



Perception of Entrepreneurial Ecosystem Factors: Comparison among Students and Entrepreneurs

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ABSTRACT

The entrepreneurial ecosystem refers to the dynamic interplay of socioeconomic factors that enable entrepreneurs to establish and expand their businesses. The degree of entrepreneurial activity is heavily influenced by how entrepreneurs perceive this ecosystem. This research examines the perceptions of such ecosystems in Nepal. Specifically, the study investigates the differences in understanding entrepreneurial ecosystem factors between students and entrepreneurs. To accomplish this, a survey consisting of a set of questions was administered to 343 students and 158 entrepreneurs. It was observed that, compared to students, entrepreneurs rated significantly lower in all the ecosystem factors except for entrepreneurial capabilities. An independent samples t-test result showed a significant difference in the perception of the entrepreneurship ecosystem factors among students and entrepreneurs, except for social-cultural support. The study suggested that a high level of entrepreneurial ecosystem development is not required to influence entrepreneurial activity; improvement in some factors, such as family and social support, skill-building education, and training, might increase entrepreneurial intentions.

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INTRODUCTION

Entrepreneurship consistently garners considerable attention from business scholars and professionals due to its vital role in today's economy. Entrepreneurship can be described as the act of creating new ventures, developing original business ideas, or generating fresh value within an established company (Bird, 1988). The domain of entrepreneurship acts as an economic stimulant to bring innovation, creativity, and competitiveness (Rahman et al., 2023). Entrepreneurship contributes to the creation of income and earnings, job creation, infrastructure development, and the promotion of economic growth (Colombo et al., 2019). Entrepreneurship is widely recognized as a promising avenue for attaining financial autonomy and driving economic advancement through job creation, innovation, and growth. (Doran, McCarthy & O'Connor, 2018). Entrepreneurship is a crucial force in attaining sustainable growth and addressing the issues related to sustainable development (Gatti et al., 2019).

Given that the students are the prospective entrepreneurs of tomorrow, an increasing number of Nepali universities now provide courses and programs in entrepreneurship. Entrepreneurs are also taking short term courses to help them understand the complexities of business world. Researchers have been investigating the factors that stimulate the establishment of new businesses and encourage individuals to become entrepreneurs. The rationale behind this extensive research is the need for more entrepreneurs who are the agents of job creation and economic growth.

In light of the mounting global concerns in economic, social, and environmental spheres, commonly referred to as "grand challenges" (Audretsch et al., 2022), entrepreneurs play a vital role in addressing these issues through innovative solutions (Volkman et al., 2019). In order to aid in entrepreneurial efforts, a supportive entrepreneurial ecosystem is necessary. Entrepreneurial ecosystem (EE) can boost entrepreneurial activity, which in turn can lead to regional economic growth and advancement. Nevertheless, even with the growing understanding of this domain, the majority of research on EE mainly concentrates on western ecosystems in the European Union and the United States (Audretsch 2019). There is comparatively limited data on EE in emerging economies (Cao & Shi, 2021).

This EE is comprised of various components, including people,

organizations, government, society, and support systems, which work together to foster the growth and development of businesses. EE aim to foster high-growth entrepreneurship by uniting diverse participants in a community (Wurth et al, 2022). The perception that potential and current entrepreneurs have about the EE is likely to influence their decision to pursue entrepreneurial activities (Neill and York, 2012; Shinnar et al., 2012). A study was conducted using a perception-based cross-sectional survey of 343 students and 158 entrepreneurs, using a 7-point Likert scale with 25 items, in order to investigate their perceptions of seven factors of the entrepreneurship ecosystem and how they affect entrepreneurial activity.

LITERATURE REVIEW

Entrepreneurial Ecosystem (EE)

An EE is a network of various factors that impact entrepreneurial activity and encompasses multiple levels that coexist and evolve simultaneously (O’Kane et al; 2021). Macro-level is characterized by EE, while the meso-level represents the entrepreneurial support ecosystem, and the micro level refers to the business incubation environment. Isenberg (2010) emphasizes the importance of understanding the six different domains of the entrepreneurial ecosystem, including Support Institutions, Human Resources, Markets, Public Policies, Financial Capital, and culture. The author suggests that all these domains should be taken into consideration to strengthen the entrepreneurial ecosystem and promote entrepreneurship within its framework. This ecosystem provides a framework that supports the creation and growth of businesses. These ecosystems facilitate entrepreneurship through the establishment of sophisticated financial service systems that provide access to technological advancements, venture funding, robust infrastructure, and enhanced research and development activities (Acs et al., 2017). Nevertheless, emerging and underdeveloped entrepreneurial ecosystems in developing and underdeveloped nations, for example, the Nepali ecosystem examined in this study, are deprived of such opportunities and assistance for entrepreneurial pursuits (Khieng et al., 2019).

As the EE is context-specific, it is vital to understand each component's role in the development of entrepreneurship. Therefore, the study investigated the perceptions of the entrepreneurship ecosystem factors, i.e., entrepreneurial capabilities, socio-cultural support, government support,

access to finance, physical infrastructure support, access to information, education and training, support for internationalization on entrepreneurial intention.

Entrepreneurial Perception

Perceptions refer to the mental image's individuals create in their minds based on the physical environment they experience through their senses ((Liñán et al., 2011). These mental representations are captured and processed by their minds. Due to the presence of high uncertainty and time constraints in their work environments, entrepreneurs are susceptible to several cognitive biases, which can impact their perceptions significantly. Entrepreneurs frequently operate in circumstances and face factors that may lead to a reduction in their rational decision-making abilities (Baron, 1988). Perception of entrepreneurship plays a crucial role in determining entrepreneurial success. The way a person perceives entrepreneurship can lay the groundwork for them to become an entrepreneur long before they actually make a decision to pursue it (Brijlal, 2010). The effectiveness of the ecosystem plays a crucial role in determining who becomes an entrepreneur and their understanding of those factors influences their perception and ultimately their decision-making.

Students' views and perceptions towards entrepreneurship are largely influenced by their immediate social, cultural, and academic environment (Bosma et al., 2012). As a result, the outlooks and behaviors of young people, including recent graduates, are shaped by a mix of personal and environmental factors. These factors impact the decisions they make.

METHODOLOGY

Descriptive analysis, an independent samples t-test, and the ANOVA test were implemented in SPSS version 20.0 to determine the differences among students and entrepreneurs. The t-test was used to analyze the relationship between age, marital status, and gender with the entrepreneurship ecosystem dimension. Additionally, a t-test was applied to test whether there were significant differences between the perceptions of entrepreneurs and students on seven dimensions of ecosystem factors. Similarly, an ANOVA test was implemented to test the differences in perception between different age groups. The mean score of students and entrepreneurs were presented in

the line chart.

This research used Entrepreneurship ecosystem instrument framework. This instrument is a questionnaire that includes 25 items based on the Entrepreneurial Framework Condition (EFC) developed by GEM researchers. It uses a 7-point Likert scale to measure responses ranging from strongly disagree to strongly agree. Various researchers have used this tool to study the entrepreneurship ecosystem (Levie & Autio, 2011; Thomas, & Thomas, 2013; Valliere, 2008). Compared to other frameworks, GEM has advantages due to its simple theoretical model, longevity characteristics, and established validity (Bergmann & Sternberg, 2007). The questionnaire was modified for the specific context by subject matter experts, who removed, merged, or reworded certain items for clarity and relevance. The questionnaire assesses seven factors, including entrepreneurial capabilities, socio-cultural support, government support, access to finance, physical infrastructure support, access to information, education, and training, and support for internationalization.

Descriptive analysis, an independent sample T-test and the ANOVA test were implemented in SPSS 20 to determine the differences among students and entrepreneurs. T-test has been used to analyze the relationship between the age, marital status, and gender with the entrepreneurship ecosystem dimension. Also, to test whether there are significant different between the perception among entrepreneur and students on seven dimensions of ecosystem factors, t- test has been applied.

DATA ANALYSIS AND RESULTS

Difference among Students and Entrepreneurs

Figure 1 showed a comparative view of a different dimension of the ecosystem among students and entrepreneurs. Both entrepreneurs and students had rated their entrepreneurial capabilities on the higher side; social culture support and government support were rated average by students, whereas entrepreneurs rated it average below. It showed that students and entrepreneurs' perception is not favorable towards government support in developing entrepreneurial activities. Socio-culture support (mean average 4.11- S, 3.97- E), physical infrastructure support (mean average 4.00- S, 3.65- E), access to information, education, and training (mean average 4.28- S,

3.94- E) were rated on average by students, whereas entrepreneurs rated them lower than average.

In comparison to students, entrepreneurs rated lower all the ecosystem factors except for entrepreneurial capabilities. It is not surprising to see that entrepreneurs and students rated capabilities higher than perceived support systems; this phenomenon is explained by Manimala et al. (2014) as self-serving bias. Entrepreneurs attribute the negative outcomes to the situational factors and positive outcome to one own's actions. In contrast, students are inclined to hold the actors responsible for unfavorable consequences and credit external factors for success. Based on this theoretical background, we hypothesized that non-entrepreneurs (students), on average, saw the ecosystem as more conducive to successful entrepreneurship than founders (entrepreneurs) themselves.

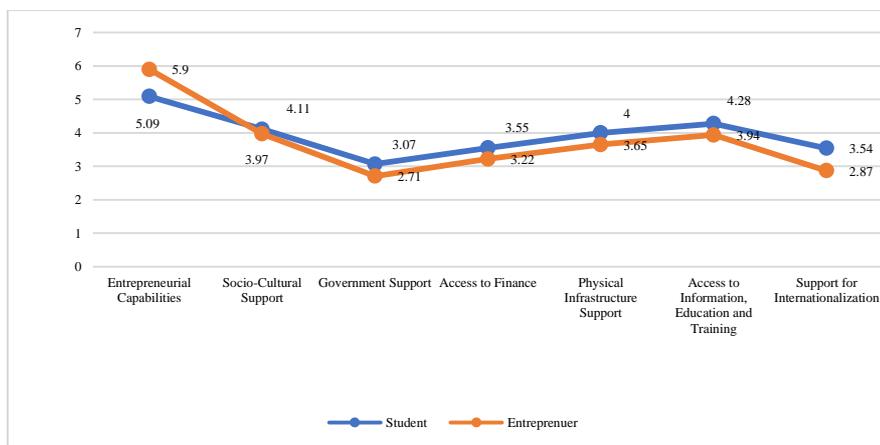


Figure 1: Respondent’s Perception of Ecosystem Factors

A t-test analysis presented in Table 1 showed a significant difference in the perception of the entrepreneurship ecosystem among students and entrepreneurs except for social culture support ($p= 0.174$) at a 95% confidence interval. In all the factors, entrepreneurs' perception was low than students; this phenomenon has been explained in terms of perceptual bias “grass is greener on the other side” (Corno et al., 2015, p. 135). On the other side, entrepreneurs have well experienced and might be able to interact with the support system, thus as per their experience, they had rated low. It indicates that generally, the support system is not able to support entrepreneurs.

The difference in perception between students and entrepreneurs was statistically significant for entrepreneurial capabilities ($p=0.000$), government support ($p=0.002$), access to finance (0.003), physical infrastructure support ($p=0.014$), access to information, education and training (0.004), and support for internalization ($p=0.000$) and not statistically significant on social culture support. Thus, it concluded that there was no significant difference between perception towards entrepreneurship ecosystem factors among students and entrepreneurs.

Table 1: Perception of the Dimension of the Entrepreneurship Ecosystem
Ecosystem Factors Students – S, Entrepreneurs- E

Ecosystem Factors		N	Mean	SD	t	Df	Sig
Entrepreneurial Capabilities	S	343	5.09	1.01	-7.92	289	.0000
	E	158	5.90	1.07			
Socio-Cultural Support	S	343	4.11	1.11	1.36	297	0.174
	E	158	3.97	1.14			
Government Support	S	343	3.07	1.17	3.09	304	0.002
	E	158	2.71	1.18			
Access to Finance	S	343	3.55	1.15	2.99	307	0.003
	E	158	3.22	1.14			
Physical Infrastructure Support	S	343	4.00	1.47	2.46	302	0.014
	E	158	3.65	1.12			
Access to Information, Education, and Training	S	343	4.28	1.17	2.91	289	0.004
	E	158	3.94	1.24			
Support for Internationalization	S	343	3.54	1.31	5.27	305	0.000
	E	158	2.87	1.31			

The perceived entrepreneurial capabilities were significant among students and entrepreneurs. Both the respondents showed high entrepreneurial capabilities. This observation can be explained as a self-serving bias (Rogoff et al., 2004). They are more confident in their skills and knowledge to find new opportunities and take the risk of growth. Socio-culture environment influence the individual's personality and affects the behavior. Individual belief, values, family background, culture is part of the socio-cultural environment. While research studied whether there is a difference in perception towards the socio-cultural environment, there was no significant difference in perception among entrepreneurs and students. Entrepreneurs and students rated individual capabilities higher than the perceived support system. The results indicated that students and entrepreneurs had perceived government support as the least favorable factor in the ecosystem in

promoting entrepreneurial activity in the country. Students rated high (Mean=3.07) than entrepreneurs (Mean= 2.71), but both were below average. The difference was statistically significant. Despite the government intervention through different programs and policies, the perceived support from the government's role is negative. The possible reason is the developed government policies and schemes, and the program is not aligning with what entrepreneurs required. Policies were developed without understating the needs of potential entrepreneurs. Another possible reason might be the government policy is narrow-focused and tries to provide top-down solutions. There are an excessive bureaucracy and centralized control mechanism which might be affecting entrepreneurship development in the county. Access to finance was poorly rated by both the students (mean= 3.55) and entrepreneurs (mean=2.71), which was statistically significant. The study resulted in perceived government subsidies for new and growing firms that are less favorable, whereas family/friends' role is highlighted more favorably. This study revealed that physical infrastructure was not favorable to entrepreneurship development. Most of the respondents believe that they can afford the necessary infrastructure, but there was a lack of adequate access to basic infrastructure like electricity, water, broadband services. It showed that entrepreneurs are not getting basic services like transportation, communication services, working space at an affordable price. The presence of required infrastructure can stimulate potential business opportunities, as well as the capability of aspiring entrepreneurs to take advantage of these opportunities by establishing a new company (Woolley, 2013). Students showed a highly favorable perception of access to information, education, and training than entrepreneurs, which was statistically significant. It might be because they are enrolled in the business program and had taken entrepreneurship-related courses to be aware of the entrepreneurship process. The result displayed that students and entrepreneurs both show negative perceptions towards support systems for internationalization, which was statistically significant. The government agencies' support in facilitating new firms' entry into domestic and international markets is very low. There is no easy access to the resources like information, skills, and funding required for internationalization.

Difference among the Subgroups

The subgroups common among the entrepreneurs and students are gender, age and marital status. Table 2, 3 shows the perceptual differences

among the subgroup on gender and marital status. Table 4 and 5 shows age based perceptual differences among students and entrepreneurs respectively.

Table 2 presented a detailed analysis of the gender-based difference in perception among students and entrepreneurs. There was a significant difference between male and female students about their entrepreneurial capabilities ($t = -4.21, p = 0.000$), whereas there was no significant difference between male and female entrepreneurs. Among seven factors, male students showed a more favorable perception of all the factors except for internalization support. There was significant difference on access to finance ($t = -2.01, p = 0.045$), physical infrastructure support ($t = -2.84, p = 0.005$) among male and female students, other factors were not statistically significant. This result showed that the perception towards entrepreneurship ecosystem factors is rated higher by male students.

Among the entrepreneur sub-groups, entrepreneurial capabilities, physical infrastructure support, access to information, education and training support was not statistically significant, whereas social-culture support ($t = 2.75, p = 0.008$), government support ($t = -0.37, p = 0.029$), access to finance ($t = 2.38, p = 0.0210$) were statistically significant among male and female entrepreneurs. Among seven-factor, the male showed a highly favorable perception of entrepreneurial capabilities and physical infrastructure support. In other factors, females had a highly favorable perception. It seems that gender influences the perception of entrepreneurs' ecosystem factors among students and entrepreneurs.

Table 2: Gender-based Difference in Perception

Ecosystem Factors	Gender Difference						
		N	Mean	SD	t	df	Sig
Entrepreneurial Capabilities	Female	178	4.88	0.96	-4.21	336	.000
	Male	165	5.33	1.01			
	Female	38	5.86	0.91	-0.27	76	0.787
	Male	120	5.91	1.12			
Socio-Cultural Support	Female	178	4.11	1.04	0.01	327	.996
	Male	165	4.11	1.19			
	Female	38	4.39	1.09	2.75	64	0.008
	Male	120	3.83	1.13			
Government Support	Female	178	3.03	1.08	-0.48	324	0.632
	Male	165	3.09	1.27			
	Female	38	3.06	1.09	-0.73	2.23	0.029

		Male	120	2.60	1.19			
Access to Finance	S	Female	178	3.43	1.07	-2.01	327	0.045
		Male	165	3.68	1.22			
	E	Female	38	3.61	1.15	2.38	61	.0210
		Male	120	3.10	1.11			
Physical Infrastructure Support	S	Female	178	3.79	1.39	-2.84	334	0.005
		Male	165	4.23	1.50			
	E	Female	38	3.58	1.30	-0.381	73	0.705
		Male	120	3.68	1.53			
Access to Information, Education, and Training	S	Female	178	4.19	1.04	-1.49	316	0.138
		Male	165	4.38	1.28			
	E	Female	38	4.00	1.10	0.205	71	0.838
		Male	120	3.93	1.28			
Support for Internationalization	S	Female	178	3.58	1.23	0.59	328	0.553
		Male	165	3.49	1.40			
	E	Female	38	3.29	1.14	2.489	72	0.015
		Male	120	2.74	1.33			

Table 3 shows that there was no significant relationship between married and unmarried for the following dimensions on both groups of respondents: entrepreneurial capabilities, socio-culture support, government support, access to finance, and support for internalization. The availability of physical infrastructure support among a subgroup of students and entrepreneurs was statistically significant, and unmarried students showed a positive perception towards it; in contrast, married entrepreneurs showed a positive perception of infrastructure support availability.

Out of seven factors, unmarried students showed a favorable perception towards socio-cultural support, government support, and access to finance than married, whereas, in other factors like entrepreneurial capabilities, physical infrastructure support, access to information, education, and training, married students showed high favorable perception. On the other hand, single entrepreneurs showed a highly favorable perception of all ecosystem factors except entrepreneurial capabilities. This supports a finding that unmarried people tend to have a stronger tendency towards engaging in entrepreneurial activities compared to those who are married (Jaiswal & Patel, 2012). The unmarried are generally more passionate and motivated when it comes to entrepreneurship, while married individuals tend to approach it with more caution and restraint. It might be associated with the experience of the entrepreneurs. Married entrepreneurs' age is generally higher than single.

They have more experience and worked in nurturing their business; thus, they have good knowledge of the system whereas single has yet to gain more experience in the field.

Table 3: Marital status-based Differences in Perception

Ecosystem Factors			N	Mean	SD	t	df	Sig
Entrepreneurial Capabilities	S	Single	279	5.07	0.98	-0.926	86	0.357
		Married	64	5.21	1.13			
	E	Single	110	5.88	1.07	-0.260	88	0.796
		Married	48	5.93	1.09			
Socio-Cultural Support	S	Single	279	4.14	1.13	0.851	99	0.397
		Married	64	4.01	1.05			
	E	Single	110	4.03	1.13	1.003	86	0.319
		Married	48	3.83	1.18			
Government Support	S	Single	279	3.10	1.18	1.548	98	0.125
		Married	64	2.86	1.11			
	E	Single	110	2.77	1.22	1.073	101	0.286
		Married	48	2.56	1.07			
Access to Finance	S	Single	279	3.56	1.16	0.484	97	0.629
		Married	64	3.49	1.11			
	E	Single	110	3.24	1.11	0.347	82	0.729
		Married	48	3.17	1.22			
Physical Infrastructure Support	S	Single	279	3.92	1.42	-2.128	89	0.036
		Married	64	4.37	1.55			
	E	Single	110	3.88	1.41	2.928	86	0.004
		Married	48	3.14	1.49			
Access to Information, Education, and Training	S	Single	279	4.26	1.16	-0.806	93	0.422
		Married	64	4.39	1.18			
	E	Single	110	4.05	1.24	1.729	92	0.087
		Married	48	3.69	1.20			
Support for Internationalization	S	Single	279	3.54	1.32	0.026	96	0.980
		Married	64	3.53	1.29			
	E	Single	110	2.93	1.36	0.867	100	0.388
		Married	48	2.74	1.20			

Table 4 represents the perception difference among students towards the entrepreneurs' ecosystem. Among seven ecosystem factors, only two factors, i.e., entrepreneurial capabilities ($p=0.006$) and physical infrastructure (0.002), was statistically significant. Similarly, among entrepreneurs, as shown in table 5, only two factors, physical infrastructure ($p=0.017$) and

access to information, education, and training ($p= 0.045$), were statistically significant.

Table 4: Age-based Differences in Perception among Students

Factors	Age	N	Mean	SD	F	df	Sig.
Entrepreneurial Capabilities	Below 24	59	5.03	1.00	Between Groups	3	
	24- 30	241	5.07	0.98	Within Groups	339	4.204
	31-45	40	5.45	1.02	Total	342	.006
	Above 45	3	3.56	2.12			
Socio-Cultural Support	Below 24	59	4.15	1.12	Between Groups	3	
	24- 30	241	4.13	1.11	Within Groups	339	.716
	31-45	40	4.02	1.16	Total	342	.543
	Above 45	3	3.27	0.81			
Government Support	Below 24	59	3.14	1.22	Between Groups	3	
	24- 30	241	3.08	1.19	Within Groups	339	1.244
	31-45	40	2.88	1.01	Total	342	.294
	Above 45	3	2.00	0.87			
Access to Finance	Below 24	59	3.55	1.24	Between Groups	3	
	24- 30	241	3.51	1.13	Within Groups	339	.784
	31-45	40	3.81	1.13	Total	342	.504
	Above 45	3	3.42	0.14			
Physical Infrastructure Support	Below 24	59	3.83	1.55	Between Groups	3	
	24- 30	241	3.91	1.41	Within Groups	339	4.908
	31-45	40	4.81	1.39	Total	342	.002
	Above 45	3	4.00	1.73			
Access to Information, Education, and	Below 24	59	4.39	1.11	Between Groups	3	
	24- 30	241	4.20	1.15	Within	339	2.151

Training					Groups			
	31-45	40	4.65	1.30	Total	342		
Support for Internationalization	Above 45	3	3.67	1.27	Between Groups	3		
	Below 24	59	3.75	1.29				
	24- 30	241	3.47	1.31				
	31-45	40	3.64	1.33	Total	342		
	Above 45	3	3.00	1.73				

Table 5: Age-based Differences in Perception among Entrepreneurs

Factors	Age	N	Mean	SD	F	df	Sig.
Entrepreneurial Capabilities	Below 24	158	5.58	1.06	Between Groups	3	
	24- 30	15	6.07	1.08			
	31-45	111	5.89	1.04			
	Above 45	30	5.80	1.24	Total	157	
	Socio-Cultural Support	Below 24	2	6.33	0.00	Between Groups	3
24- 30		158	5.90	1.07			
31-45		15	4.25	1.21			
Above 45		111	3.94	1.11	Total	157	
Government Support		Below 24	30	3.92	1.28	Between Groups	3
	24- 30	2	3.90	0.71			
	31-45	158	3.97	1.14			
	Above 45	15	3.15	1.43	Total	157	
	Access to Finance	Below 24	111	2.62	1.17	Between Groups	3
24- 30		30	2.82	1.10			
31-45		2	2.63	0.18			
Above 45		158	2.71	1.18	Total	157	

Physical Infrastructure Support	Below 24	15	3.58	1.38	Between Groups	3	154	3.504	.017
	24- 30	111	3.19	1.06					
	31-45	30	3.27	1.24					
	Above 45	2	1.38	0.18	Total	157			
Access to Information, Education, and Training	Below 24	158	3.22	1.14	Between Groups	3	154	2.751	.045
	24- 30	15	4.33	1.72					
	31-45	111	3.75	1.36					
	Above 45	30	2.98	1.58	Total	157			
Support for Internationalization	Below 24	2	3.25	0.35	Between Groups	3	154	2.019	.114
	24- 30	158	3.65	1.47					
	31-45	15	4.44	1.57					
	Above 45	111	4.01	1.17	Total	157			

DISCUSSION AND CONCLUSION

The perceived entrepreneurial capabilities were significant among students and entrepreneurs. Both the respondents showed high entrepreneurial capabilities. This observation can be explained as a self-serving bias. They are more confident in their skills and knowledge to find new opportunities and take the risk of growth. Entrepreneurs and students rated individual capabilities higher than the perceived support system. It can be concluded that perceived capability influences entrepreneurial decisions. The decision to start a business is a planned behavior and is influenced by perceived capability. A study done using GEM adult population survey by Ebrahim and Schott (2014) in 34 nations concluded that perceived capabilities and ability to take risks influence entrepreneurial intention. Tsai, Chang, and Peng (2016) also used the GEM framework among two samples from Japan and China and concluded that perceived capability and perceived opportunity significantly affect entrepreneurial intention. Aljarwan et al. (2019), Manimala et al. (2014), Pereverzeva (2015) and Zhao et al. (2005) also supported the hypothesis of the study.

Socio-cultural factors, including beliefs, values, and family background, influence individual behavior. There was no significant difference in perception between entrepreneurs and students regarding the socio-cultural environment. Communities promote family businesses and creativity but may not support risk-taking or entrepreneurs in challenging situations. Family support is essential in starting a business. The result shows that entrepreneurship is a social behavior and that community support, especially family guidance, is crucial for growth. Despite low favorable perceptions of the current socio-cultural support system, respondents showed high entrepreneurial intention, likely because they were graduate students already employed. The findings suggest that starting a venture is challenging, and socio-cultural support is vital for success and growth.

The result indicated that students and entrepreneurs had perceived government support as the least favorable factor in the ecosystem in promoting entrepreneurial activity in the country. Students rated high (Mean=3.07) than entrepreneurs (Mean= 2.71), but both were below average. The difference was statistically significant. Despite various government initiatives, they aren't meeting the needs of entrepreneurs, possibly due to being misaligned, overly bureaucratic, and centrally controlled. This negatively affects entrepreneurial development.

Most of the respondents have agreed that taxation and other regulation are not favorable to new and growing firms. Although Nepal improved its status in doing business 2020 report, the report stated that starting a business is getting more difficult due to the reform policy of social security, new labor policy, and revised registration fees (World Bank Group, 2020). This result is similar to other studies such as Khyareh et al., (2019); Manimala et al., (2014); Olutuase et al., (2018); and Suresh and Ramraj (2012), which concluded no significant relationship between government support and entrepreneurial activity. This study shows a negative relationship but no significant association. In contrast, Arruda et al., (2013); Levie and Autio (2011); Liao et al., (2009); Urban (2013) concluded a significant negative relationship between government intervention and entrepreneurial activity. Students rate government support slightly higher due to their awareness of initiatives, whereas entrepreneurs' negative experiences lead to lower ratings. Overall, perceptions of the government's role in Nepal's entrepreneurial development are poor.

Access to finance was poorly rated by both the students (mean= 3.55) and entrepreneurs (mean=2.71), which was statistically significant. The study found that entrepreneurs perceived government subsidies for new and growing firms less favorably, while family and friends were viewed more favorably. Most entrepreneurs agreed that bank loans were available to some extent. Private organizations and capital ventures such as One to Watch, Dolma Impact Fund, True North Associates, and Antarprerana emerged recently and provided capital and equity funds to entrepreneurs. The government also has various programs to encourage entrepreneurship, including the Women Entrepreneurship Development Fund, Rural Self-Reliance Fund, Youth and Small Entrepreneur Self-Employment Fund, and a microcredit financing program. These schemes provide a loan with subsidy interest which is between 5 % - 6% for an entrepreneur and SME business. and as per the record 6,500 entrepreneurs were benefited from the government's Youth Self-Employment Programme in the fiscal year 2019 -2020 (Shrestha, 2020). Also, the Nepal government has prepared 'Innovative Start-up Capital Grant Guidelines, 2020' to provide NPR 50 lakh grants to innovative SME businesses (Lama, 2020). Despite all these initiatives, access to finance was perceived negatively by students and entrepreneurs. This might be because there is not sufficient venture capital/ angel funding available for new and growing firms. Also, entrepreneurs are not aware of the financial ecosystem which has just started.

There was a negative association between perceived access to finance and entrepreneurial activity among students and entrepreneurs. In the literature, Ahmad and Xavier (2012), Aljarwan et al., (2019), Arruda, Nogueira, and Costa (2013), Cohen (2006); Pereverzeva (2015), Suresh and Ramraj (2012), and Zhao and Yang (2014) also showed a positive relationship between access to finance and entrepreneurial activity. However, in contrast, Khyareh et al. (2019) and Liao et al. (2009) concluded a negative relationship. Entrepreneurs have cited the most constrained resource is finance. The study revealed a lack of adequate financial support for entrepreneurs in Nepal, possibly due to issues with program execution. For instance, confusion remains about how to execute a Rs 500 million fund challenge for innovative ideas. Both the government and private sector are uncertain about supporting entrepreneurs. Most entrepreneurs find it difficult to obtain bank loans without collateral. Although venture capitalists and business angels are more supportive, entrepreneurs must meet specific criteria, which they find

challenging. As a result, entrepreneurs struggle to obtain financial resources and rated it as the least developed ecosystem factor in Nepal.

This study found unfavorable physical infrastructure for entrepreneurship development. Despite efforts by government and private organizations, respondents reported inadequate access to basic infrastructure like electricity, water, and broadband services. Entrepreneurs perceived infrastructure more negatively than students, possibly due to their firsthand experience with its limitations. A physical infrastructure support has a significant positive effect on entrepreneurial intention were not supported. This result is similar to Khyareh et al. (2019) and contrastingly to the study like Ahmad and Xavier (2012); Cohen (2006); Pereverzeva (2015); and Olutuase et al., (2018). In landlocked Nepal, limited road transport and challenging geography, especially in hilly regions, increase transportation costs and hinder market access for entrepreneurs. Expensive and inadequate electricity and water supply also affect business operations. Both students and entrepreneurs rate infrastructure poorly, with no significant relationship to entrepreneurial intention.

Access to information, education, and training fosters entrepreneurship by enhancing opportunity awareness and skills. Students, particularly in business programs, have a more favorable view of this access than entrepreneurs, likely due to their current studies. In recent years, many colleges are developing a business incubation center to promote entrepreneurial intention among students. Such as KUSOM-Idea Studio is located at Kathmandu University School of Management which has incubated 160 ideas so far and 40 startups are in operation (Idea Studio Nepal, 2021). Similarly, King's Incubator is offering different entrepreneurship workshops such as the national Social Business Challenge, Certificate course on Social Entrepreneurship, and more. So far it has created and supported 43 ventures (King's Incubator, 2021). Colleges like The British College, Kathmandu Model College, Apex College, and Presidential Business School promote entrepreneurship through specialized curricula and support for potential entrepreneurs. Students appreciate formal training and entrepreneurship-related courses. However, entrepreneurs may perceive an information gap due to mismatches between coursework and real-world situations.

Access to information, education, and training support has a significant positive effect on entrepreneurial intention been not supported.

Surprisingly, despite students showing favorable perception towards availability of information, education, and training support; there was no significant relationship with entrepreneurial intentions. Most of the literature, such as Gnyawali and Foge (1994), Kee et al., (2019), Khyareh et al., (2019), Pereverzeva (2015), and Rovere et al. (2015) show a positive relationship between education support and entrepreneurial activity. The difference in result from the present study; might be the education support system is yet to develop, which can affect individuals' perception. The colleges and universities are offering entrepreneurship-related courses and training but they are not able to influence the decision of the students. It might be because of lack of skills-based entrepreneurship-related curriculum; lack of skill human resources in the institutions, lack of other support systems like counseling, networking, financing within the education system. Despite educational institutions trying to introduce entrepreneurship curriculum, most of them are not skill-based and heavily focused on textbook theory (Shrestha, 2021). Silwal and Nepal (2016) explained that a developed entrepreneurship-related curriculum is not practical and more lecture-focused. They are lacking experimental and hands-on learning inside the classroom. The study does not show the direct relationship between access to information, education, and training support with entrepreneurial intention however the education support system can act as an enabler rather than a reactor.

The result displayed that students and entrepreneurs both show negative perceptions towards support systems for internationalization, which was statistically significant. The government agencies' support in facilitating new firms' entry into domestic and international markets is very low. There is no easy access to the resources like information, skills, and funding required for internationalization.

In the study, a total of seven entrepreneurship ecosystem factors were considered and measured the perception difference between potential students and entrepreneurs. A t-test analysis showed a significant difference in the perception of the entrepreneurship ecosystem among students and entrepreneurs except for social culture support ($p= 0.174$) at a 95% confidence interval. In all the factors, entrepreneurs' perception is low than students; this phenomenon has been explained in terms of perceptual bias “grass is greener on the other side” (Corno et al., 2015, p. 135). Also, the study has tested the hypothesis as the entrepreneurship ecosystem has a significant influence on entrepreneurial activity, the result was surprising and out of 14 hypotheses,

only three had been supported. This result shows that in the case of Nepal, entrepreneurship is largely determined by individual and personality traits rather than macro-environmental factors. The three pillars of institutions i.e., regulative, normative, and cognitive (Scott, 2001) and supportive factors (Stenholm et al., 2010) study have been implemented to understand the entrepreneurship ecosystem and its influence on entrepreneurial activity. The regulative and supportive pillars did not show any significant relationship with entrepreneurial activity. “Entrepreneurship is about taking a risk” (Drucker, 1970) an entrepreneur is someone who demonstrates initiative and creative thinking, can organize social and economic mechanisms to turn resources and situations into practical account, and accepts risk and failure. (Hisrich,1900). “Risk-taking” and “ability to manage resources” is the common term while reviewing literature related to entrepreneurship. A perceived entrepreneurial capability i.e., skills, knowledge, motivation, ability to take and manage risk largely influence the entrepreneurial intention. The result of the study can be discussed from the lens of the individual perceived capability-based framework. Entrepreneurship is largely influenced by individual skill and knowledge to pursue the opportunity. If an individual has the motivation and required skills set, they might pursue entrepreneurial activity and their decision is not likely affected directly by the external environment. In Nepal, entrepreneurs are the sole fighters and successful ventures like Tootle, Pathao, Doko Recyclers, Foodmandu, Urban girl, Khalti Khaalisiin, etc. are established despite unfavorable situations in the country. Entrepreneurship is growing and a lot of entrepreneurship-related programs targeting to improve skills and knowledge are taking place. Youth and Entrepreneurship in Nepal: A review of policies, provisions, access to finance, entrepreneurship education, and entrepreneurs’ testimonials, published by the Association of Youth Organization Nepal (2018) has documented an interview of a successful venture in Nepal. Ventures, like Antraprerana, Kharkhana, Dochha, Sweet fix– popsicle paradise, offering a happiness story has featured. Ventures have stated that Nepal entrepreneurship ecosystem is emerging, government trying to promote it but not able to execute the entrepreneurship-related program, highly unfavorable regulative framework, access to finance and human resources are some problems entrepreneurs are facing. Similarly, A Nepali entrepreneur’s handbook (2011) has published a conference paper in which 41 successful entrepreneurs discussed the entrepreneurial journey and entrepreneurship in Nepal. The common theme among most of them are, start whenever you can with your capacity, entrepreneurs should not wait for

support from the government and other systems, they should believe in their idea and own skills to nurture it. In Nepal, especially in the initial stage of venture creation, individual skills, a capability is a key for success.

The sociological perspective highlights entrepreneurs' decisions being influenced by social values and culture. Emphasizing innovation is crucial for developing a growth mindset. In Nepal, entrepreneurs often rely on family and friends for essential financial resources. A connection between the different actors in the society influences the opportunity to gain financial and other human capital (Thornton, Ribeiro-Soriano, & Urbano, 2011). In Nepal, financing options for the new venture is limited and most of the entrepreneurs (59 %) are using personal saving and a family/friends' network to manage the fund for the venture. Thus, family and friend support as well the community perception once the entrepreneur venture becomes successful helping the venture to grow. As a result, the support system in Nepal might act as an enabler but has no direct effect. Psychological and socio-cultural approaches could dominate over economic ones. Further research is needed to understand the entrepreneurship ecosystem and the impact of environmental factors on entrepreneurial capabilities and intentions.

Implications of the Study

This study contributes to the entrepreneurship theory and provides an empirical analysis of students' and entrepreneurs' perceptions towards the entrepreneurship environment. Research showed which factors need to be improved and prioritized to promote entrepreneurship development in the country. For example, in Nepal, due to the lack of research on an existing support system, it isn't easy to prioritize and invest in the support system. Nepal's government is trying to promote entrepreneurship development as several policies have reformed in recent years like taxation policy, industrial enterprise act 2016, and economic zone act 2016 to support entrepreneurs. Public-Private Partnership (PPP) policy (2016) and National youth policy (2015). However, due to the limitation of empirical data about entrepreneurship ecosystem indicators in the county, the policies and programs might not be well developed and executed to foster entrepreneurship development. Thus, understanding the support system's status and its effect on individual decisions to start up new ventures and growth is vital for government, policymakers, and other active institutions who are promoting entrepreneurship. The more government and other

agencies understand how entrepreneurs and students perceive the entrepreneurship ecosystem; there is more chance that they considered it while developing guidelines, which will likely promote and facilitate entrepreneurial activity.

Limitations and Future Research Directions

The research aimed to understand the perceptions of entrepreneurial ecosystem among management graduate students and entrepreneurs. However, the study was limited to only ten management colleges, purposively selected, and the Kathmandu valley was the sampling location. Entrepreneurs were reached through organizations that support them, which may have influenced the research's scope due to the sample size of 158. Since the study didn't include the perceptions of entrepreneurs and students outside the Kathmandu valley, the study's findings must be cautiously generalized as perceptions towards the ecosystem could vary in other regions. To obtain more accurate results, future studies should expand to additional locations and gather more response.

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