International Journal of Business and Sustainable Development (IJBSD)
Vol. 3 Issue 2, July – December 2026 (e-ISSN No. 3139-4752)
DOI:10.67948/ijbsd/v3.i2.3207

Factors Affecting Youth Entrepreneurial Intention in Rupandehi District

Ichchha Pokharel*

Abstract:
Youth entrepreneurship has been seen as a key solution to the unemployment problem and for economic development in Nepal. The present study attempts to explore the factors that influence the entrepreneurial intention among the youths of the Rupandehi District focusing on family environment, motivation, risk taking propensity and self-concept. A quantitative research design was used and primary data was gathered from 250 youths aged 18-35 years using a structured questionnaire with a seven-point Likert scale. The data was analyzed using Partial Least Squares - Structural Equation Modeling (PLS-SEM). The results show that motivation and self-concept have positive and significant effect on entrepreneurial intention, and family environment and risk-taking propensity have positive but statistically insignificant effect. Among all the predictors, the self-concept was the most strongly predictive of entrepreneurial intention, suggesting that self-confidence and perceived entrepreneurial skills play a crucial role in influencing entrepreneurial aspirations. The model had a high level of explanatory power (74.1%). The measurement model was found to be robust with the use of reliability and validity tests. The study concluded that psychological factors have more influence on entrepreneurial intention of youths than family related and risk-oriented factors in Rupandehi District. The results offer insights for policy makers, educational institutions and entrepreneurship development organizations in developing programs to improve motivation, self-belief and entrepreneurial skills of young people.

Keywords: Entrepreneurial intention, motivation, self-concept, risk-taking propensity, family environment.

Ichchha Pokharel*
MBS-F Student, Lumbini Banijya Campus, Butwal, Nepal
**Corresponding author*

1. INTRODUCTION

Entrepreneurship has become one of the key pillars of economic growth, innovation and worldwide employment creation. However, with the rising unemployment among the youth and the structural transformation of the labor markets in recent years, there has been a growing focus on entrepreneurship as a sustainable solution by the policy makers and scholars. With limited availability of formal employment opportunities, especially in developing economies, entrepreneurship growth offers youth an alternative means to generate employment and economic development. Entrepreneurial intention is the conscious state of mind of a person that is the intention to become an entrepreneur is considered to be a good predictor of entrepreneurial behaviour (Martins et al., 2023). Research carried out in various global contexts have suggested that he entrepreneurial intention of young people is strongly affected by attitude, perceived behavioral control, self-efficacy, creativity and access to resources (Maheshwari et al., 2023; Wardana et al., 2020). In the post-pandemic world, Entrepreneurship is also becoming more relevant because it can help to build resilience and innovation, and sustainable development, promoting green entrepreneurship practices (Kurniaty et al., 2023). Therefore, increasing entrepreneurial intention of youth has become an important issue, a global priority for economic policy makers, educators and development agencies.

Entrepreneurship is gaining traction as a solution to the ongoing problems in Nepal. Youth unemployment, underemployment and mass labor migration are among such issues. Despite the country's growing youth population, domestic economy has not been able to produce enough jobs for the country's increasing youth population. There are few job opportunities, so many young people look for jobs overseas. In this context, fostering entrepreneurship is important to tap the productive potential of youth and promoting the development of the local economy. However, there were some restrictions to the development of entrepreneurship in Nepal including limited access to finance, weak infrastructure and lack of knowledge and experience as well as inappropriate business skills and absence of institutional support (Ghimire & Chaudhary, 2021). Moreover, it is necessary to find out the factors that affect the entrepreneurial intentions of youth in Rupandehi district where the number of educational institutions and business organizations is increasing. The key determinants affecting youth are related to financial services, education and institutional support (Pande et al., 2025). Likewise, a study done on the university students in the nearby areas also suggests that psychological elements like self-concept and risk-taking tendency are vital for the development of entrepreneurial intention (Bhattarai, 2025). These findings indicate the need of particular investigation on factors affecting entrepreneurial intention of youth of Rupandehi.

The entrepreneurial intention concept is based on a number of well-founded theoretical frameworks. Of these, the Theory of Planned Behavior (TPB) is the most popular, that proposes that intention is influenced by three factors: personal attitude, subjective norms and perceived behavioral control (Liñán et al., 2011). Personal attitude is the individual's assessment of entrepreneurship as a career option, subjective norms are the expectations of others and peer pressure, and perceived behavioral control is the individual's confidence in his/her ability to engage in entrepreneurial activities. In addition to TPB, other theories such as the need for achievement theory and social cognitive theory emphasize the influence of factors such as motivation, self-efficacy and environmental factors on entrepreneurial behaviour. Entrepreneurial self-efficacy is regarded as one of the key predictors of entrepreneurial intention and frequently acts as a mediating element between individual characteristics and entrepreneurship outcomes (Al-Qadasi et al., 2023). On the other hand, locus of control, risk perception, and innovative ability are considered to be the core constructs for young people's entrepreneurial intentions (Wardana et al., 2020). These theoretical perspectives offer a detailed knowledge of how personal and situational factors work together to influence entrepreneurial intention.

A large empirical literature has focused on factors influencing entrepreneurial intention of youth in various contexts and countries. Most studies have consistently shown that attitude, self-efficacy and creativity were identified as psychological factors that are key contributor of entrepreneurial intention. Research on management graduates shows that, personal attitude, perceived behavioral control and subjective norms have a significant influence on entrepreneurial intention Gaire and Upadhyaya (2023). The same applies to studies done in developing nations. The desire for success, entrepreneurship education and prior exposure to entrepreneurship is identified as the three factors that are common across countries. This positive relationship between business activities and entrepreneurial intention among youth has been confirmed by other studies (Nguyen et al., 2019; Wardana et al., 2020). Social and environmental factors, such as family support and institutional support and access to financial resources are important factors in determining entrepreneurial

inclination (Zvarikova & Kacerauskas, 2017). Furthermore, systematic reviews in recent years have shown that the entrepreneurial intention is affected by a mix of cognitive, personality, social and contextual factors, and the literature is dominated by variables that are based on TPB (Maheshwari et al., 2023). Although there is a wealth of research around the world, results differ from region to region, indicating that the entrepreneurial intention is very context dependent and needs to be investigated on a local level.

The Nepali context, especially in the districts like Rupandehi, has seen several issues which have caused the triggered the need for focused research on entrepreneurial intention of youth. Entrepreneurship is so much encouraged as a means to alleviate unemployment, but many youths are not motivated, equipped and supported enough to start their own business ventures. The main challenges of potential entrepreneurs identified by Ghimire & Chaudhary (2021) are financial limits, availability of finance, lack of proper training and bureaucracy. The cultural values and social norms may be an impediment for the young people to participate in entrepreneurial activity while they may prefer alternate possibilities such as salaried work. It is important to highlight that youth prefer to rely more on external sources such as government sponsored schemes and banks than traditional support systems such as family while pursuing their entrepreneurial dreams (Pande et al., 2025). Another challenge is the lack of connection between entrepreneurship education and education needs. There is also a gap between what entrepreneurship education is offered in universities and what skills are needed to start and operate a business. These questions call into question the efficiency of the current policies and programs that are designed to encourage youth entrepreneurship and emphasize the need to be aware of the factors that underlie entrepreneurial intention.

While there is an increasing interest in entrepreneurship research, there are some gaps in the existing research literature. Previous research has concentrated on general factors like attitude, education, and demographic factors and little attention has been paid to the interaction of psychological, social, and environmental factors in specific local settings. The empirical study on entrepreneurial intention in Nepal is still limited and especially at district level. A thorough study that combines several theoretical frameworks and investigates the interaction of factors affecting entrepreneurial intention among the youth in the region such as Rupandehi is lacking. Further, the factors like innovation capacity, resilience and access to digital resources have not been properly discussed in the Nepali context. Thus, this study is designed to fill this gap by studying the factors affecting the intention of youth entrepreneurship in Rupandehi.

The importance of this research is in its theoretical and practical implications. Theoretically, the study will contribute to the existing literature by transplanting existing models into the local context of the study, such as TPB, and by incorporating several determinants of entrepreneurial intentions. Practically, the findings will be of great value to the educational institutions to develop entrepreneurship program to better meet the needs and aspirations of youth. The findings can be utilized in designing specific policies, enhancing access to financial and institutional support and fostering a more favorable policy climate for entrepreneurship by policymakers and government agencies. Furthermore, the research will be useful for young people in order to understand the factors that affect the entrepreneurial mindset and help them make decisions about their careers. In conclusion,

encouraging youth entrepreneurship can help address the issue of unemployment, curb labor migration, and support sustainable economic growth in Nepal, especially in emerging areas like Rupandehi.

1.1 Research Questions

RQ1: *What is the level of entrepreneurial intention among youth in Rupandehi District?*
RQ2: *How are family environment, motivation, risk-taking propensity, and self-concept associated with entrepreneurial intention among youth in Rupandehi District?*
RQ3: *Which factors, if any, are necessary for achieving a high level of entrepreneurial intention among youth?*

1.2 Research Objectives

RO1: To assess the level of entrepreneurial intention among youth in Rupandehi District.
RO2: To examine the associations between family environment, motivation, risk-taking propensity, self-concept, and entrepreneurial intention among youth in Rupandehi District.
RO3: To analyze whether any of the proposed factors are necessary conditions for achieving a high level of entrepreneurial intention among youth.

2. LITERATURE REVIEW

2.1. Theoretical Review

One of the most popular theories that has been proposed is the Theory of Planned Behavior (TPB) by Ajzen (1991). The widely accepted frameworks on entrepreneurship intention. This theory suggests that, individual's intention to perform a behavior is influenced by three main factors: attitude toward the behavior, subjective norms, and perceived behavioral control. From an entrepreneurship perspective, subjective norms are the perceptions of social and family influences and perceived behavioral control is the self-assessment of one's ability to engage in entrepreneurship. Hence, the TPB model describes the role of family support, motivation, and self-efficacy in influencing youth's entrepreneurial intentions. Research based on this theory has revealed that social support from both family and peers is a significant factor in shaping the intention to launch a business as it fosters a positive attitude toward entrepreneurship and enhances self-efficacy in entrepreneurship (Liñán et al., 2011; Tong et al., 2011; Nguyen et al., 2019).

The Theory of Planned Behavior explains how family environment, motivation, and self-concept explain the relationship between the independent variables (family environment, motivation, and self-concept) and the dependent variable (entrepreneurial intention). Bandura (1986) proposed the Social Cognitive Theory (SCT) which highlights the importance of Self-efficacy, personal cognition, and environmental factors that influence human behaviour. This theory proposes that people learn intentions and behaviors as a result of the interaction of personal characteristics, habits and surroundings. In entrepreneurship Self-concept and self-efficacy are important psychological factors which influence whether people think they can start and run a business. When young individuals have high self-confidence and positive self-perception of their entrepreneurship, the more they have these abilities, the more likely they are to have entrepreneurial intentions. Empirical studies confirm entrepreneurial self-efficacy has a significant impact on entrepreneurial intention, that is entrepreneurs are more inclined to take on entrepreneurial ventures if they are confident in their abilities (Al-Qadasi et al., 2023; Martins et al., 2023). Hence, SCT. supports the relationship between self-concept and

entrepreneurial intention through explaining how Youth are more likely to participate in if they are confident and believe in themselves entrepreneurial activities.

McClelland (1961) proposed the Need for Achievement Theory which states that people who have a strong motivation to achieve success and to reach difficult objectives more likely to become entrepreneurs. This theory maintains that motivation is a fundamental role in the learning process the importance of the need for achievement to entrepreneurial behavior was explored. Those with high achievement tend to seek out novel opportunities and like to work independently where they are able to showcase their skills. Motivation is the key to success in youth entrepreneurship, can lead to a pursuit of financial independence, career success and personal satisfaction to promote entrepreneurship as an occupation to young people. Research in entrepreneurship literature suggests that the desire for success and personal satisfaction is among the motivational factors for entrepreneurship entrepreneurial intention is greatly influenced by ambition and achievement orientation youth (Nguyen et al., 2019; Wardana et al., 2020). Therefore, the Need for Achievement Theory offers good theory and insights into the link between motivation and the entrepreneurial intentions of youth.

The theory on risk-taking propensity was proposed and developed with the entrepreneurial personality scholars like Brockhaus (1980) and later by a number of entrepreneurship researchers have undertaken this research. According to this theory, entrepreneurs can be described as having a higher degree of the willingness to take risks with calculated risks is higher than that of non-entrepreneurs. Since entrepreneurship involves uncertainty, so those who are more risk tolerant are more likely to engage in entrepreneurial opportunities. Youth who are willing to accept uncertainty and potential failure tend to be more likely to pursue entrepreneurial opportunities, as they view risk as an opportunity barrier. Empirical research has demonstrated that risk perception and risk-taking behaviour are significant taking ability are more likely to engage in entrepreneurship affect entrepreneurial intention of the youths as the higher risk-taking ability of an individual is associated with higher entrepreneurial intention. The students of tolerance are more willing to do entrepreneurial activities (Ridha et al., 2017; Wardana et al., 2020). Based on this, the relationship between risk-taking and Risk-Taking Propensity Theory is justified, explain how individuals' willingness to accept risks relates to propensity and entrepreneurial intention uncertainty affects their entrepreneurial decision-making process.

House (1981) and others in the sociological and psychological literature have developed Social Support Theory behavioral research. This theory describes the mechanisms of emotional, informational and financial support, Individual attitudes and behaviors are shaped by from social networks. In entrepreneurship research, family environment is important as it is where family members can offer psychological to young people who want to become entrepreneurs, encouragement, finance and business knowledge are provided. A supportive family environment can reduce perceived barriers to starting a business and build the confidence of young people to engage in entrepreneurial activities. Previous research shows that family background, family business exposure and parental encouragement are all significant. The results showed that youth entrepreneurial intention plays a significant role in youth entrepreneurial intention (Martins et al., 2023; Zvarikova & Kacerauskas, 2017). Social Support Theory suggests that there is a connection between family and social support. This study aims to explain the influence of family encouragement and family business involvement on

entrepreneurial intention of women entrepreneurs; young people's entrepreneurial intentions are influenced by resources.

2.2. Empirical Review

2.2.1. Family Environment and Entrepreneurial Intention

The importance of family environment on the development of children's literacy has been well established. For youth entrepreneurial intention, families are the first social institution in which individuals develop values, attitudes, and career aspirations. A positive family climate can encourage young individuals to consider entrepreneurship as a viable career option by Emotional support, financial resources and exposure to business-related knowledge. Tong et al. (2011) stated that children who come from an entrepreneurial family or are encouraged by their parents are more likely to have entrepreneurial intentions. They found that family support is very important in influencing students' attitudes toward starting a business. In the same way, Zvarikova and Kacerauskas (2017) explored the social and economic factors that influence the university's entrepreneurial environment were factors that influenced entrepreneurial intention. It's also been found that the family background and the entrepreneurial environment in the university influenced entrepreneurial intention. The role of parents as an occupation is a significant factor which affects students' interest in entrepreneurship University students who come from families with entrepreneurial experience have positive attitudes towards business activities. Moreover, Bjekić et al. (2021) also noted that family influence plays a significant role in determining entrepreneurship intentions among university students since the family may motivate and mentor potential entrepreneurs. In the Nepalese case, family pressure is even more significant since most business enterprises operate in the framework of the family. Family support and the social environment have been seen by Pande et al. (2025) to have a great bearing on the empowerment of young people in Rupandehi District. Even though their work was about youth empowerment, the results can be seen as indicative of encouragement for entrepreneurship.

H1: Family environment positively influences entrepreneurial intention among youth.

2.2.2 Motivation and Entrepreneurial Intention

In addition, motivation is an important factor affecting entrepreneurial intention. Motivational factors include independence, financial success, personal achievement and self- fulfillment can inspire people to become entrepreneurs. Dioneo-Adetayo (2006) states that the motivational factors that drive the youth towards entrepreneurship include personal goal achievement and independence of economic generation. Motivated people will have good intentions for entrepreneurship because they see these as a contribution to their success and happiness.

Similarly, Nguyen et al. (2019) studied the entrepreneurial intention of young people in Vietnam found that motivation is a crucial component in defining the entrepreneurial behavior of young people aspirations. The study found that those who have high achievement motivation and positive attitudes towards entrepreneurship are more likely to think about starting their own businesses. In the same way, Wardana et al. (2020) which explored what factors contribute to youth entrepreneurship preparation in Indonesia highlight the major role of motivational aspects in shaping among young people their readiness and intention to take part towards entrepreneurial. Moreover, Alolaqi and Yusof (2022) pointed out that entrepreneurship can be used as a solution to youth unemployment, particularly in

developing countries. According to their study, students the most motivated to pursue career independence and economic opportunities will develop stronger entrepreneurial intentions. The results suggest that motivation is an important factor in the formation of the entrepreneurial attitude of the youth.
H2: Motivation positively influences youth entrepreneurial intention.

2.2.3. Risk-Taking Propensity and Entrepreneurial Intention

One of the most critical personality variables posited to relate to entrepreneurship is risk-taking propensity. An entrepreneur is all about uncertainty, financial risk, and potential failure; hence the more truly you are someone to take kind of a risk you are likely into entrepreneurship. Ridha et al. (2017) studied the entrepreneurial intention among young in the agribusiness sector in Indonesia and the people with a higher risk-taking propensity were more likely to be involved in agribusiness than people with a lower propensity.

The entrepreneurial intentions are indicated by higher tendencies. It was noted that risk tolerance promotes entrepreneurship and innovation. In the same way, Wardana et al. (2020) found that Risk-Taking Propensity is a major factor that affects the preparedness of youth for entrepreneurship. Their results show that youth who are willing to face uncertainty and accept challenges are more likely to start their own businesses. In addition, Steinbrink and Ströhle (2024) found that risk taking propensities of youths significantly influence their readiness to be entrepreneurs. But it shows that individuals that are ready to accept uncertainty and challenges will be more prone to start their own businesses. Steinbrink and Ströhle (2024) also identified another positive correlation between resilience and risk-taking attitudes in regard to entrepreneurial intentions for top athletes.

Entrepreneurs are more likely to be people who are used to dealing with uncertainty and pressure. Furthermore, Zanabazar and Jigjiddorj (2020) conducted a study on the entrepreneurial intentions of Mongolian university students and revealed that one of the key factors in entrepreneurial intention is risk taking behavior. One of the findings of the study was that people who were not afraid of uncertainty had higher entrepreneurial aspirations.

H3: Risk-taking propensity has a positive and significant effect on youth entrepreneurial intention.

2.2.4. Self-Concept and Entrepreneurial Intention

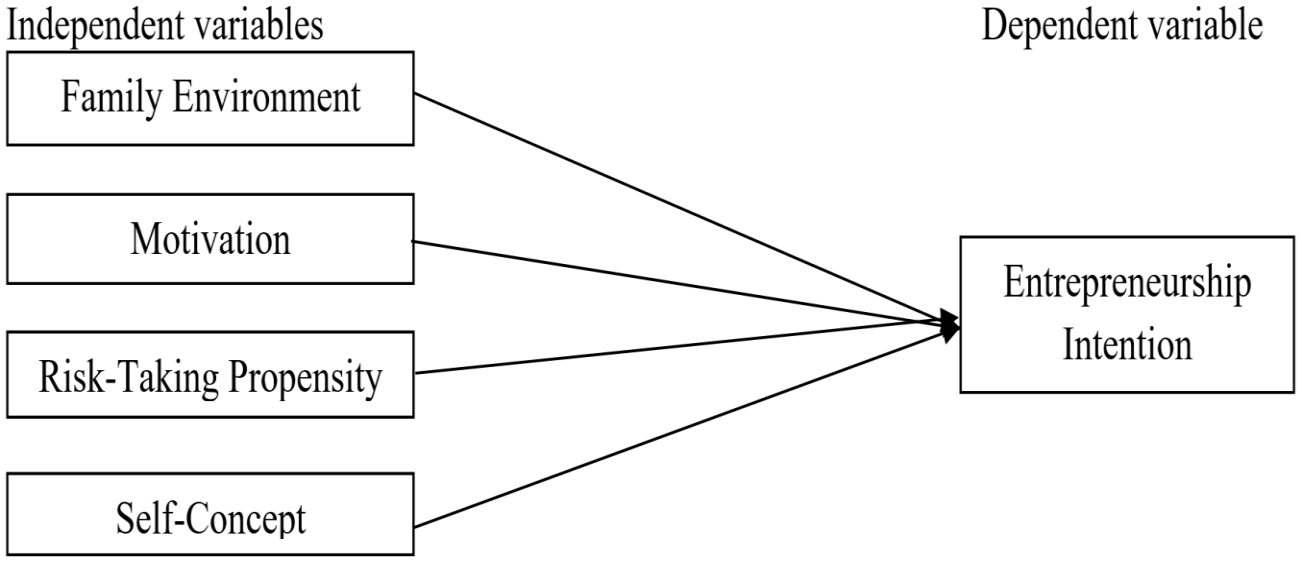
Self-concept is a person's idea of their own skills, self-assurance and self-competence in performing entrepreneurial tasks. People with high self-confidence and self-belief in themselves are more likely to be successful. Individuals with higher abilities are more readily inclined to take advantage of entrepreneurial opportunities. Sharma and Madan (2014) conducted a study on the entrepreneurial intention of youth in Uttarakhand, India and concluded that individual psychological factors like self-confidence and personal competence have significant role in entrepreneurial intention. According to their study, those who have self-efficacy are more likely to be entrepreneurs. The results of the study suggest that students with high entrepreneurial confidence level tend to develop entrepreneurial intentions. Chuayounan and Promnil (2024) discovered that factors associated with self-confidence and personal identity significantly influence the entrepreneurial intentions and plans of young people. On the other hand, Paudel et al. (2024) did a study analyzing the entrepreneurial intentions of

engineering students and determined that personality and self-confidence were vital predictors of students' entrepreneurial intentions. Individuals with high self-beliefs can detect and address business-related issues effectively.

H4: Self-concept positively influences youth entrepreneurial intention.

2.3. Research Framework

Figure 1: Research Framework



Note. Adapted from Herdjiono et al. (2017)

Figure 1 shows the conceptual framework of the study adapted from Herdjiono et al. (2017). The framework illustrates the relationship between the independent variables and the dependent variable. The framework suggests that the selected independent variables impact the dependent variable and helps explain how the changes in these factors affect the dependent variable. The framework provides the theoretical foundation for developing the hypotheses and investigating the relationships among the study variables.

3. Research Methodology

3.1. Research Design

This study used a quantitative, cross-sectional survey design to examine associations between family environment, motivation, risk-taking propensity, self-concept, and entrepreneurial intention. Because the data are observational and cross-sectional, the analyses do not establish causal effects or temporal order.

3.2. Population and sample size

The target population comprised young people aged 18-35 years living in Rupandehi District, including students, job seekers, and start-up entrepreneurs. The study reports 250 respondents recruited using convenience sampling. The stated 3-times-10 rule is a heuristic and does not, by itself, establish adequate statistical power or representativeness.

3.3. Sampling Technique

Respondents were recruited using non-probability convenience sampling. Recruitment focused on accessible students and other young people in Rupandehi District. This approach is practical but may introduce selection bias; findings should not be generalized statistically to all young people in the district or Nepal.

3.4. Nature and source of data and data collection Instruments

This study used quantitative primary data collected from young people aged 18-35 years in Rupandehi District. A structured questionnaire contained demographic questions and 25 measurement items covering family environment, motivation, risk-taking propensity, self-concept, and entrepreneurial intention. Items were measured on a seven-point Likert scale from 1 (strongly disagree) to 7 (strongly agree).

3.5. Data analysis tools

The data were coded, screened, and analyzed using SPSS and SmartPLS. Descriptive statistics summarized respondent characteristics. The measurement model was assessed using indicator loadings, internal consistency, composite reliability, AVE, HTMT, and the Fornell-Larcker criterion. The structural model was assessed using bootstrapped path coefficients and p-values, R-squared, and f-squared. IPMA and NCA were also conducted.

4. DATA ANALYSIS AND INTERPRETATION

4.1 Respondent's Profile

Table - *Respondent's Profile/ Descriptive statistics of participation*

Gender	**Frequency**	**Percentage**	**Family Occupation**	**Frequency**	**Percentage**
Female	142	56.8	Business	63	25.2
Male	108	43.2	Agriculture	48	19.2
			Services	94	37.6
Age	**Frequency**	**Percentage**	Others	45	18
Below 20	40	16			
21-25	103	41.2	**Family Monthly Income**	**Frequency**	**Percentage**
26-30	74	29.6	Below NPR 30000	37	14.8
Above 30	33	13.2	30000-60000	108	43.2
			60000-100000	64	25.6
Education Level	**Frequency**	**Percentage**	Above 100000	41	16.4
Inter	25	10			
Bachelor	125	50	**Do you have any family member involved in business**	**Frequency**	**Percentage**
Master	95	38	Yes	84	33.6
Others	5	2	No	166	66.4
Field of Study	**Frequency**	**Percentage**	**Participation in Entrepreneurship Training**	**Frequency**	**Percentage**
Management	124	49.6	Yes	70	28
Science / Technology	67	26.8	No	180	72
Humanities	23	9.2			
Others	36	14.4			

Current Status	Frequency	Percentage			
Student	128	51.2			
Employed	75	30			
Self-employed	32	12.8			
Unemployed	15	6			

Table 1 summarizes the 250 respondents. Women account for 56.8% of the sample, and the largest reported age group is 21-25 years (41.2%). Half of respondents hold a bachelor's degree, and 49.6% report a management field of study. Students comprise 51.2% of the sample. These figures describe the respondents and should not be treated as population estimates because convenience sampling was used.

4.2 Common Method Bias (CMB)

Table 2 - *Common Method Bias Assessment Using Full-Collinearity VIF*

	VIF
Entrepreneurship Intention -> Random Variable	3.468
Family Environment -> Random Variable	2.689
Motivation -> Random Variable	2.237
Risk-Taking Propensity -> Random Variable	2.004
Self-Concept -> Random Variable	3.726

Table 2 reports full-collinearity VIF values. All listed values are below 5.0, but the values for entrepreneurial intention (3.468) and self-concept (3.726, as reported in the text) exceed 3.3. These diagnostics alone do not demonstrate that common method bias is absent; the conclusion should be qualified and any procedural or additional statistical checks reported.

4.3 Measurement Items Assessment

Table 3 - *Assessment of scale items or Measurement model assessment*

Name	Outer loadings	VIF	Mean	Standard deviation
EIN1	0.91	4.589	5.5	1.578
EIN2	0.881	3.212	5.516	1.568
EIN3	0.94	3.429	5.524	1.552
EIN4	0.888	3.36	5.456	1.536
EIN5	0.925	3.999	5.54	1.627
FE1	0.88	3.045	4.912	1.554
FE2	0.91	3.884	4.996	1.663
FE3	0.902	3.633	4.908	1.731
FE4	0.902	3.567	4.98	1.696
FE5	0.885	3.149	5.196	1.72
MO1	0.873	3.389	5.192	1.514
MO2	0.91	4.576	5.452	1.494
MO3	0.918	4.192	5.348	1.553
MO4	0.91	4.043	5.412	1.534
MO5	0.873	3.052	5.272	1.685
RTP1	0.877	3.014	4.848	1.542

RTP2	0.877	3.138	4.716	1.563
RTP3	0.89	3.253	4.896	1.604
RTP4	0.861	2.904	4.684	1.61
RTP5	0.828	2.054	5.536	1.515
SC1	0.905	4.187	5.2	1.486
SC2	0.91	3.827	5.296	1.478
SC3	0.908	4.32	5.372	1.539
SC4	0.887	3.377	5.244	1.494
SC5	0.877	3.181	5.384	1.477

Table 3 reports outer loadings from 0.828 to 0.940, with all listed indicators above 0.70. The reported indicator-level VIF values are also below 5. These results support retaining the listed indicators under the stated guidelines; the values should be verified against the original SmartPLS output.

4.4. Quality Criteria Assessment

Table 4 - *Construct Reliability and Validity/ Inner Model Assessment/ Convergent Validity*

Variables	Cronbach 's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Entrepreneurship Intention	0.947	0.948	0.960	0.826
Family Environment	0.939	0.939	0.953	0.803
Motivation	0.939	0.940	0.954	0.805
Risk-Taking Propensity	0.917	0.919	0.938	0.751
Self-Concept	0.940	0.942	0.954	0.805

Table 4 reports Cronbach's alpha values from 0.917 to 0.947, rho_A values from 0.919 to 0.948, rho_C values from 0.938 to 0.960, and AVE values from 0.751 to 0.826. All AVE values exceed 0.50. However, the rho_C value for entrepreneurial intention (0.960) and the values for family environment, motivation, and self-concept (0.953-0.954) exceed the 0.95 upper guideline cited in the manuscript.

Table 5 - *Heterotrait-Monotrait (HTMT) ratio of correlation*

	Entrepreneurship Intention	Family Environment	Motivation	Risk-Taking Propensity	Self-Concept
Entrepreneurship Intention					
Family Environment	0.763				
Motivation	0.826	0.848			
Risk-Taking Propensity	0.790	0.783	0.832		
Self-Concept	0.889	0.796	0.872	0.848	

The HTMT values in Table 5 range from 0.763 to 0.889. All are below 0.90, but several exceed the stricter 0.85 guideline cited in the manuscript. The discriminant-validity conclusion should identify which threshold is applied and be qualified for the construct pairs above 0.85. HTMT assesses discriminant validity, not multicollinearity.

Table 6 - *Fornell-Larcker Criterion*

	Entrepreneurship Intention	Family Environment	Motivation	Risk-Taking Propensity	Self-Concept
Entrepreneurship Intention	**0.909**				
Family Environment	0.720	**0.896**			
Motivation	0.780	0.796	**0.897**		
Risk-Taking Propensity	0.741	0.728	0.774	**0.867**	
Self-Concept	0.841	0.747	0.818	0.790	**0.897**

The diagonal square-root AVE values in Table 6 exceed the corresponding off-diagonal construct correlations for each pair. The matrix therefore satisfies the Fornell-Larcker criterion as displayed. This criterion is one diagnostic and should be interpreted alongside the HTMT results, including pairs above 0.85.

4.5. Model Fit Indices

Table 7 - *Model Fit*

	Saturated model	Estimated model
SRMR	0.044	0.044
d_ULS	0.615	0.615
d_G	0.661	0.661
Chi-square	1011.923	1011.923
NFI	0.901	0.901

Table 7 reports SRMR = 0.044 and NFI = 0.901 for both the saturated and estimated models, as well as d_ULS = 0.615, d_G = 0.661, and chi-square = 1011.923. These values should be described as model-fit diagnostics; they do not by themselves establish explanatory or predictive performance.

Table 8 - *F-Square (Effect Size)*

	f-square	Effect Size
Family Environment -> Entrepreneurship Intention	0.013	Negligible effect
Motivation -> Entrepreneurship Intention	0.031	Small
Risk-Taking Propensity -> Entrepreneurship Intention	0.013	Negligible effect
Self-Concept -> Entrepreneurship Intention	0.289	Medium

Table 8 reports f-squared values of 0.013 for family environment, 0.031 for motivation, 0.013 for risk-taking propensity, and 0.289 for self-concept. Using the commonly applied 0.02, 0.15, and 0.35 benchmarks, family environment and risk-taking propensity have negligible effects, motivation has a small effect, and self-concept has a medium effect.

Table 9 - *R-square*

	R-square	R-square adjusted	Predictive Power
Entrepreneurship Intention	0.741	0.737	Moderate

Table 9 reports an R-squared of 0.741 and an adjusted R-squared of 0.737 for entrepreneurial intention. These values describe in-sample variance explained by the model; they do not, by themselves, establish out-of-sample predictive performance.

4.5.Structural Equation Model

Figure 2: Structural Model

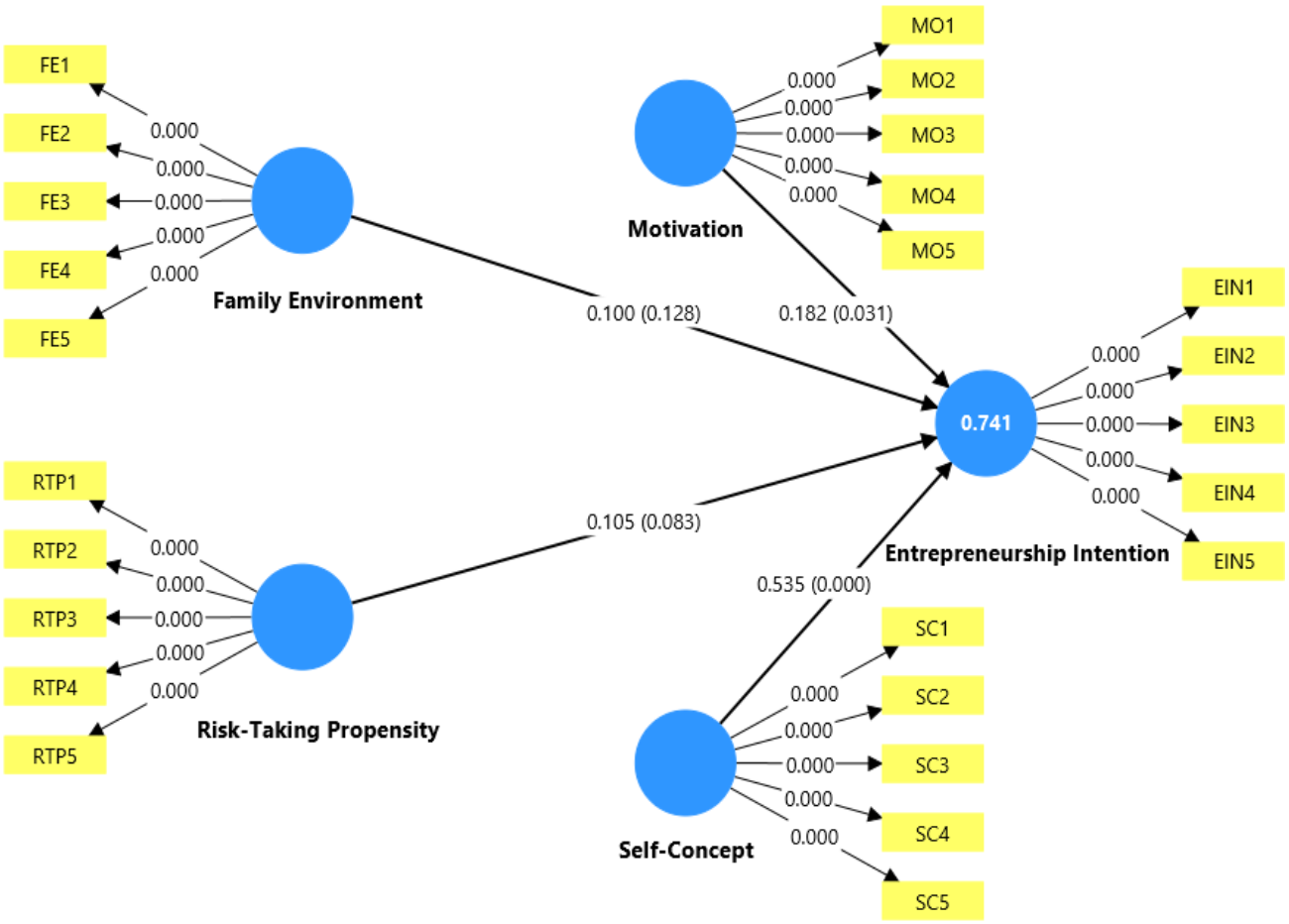


Table 10 - *Hypothesis Testing using Bootstrapping*

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Decision
H1: Family Environment -> Entrepreneurship Intention	0.100	0.099	0.066	1.522	0.128	Not accepted
H2: Motivation -> Entrepreneurship Intention	0.182	0.183	0.084	2.155	0.031	Accepted
H3: Risk-Taking Propensity -> Entrepreneurship Intention	0.105	0.105	0.061	1.733	0.083	Not accepted
H4; Self-Concept -> Entrepreneurship Intention	0.535	0.533	0.103	5.176	<0.001	Accepted

Table 10 reports two statistically significant positive paths at the 5% level: motivation (coefficient = 0.182, p = 0.031) and self-concept (coefficient = 0.535, p < 0.001). Family environment (coefficient = 0.100, p = 0.128) and risk-taking propensity (coefficient = 0.105, p = 0.083) are positive but not statistically significant at the 5% level. Thus, H2 and H4 are supported, while H1 and H3 are not supported.

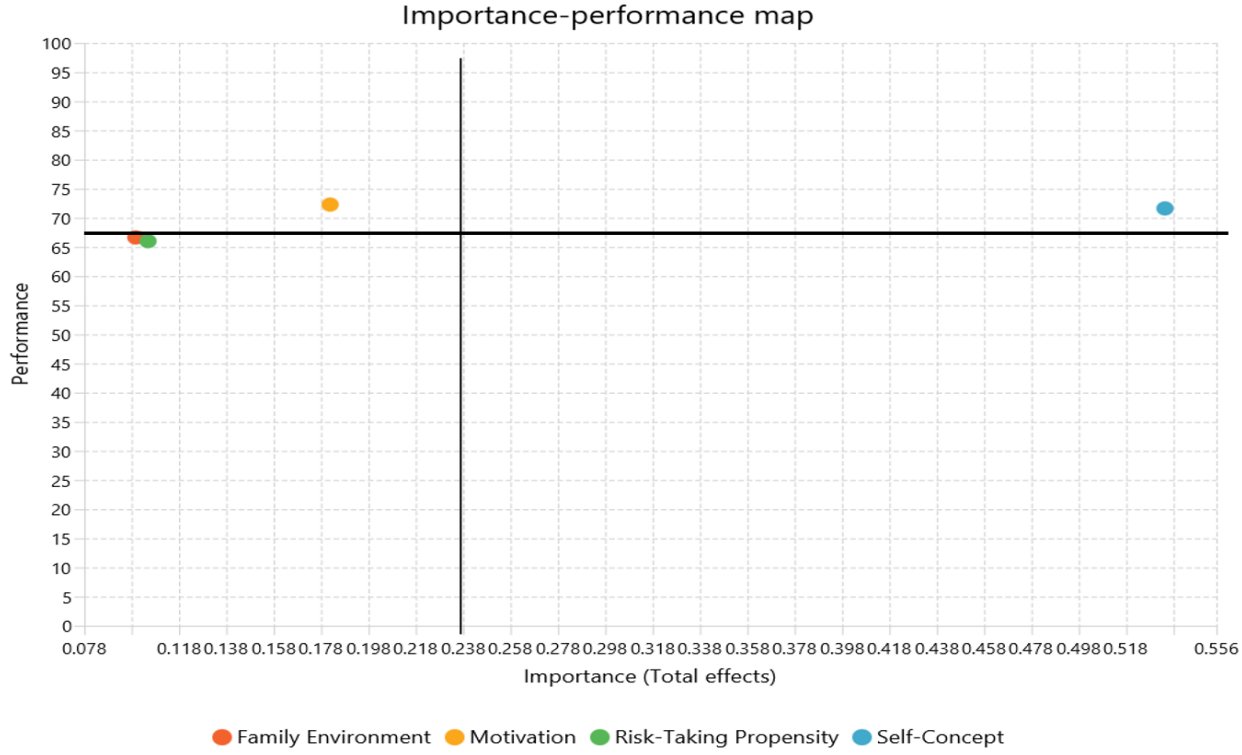
4.7 Importance Performance Map Analysis

Table 11 - *Importance Performance Map analysis (IPMA)*

	Performance	Importance
Family Environment	66.645	0.1
Motivation	72.282	0.182
Risk-Taking Propensity	66.011	0.105
Self-Concept	71.625	0.535
Mean	69.14075	0.2305

Table 11 reports the highest importance value for self-concept (0.535), followed by motivation (0.182), risk-taking propensity (0.105), and family environment (0.100). Self-concept has a reported performance score of 71.625, while motivation has the highest listed performance score (72.282). These IPMA values describe importance and performance in this sample and do not establish causal effects of interventions.

Figure 3: Importance-performance map



4.8: Necessary Condition Analysis (NCA)

Table 12 - *Bottlesneck Percentile*

Entrepreneurship Intention	LV scores - Family Environment	LV scores - Motivation	LV scores - Risk-Taking Propensity	LV scores - Self-Concept
0.000%	NN	NN	NN	NN
10.000%	NN	NN	NN	1.2%
20.000%	NN	NN	0.8%	1.2%
30.000%	NN	2.8%	2.8%	4%
40.000%	NN	2.8%	2.8%	6%
50.000%	NN	2.8%	2.8%	6%
60.000%	3.2%	2.8%	6%	6%
70.000%	3.2%	2.8%	6%	6%
80.000%	3.2%	4.4%	6%	6%

90.000%	8.4%	14.4%	14.8%	6%
100.000%	8.4%	18.4%	22.8%	13.2%

Table 12 reports NCA bottleneck values for the four conditions across target levels of entrepreneurial intention. For example, at the 50% target, motivation and risk-taking propensity are each reported at 2.8%, and self-concept at 6%; at the 100% target, the reported values are 8.4% for family environment, 18.4% for motivation, 22.8% for risk-taking propensity, and 13.2% for self-concept. These are the table's reported values; their substantive interpretation depends on the NCA scales and procedures, which should be stated.

5. DISCUSSION

This study examined associations between family environment, motivation, risk-taking propensity, self-concept, and entrepreneurial intention among young people in Rupandehi District. Motivation (coefficient = 0.182, $p = 0.031$) and self-concept (coefficient = 0.535, $p < 0.001$) were positively associated with entrepreneurial intention. Family environment (coefficient = 0.100, $p = 0.128$) and risk-taking propensity (coefficient = 0.105, $p = 0.083$) were positive but not statistically significant at the 5% level. Self-concept had the largest path coefficient and IPMA importance value. Given the cross-sectional convenience sample, these findings are associations and should not be interpreted causally or generalized to the broader population. Self-concept has a medium f-squared effect (f-squared = 0.289) young people of Rupandehi District than environmental factors.

6. CONCLUSION AND IMPLICATION

6.1. Conclusion

This study examined factors associated with entrepreneurial intention among 250 young people in Rupandehi District. Motivation and self-concept had positive, statistically significant paths in the reported model, whereas family environment and risk-taking propensity did not reach statistical significance at the 5% level. Self-concept had the largest reported path coefficient, and the model R-squared was 0.741. Because the study used a cross-sectional design and convenience sampling, the findings should be interpreted as sample-specific associations rather than causal effects or representative estimates.

6.2 Implication

The findings suggest that policymakers, educational institutions, and entrepreneurship-development organizations may consider initiatives that build entrepreneurial confidence and motivation among young people. Possible approaches include experiential learning, mentoring, incubation, and skills development. These recommendations should be treated as implications for consideration, not as interventions whose effectiveness was established by this cross-sectional study.

7. LIMITATIONS AND FUTURE DIRECTION

This study has several limitations. It was conducted in Rupandehi District and used convenience sampling, so the sample may not represent young people elsewhere or the wider population. The cross-sectional design captures perceptions at one point in time and does not establish causal relationships or changes in intention over time. The model includes four predictors, while other potentially relevant factors were not examined. The measurement and NCA results should also be interpreted in light of the reporting questions identified above.

Future studies could use probability sampling and include participants from additional districts and rural and urban settings. Longitudinal designs could examine how intentions develop and whether they are followed by entrepreneurial action. Further research could also test additional factors, such as entrepreneurship education, access to finance, government support, digital literacy, innovation capability, social networks, and entrepreneurial self-efficacy.

8. REFERENCES

- Ajzen, I. (2002). Perceived behavioral control, self-efficacy, locus of control, and the theory of planned behavior 1. *Journal of applied social psychology*, *32*(4), 665-683.
- Alolaqi, S. A., & Yusof, R. B. (2022). Youth Unemployment and Role of Entrepreneurship: Factors Influencing Students' Entrepreneurial Intention. *Global Business & Management Research*, *14*.
- Al-Qadasi, N., Zhang, G., Al-Awlaqi, M. A., Alshebami, A. S., & Aamer, A. (2023). Factors influencing entrepreneurial intention of university students in Yemen: The mediating role of entrepreneurial self-efficacy. *Frontiers in psychology*, *14*, 1111934.
- Bentler, P. M., & Bonett, D. G. (1980). Significance Tests and Goodness-of-Fit in the Analysis of Covariance Structures, *Psychological Bulletin*, 88: 588-600.
- Bhattarai, A. (2025). Factors Affecting Entrepreneurship Intention of Tribhuvan University Students of Butwal Sub-Metropolitan City. *The Lumbini Journal of Business and Economics*, *12*(2), 292-307.
- Bjekić, R., Jelača, M. S., Berber, N., & Aleksić, M. (2021). Factors affecting entrepreneurial intentions of faculty students. *Management: Journal of Sustainable Business and Management Solutions in Emerging Economies*, *26*(2), 1-14
- Bland, J. M., & Altman, D. G. (1997). Statistics notes: Cronbach's alpha. *Bmj*, *314*(7080), 572.
- Bollen, K. A., & Stine, R. A. (1992). Bootstrapping Goodness-of-Fit Measures in Structural Equation Models. *Sociological Methods & Research*, 21(2): 205-229.
- Bouichou, E. H., Abdoulaye, T., Allali, K., Bouayad, A., & Fadlaoui, A. (2021). Entrepreneurial intention among rural youth in Moroccan agricultural cooperatives: The future of rural entrepreneurship. *Sustainability*, *13*(16), 9247.
- Carr, J. C., & Sequeira, J. M. (2007). Prior family business exposure as intergenerational influence and entrepreneurial intent: A theory of planned behavior approach. *Journal of business research*, *60*(10), 1090-1098.
- Chen, C. C., Greene, P. G., & Crick, A. (1998). Does entrepreneurial self-efficacy distinguish entrepreneurs from managers?. *Journal of business venturing*, *13*(4), 295-316.
- Chuayounan, S., & Promnil, N. (2024). How psychological factors influence the cultural entrepreneurship intention of Thai youth. *Cogent Social Sciences*, *10*(1), 2443560.
- Cohen, J. (1988). Set correlation and contingency tables. *Applied Psychological Measurement*, *12*(4), 425–434.
- Dioneo-Adetayo, E. A. (2006). Factors influencing attitude of youth towards entrepreneurship. *International Journal of Adolescence and Youth*, *13*(1-2), 127-145.
- Fornell, C. and Larcker, D.F. (1981) 'Evaluating structural equation models with unobservable variables and measurement error', *Journal of Marketing Research*, 18(1), pp. 39–50.
- Gaire, S., & Upadhyaya, T. P. (2023). Entrepreneurial intention of management graduates. *The Lumbini Journal of Business and Economics*, *11*(1), 59-73.
- Ghimire, S. R., & Chaudhary, D. K. (2021). Challenges and prospects of entrepreneurship development and job creation for youth: A case study of Birgunj, Nepal. *Interdisciplinary Journal of Management and Social Sciences*, *2*(1), 187-204.
- Hair Jr, J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use. *International Journal of Multivariate Data Analysis*, *1*(2), 107-123.

- Hair Jr, J. F., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use. *International Journal of multivariate data analysis*, *1*(2), 107-123.
- Hair, J. F., Ringle, C. M., & Sarstedt, M. (2013). Partial least squares structural equation modeling: Rigorous applications, better results and higher acceptance. *Long Range Planning*, *46*(1–2), 1–12.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European Business Review, 31*(1), 2–24.
- Hair, J. F., Risher, J. J., Sarstedt, M., & Ringle, C. M. (2019). When to use and how to report the results of PLS-SEM. *European business review*, *31*(1), 2-24.
- Hair, J., &Alamer, A. (2022). Partial Least Squares Structural Equation Modeling (PLS-SEM) in second language and education research: Guidelines using an applied example. *Research Methods in Applied Linguistics*, *1*(3), 100027.
- Hair, J.F., Hult, G.T.M., Ringle, C.M. and Sarstedt, M. (2022) *A Primer on Partial Least Squares Structural Equation Modeling (PLS-SEM)*. 3rd edn. Thousand Oaks, CA: Sage.
- Hair, J.F., Hult, G.T.M., Ringle, C.M., Sarstedt, M., Danks, N.P. and Ray, S. (2022) *Partial Least Squares Structural Equation Modeling (PLS-SEM) Using R: A Workbook*. Cham: Springer.
- Henseler, J., Ringle, C. M., & Sarstedt, M. (2015). A new criterion for assessing discriminant validity in variance-based structural equation modeling. *Journal of the Academy of Marketing Science*, *43*, 115–135.
- Hu, L., & Bentler, P. M. (1998). Fit indices in covariance structure modeling: Sensitivity to underparameterized model misspecification. *Psychological Methods*, *3*(4), 424.
- Hutasuhut, S., Thamrin, T., & Aditia, R. (2023). Factors affecting students' entrepreneurial intentions and their differences based on gender, tribe, and parents' occupation: a cross-sectional study. *F1000research*, *10*, 438.
- Karabulut, A. T. (2016). Personality traits on entrepreneurial intention. *Procedia-Social and Behavioral Sciences*, *229*, 12-21.
- Kock, N. (2015). Common method bias in PLS-SEM: A full collinearity assessment approach. *International Journal of e-Collaboration (ijec)*, *11*(4), 1-10.
- Kurniaty, D., Subagio, A., Yuliana, L., Ridwan, S., & Fairuz, H. (2023). *Factors Influencing the Young Entrepreneurs to Implement Green Entrepreneurship. 526â€“534*.
- Liñán, F., & Chen, Y. W. (2009). Development and cross–cultural application of a specific instrument to measure entrepreneurial intentions. *Entrepreneurship theory and practice*, *33*(3), 593-617.
- Liñán, F., Rodríguez-Cohard, J. C., & Rueda-Cantuche, J. M. (2011). Factors affecting entrepreneurial intention levels: a role for education. *International entrepreneurship and management Journal*, *7*(2), 195-218.
- Maheshwari, G., Kha, K. L., & Arokiasamy, A. R. A. (2023). Factors affecting students' entrepreneurial intentions: a systematic review (2005–2022) for future directions in theory and practice. *Management Review Quarterly*, *73*(4), 1903-1970.
- Martins, J. M., Shahzad, M. F., & Xu, S. (2023). Factors influencing entrepreneurial intention to initiate new ventures: Evidence from university students. *Journal of Innovation and Entrepreneurship*, *12*(1), 63.
- Nguyen, A. T., Do, T. H. H., Vu, T. B. T., Dang, K. A., & Nguyen, H. L. (2019). Factors affecting entrepreneurial intentions among youths in Vietnam. *Children and Youth Services Review*, *99*, 186-193.
- Pande, S., Bhattarai, P. C., & Gautam, S. (2025). Factors affecting adolescent and youth girls' empowerment: a survey of selected areas of Rupandehi District. *International Journal of Adolescence and Youth*, *30*(1), 2474038.

- Paudel, S., Gautam, D. K., & Regmi, I. (2024). Entrepreneurial Intention among Engineering Students: The Role of Attitude, Personality and Demographics. *Journal of Science and Technology*, *4*(2), 116-140.
- Podsakoff, P. M., MacKenzie, S. B., Lee, J. Y., & Podsakoff, N. P. (2003). Common method biases in behavioral research: a critical review of the literature and recommended remedies. *Journal of applied psychology*, *88*(5), 879.
- Ridha, R. N., Burhanuddin, & Wahyu, B. P. (2017). Entrepreneurship intention in agricultural sector of young generation in Indonesia. *Asia pacific journal of innovation and entrepreneurship*, *11*(1), 76-89.
- Saari, U. A., Damberg, S., Frömbling, L., & Ringle, C. M. (2021). Sustainable consumption behavior of Europeans: The influence of environmental knowledge and risk perception on environmental concern and behavioral intention. *Ecological Economics*, *189*, 107155.
- Sambo, W. (2016). Factors affecting youth entrepreneurship development within Kibera, Kenya: the perspective of entrepreneurship education. *Problems and Perspectives in Management*, *14*(2), 331-338.
- Sambo, W. (2016). Factors affecting youth entrepreneurship development in Kibera district, Kenya. *Problems and Perspectives in Management*, *14*(3), 154-161.
- Sarstedt, M., Ringle, C. M., Smith, D., Reams, R., & Hair Jr, J. F. (2014). Partial least squares structural equation modeling (PLS-SEM): A useful tool for family business researchers. *Journal of Family Business Strategy*, *5*(1), 105–115.
- Sarstedt, M., Ringle, C.M., Hair, J.F. (2017). *Treating Unobserved Heterogeneity in PLS-SEM: A Multi-method Approach*. In: Latan, H., Noonan, R. (eds) Partial Least Squares Path Modeling. Springer, Cham. Heidelberg, Germany.
- Shane, S., Locke, E. A., & Collins, C. J. (2003). Entrepreneurial motivation. *Human resource management review*, *13*(2), 257-279.
- Steinbrink, K. M., & Ströhle, C. (2024). The entrepreneurial intention of top athletes—does resilience lead the way? *International Entrepreneurship and Management Journal*, *20*(2), 607-629.
- Stewart Jr, W. H., & Roth, P. L. (2001). Risk propensity differences between entrepreneurs and managers: A meta-analytic review. *Journal of applied psychology*, *86*(1), 145.
- Taha, K. A. S., Ramlan, S. N., & Noor, I. M. (2017). The factors affecting entrepreneurial intentions of university students in Malaysia. *International Journal of Business and Technopreneurship*, *7*(2), 189-202.
- Tong, X. F., Tong, D. Y. K., & Loy, L. C. (2011). Factors influencing entrepreneurial intention among university students. *International journal of social sciences and humanity studies*, *3*(1), 487-496
- Wardana, L. W., Handayati, P., Narmaditya, B. S., Wibowo, A., Patma, T. S., & Suprajan, S. E. (2020). Determinant factors of young people in preparing for entrepreneurship: Lesson from Indonesia. *The Journal of Asian Finance, Economics and Business*, *7*(8), 555-565.
- Yu, T. L., & Wang, J. H. (2019). Factors affecting social entrepreneurship intentions among agricultural university students in Taiwan. *International Food and Agribusiness Management Review*, *22*(1), 107-118.
- Zanabazar, A., & Jigjiddorj, S. (2020). The factors effecting entrepreneurial intention of university students: case of Mongolia. In *SHS Web of Conferences* (Vol. 73, p. 01034). EDP Sciences.
- Zhao, H., Seibert, S. E., & Hills, G. E. (2005). The mediating role of self-efficacy in the development of entrepreneurial intentions. *Journal of applied psychology*, *90*(6), 1265.
- Zvarikova, K., & Kacerauskas, T. (2017). Social and economic factors affecting the entrepreneurial intention of university students. *Transformations in Business & Economics*, *16*(3), 220-239.