional support and regulatory support. The entrepreneurial intention is statistically significantly explained by both PEPRS and Institutional Support.
- The regression model accounts for 27.6% of the variation in entrepreneurial intention.
- Institutional Support is the stronger predictor in comparison with PEPRS.

Suggestions

- The universities need to make students aware of policies, schemes, incentives and regulatory processes related to entrepreneurship. Having policies doesn't mean students will know how to access the policies.
- Entrepreneurship cells in institutions can be enhanced by offering a continuous mentoring and business development assistance and guidance to students interested in taking up entrepreneurial ventures.
- The universities should give opportunities to students to take their ideas to the level of viable projects by providing incubation facilities, expert guidance and access to entrepreneurial network.
- Entrepreneurship programmes should create opportunities for students to create business ideas, make prototypes, write business plans and meet practicing entrepreneurs.
- Experienced entrepreneurs, alumni and industry professionals can be involved as mentors. This can enable students to gain insight into the real world obstacles to starting and running a business. Universities have the opportunity to serve as an intermediary between students and the government entrepreneurship schemes by conducting awareness sessions and making schemes available.
- Based on the analysis, it is observed that the standardized beta of Institutional support ($\beta = .364$) is higher than the rest, thus universities should pay more attention to enhancing the quality and accessibility of the entrepreneurship-support mechanisms within their institution.

Conclusion

The study analysed the relationship between education policy and regulatory support, institutional support and entrepreneurial intention among the university students in India. The results indicate that the respondent's perceptions of all three dimensions are in the middle of the five-point scale. This is a neutral rating as the environment at this time is not one that is perceived as very good nor very bad but rather has a lot of room for improvement. Correlation results reveal that students view on the education policy and regulatory support are related to both institutional support and entrepreneurial intention. Institutional Support has a meaningful and

positive correlation with Entrepreneurial Intention. It is inferred from these relationships that entrepreneurial aspirations of students are not just a reflection of their personality but are also influenced by the orientation of entrepreneurship. The results of these regression analyses also support the findings that both PEPRS and Institutional Support significantly predict Entrepreneurial Intention. Together, they explain 27.6% of the variation in entrepreneurial intention. The standardized coefficient for Institutional Support is higher, suggesting that the influence of the university environment is comparatively higher in the model. The overall message is that entrepreneurship education must not be limited to being taught in the classroom, it should be encouraged amongst the student population of universities. Accessible policy, regulatory guidance, institution mentoring, incubation, networking and real world entrepreneurial opportunities are also key to this supportive ecosystem. The enhancement of these areas can lead to a more supportive environment for students to aspire to become entrepreneurs and take entrepreneurship as a career option. Thus, it was concluded that only by offering entrepreneurship courses, student entrepreneurship cannot be increased. Universities must build a nurturing environment for entrepreneurship that includes institutional support, mentorship, incubation, hands on learning and networking and policy awareness. Concurrently, education policy makers should make entrepreneurship policies and mechanisms accessible and comprehensible to students.

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