

Impact of Psychological Capital and Opportunity Recognition on Entrepreneurial Intention of Sports Science and Management Undergraduates

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ABSTRACT: In addressing the prevailing un[der]employment among Sri Lankan Sports Science and Management (SSM) graduates, this study aims to identify the impact of psychological capital (PC) (Independent variable) and opportunity recognition (OR) (Mediating variable) on entrepreneurial intention (EI) (Dependent variable) which enhances graduate entrepreneurship to address the potential un[der]employment of SSM undergraduates. Data was collected from 97 SSM undergraduates of the University of Sri Jayewardenepura for this cross-sectional study using disproportionate stratified sampling method. The questionnaire was developed based on past studies and internal consistency was established. Hypotheses were tested with Spearman correlation using SPSS 22.0 version. Accordingly, there is a moderate relationship between PC and OR, strong relationship between OR and EI and a significant mediating effect of OR on the relationship between PC and EI. Hence, it is recommended to develop and initiate different mechanisms, programmes and strategies to enhance PC and OR to enhance EI of SSM undergraduates.

Keywords- [Under]graduates, Sports Science and Management, Entrepreneurial Intention, Psychological Capital, Opportunity Recognition.

1. INTRODUCTION

1.1 Background of the Study

B.Sc. Honours in Sports Science and Management (SSM) degree programme is focusing to produce Sports Professionals which offered by the University of Sri Jayewardenepura and Sabaragamuwa University of Sri Lanka, [1,2]. The sports field has differentiated as an occupational field. But there are no available well-paid jobs to secure sports employees [3]. Sports graduates face the problem of obtaining a job that they have studied and they are unemployed or employed out of the sports industry without gaining a job in the sports industry [4]. In order to identify the problem in the Sri Lankan context, a primary survey was conducted by gathering data of Sri Lankan SSM graduates. According to the primary survey results, almost 55% of SSM graduates are employed in Sports Science and Management related areas after completing their degree. Accordingly, it is clearly revealed that a significant percentage (45%) of SSM graduates are un[der]employed specifically in the sports industry.

Graduate entrepreneurship is one way to solve graduate unemployment and it is the process taken by graduates to be unemployed and to start a business in terms of individual career orientation [5]. Entrepreneurship is the power to do things and a person who can generate results in any field of human activity is an entrepreneur [6]. [7] suggest that for the problem of unemployment, entrepreneurship is one solution and entrepreneurial intention is a critical factor and the best predictor for entrepreneurship.

Psychological capital affecting individuals' judgment and behaviour as an indicator of entrepreneurial intention [8,9]. There is a profound impact from psychological attributes on the quality of entrepreneurial decisions people make [10]. According to [8], students with positive psychological capital contributes to identifying opportunity with a positive attitude, confidence, and persistence. Positive psychological state and recognition of the value is the cause for positive organizational behaviour approach. The states of self-efficacy, hope, optimism, and resilience are valuable contributions to their psychological capital and have a positive impact on their performance [8].

1.2 Problem Statement

[4] found that sports graduates have a problem in engaging in sport-related jobs after their graduation. Their survey identified only 43% engage in sport-related jobs. The primary survey conducted by the researcher of the present study also proved that there is the problem of engagement in sport related jobs in Sri Lankan context. Hence, entrepreneurship is considered as a best solution for un[der]employment and entrepreneurial intention of an individual effect for entrepreneurship [7]. Psychological capital and opportunity recognition are two critical factors of entrepreneurial intention [8]. Therefore, this study examined on how psychological capital effect on entrepreneurial intention with the mediating effect of opportunity recognition of Sports Science and Management undergraduates?

1.3 Objectives of the Study

Major Objective: The major objective of this study is to determine the impact of psychological capital on entrepreneurial intention with the mediating effect of opportunity recognition of Sports Science and Management undergraduates.

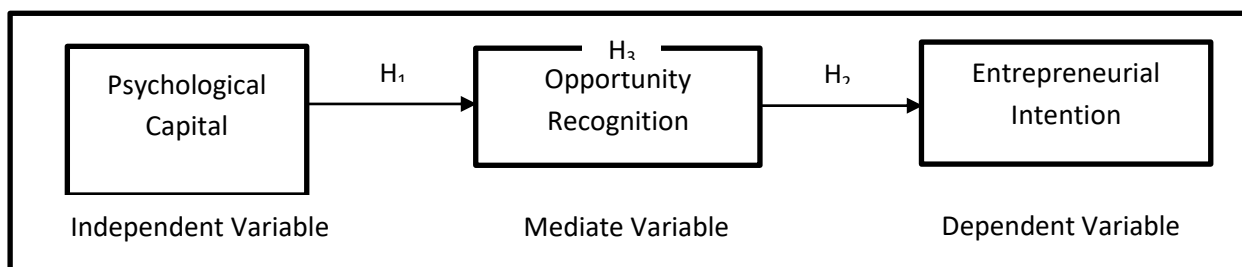
Specific Objectives: The specific objectives of the study are as follows.

1. Determine the relationship between psychological capital and opportunity recognition.
2. Determine the relationship between opportunity recognition and entrepreneurial intention.
3. Determine the mediating effect of opportunity recognition on the relationship between psychological capital and entrepreneurial intention.

2. CONCEPTUALIZATION AND OPERATIONALIZATION

Psychological capital (PC) and opportunity recognition (OR) are two critical factors effect for entrepreneurial intention (EI) from multiple factors (Zhang et al., 2020). The level of psychological capital of an individual affects for the level of identifying opportunities. Therefore, there is a significant relationship between PC and OR [8]. That ability and capacity to recognize and utilize business opportunities as an entrepreneur's conviction are involved in psychological capital [11]. [8,10] and [12] identified there is a relationship between OR and EI. Moreover, OR mediates the relationship between PC and EI [8,11].

This study explores the impact of psychological capital on entrepreneurial intention with the mediating effect of opportunity recognition. The conceptual framework for the study is depicted in figure 1 below.



There are three hypotheses developed in this study. They are as follows.

A study conducted by [8] explained that the psychological capital effects on opportunity recognition. Furthermore, they explained the level of psychological capital of an individual affects the level of identifying opportunities. According to [13], a strong psychological force is needed behind opportunity recognition skills. Therefore, to verify the relationship H_1 is developed as follows.

H_1 -There is a significant relationship between psychological capital and opportunity recognition.

[14] found that the people who see many opportunities are more capable to be entrepreneurs. They are further asserted firstly recognizing opportunities and then acting to opportunities. According to [8], the most important task and critical issue face by entrepreneurs are opportunity recognition. Accordingly H_2 is postulated as follows.

H_2 -There is a significant relationship between opportunity recognition and entrepreneurial intention.

[8] have identified opportunity recognition mediated the relationship between psychological capital and entrepreneurial intention. Individuals who have higher psychological capital have ability to envision multiple approaches to challenging situations and allow individuals to start new ventures. That ability and capacity to recognize and utilize business opportunities as an entrepreneur's conviction are involved in psychological capital [11]. Based on the literature, the present study proposes H_3 as follows.

H_3 - Opportunity recognition mediates the relationship between psychological capital and entrepreneurial intention.

4. METHODOLOGY

The study population used for this research is 198 undergraduates of the Department of Sports Science of the University of Sri Jayewardenepura. The data was gathered using the sample of 97 from the total population using disproportionate stratified sampling technique. Unit of analysis was SSM undergraduate and data was collected using the primary data collection method through administering survey instrument via online mode. Data were collected from March – April 2021 for this cross sectional study. Survey instrument was developed based on past studies in the entrepreneurship domain [8, 15]. The questionnaire was consisted of 27 questions. It contained three sections and the first section consisted of 6 questions to collect demographic data of the individuals. The second section consists of 4 questions to collect data of entrepreneurial intention. The last section consists of 17 questions to collect data about psychological capital (03) and opportunity recognition (14). The second and third sections of the questionnaire were designed with a five-point Likert scale (1= strongly disagree – 5= strongly agree).

5. RESULTS AND DISCUSSION

5.1 Data Analysis

The collected data and the information by the questionnaire are analysed using SPSS 22.0 version. Firstly the gathered data entered into the SPSS software and checked all the missing values. According to the statistical output of the data, since there are no missing values, the data analysis proceeded by conducting reliability, normality and hypothesis testings for the present correlational study.

5.2 Test of Reliability

Cronbach's alpha values of the variables have to be more than 0.7 to be reliable [16]. Values are more than 0.7 in the present study's variables. Hence, all variables are considered as reliable as presented in table 1.

Table 1. Reliability of Variables

Variable	No of Items	Cronbach's Alpha	Reliability
Entrepreneurial intention	4	0.838	Reliable
Opportunity Recognition	3	0.806	Reliable
Psychological Capital	14	0.912	Reliable

5.3 Hypothesis Testing

Spearman Coorelation was conducted to assess the correlation between study variables as data were not normally distributed as presented in table 2. Furthermore, using ProcessMacro in SPSS, mediation effect of opportunity recognition is measure as presented in table 3.

Table 2. Results of the Correlation Tests

Hypothesis	Correlation Coefficient	Sig. (2-tailed)	Accepted or Not	Relationship
H1	0.386	0.000	Accepted	Moderate
H2	0.519	0.000	Accepted	Strong

Table 3. Results of Regression Analysis

Hypothesis	Direct Effect	Indirect Effect	BootSE	BootLL CI	BootU LCI	Accepted or Not
H3	0.3254	0.2562	0.1088	0.0765	0.4963	Accepted

6. CONCLUSION AND RECOMMENDATIONS

6.1 Recommendations

According to the findings, psychological capital and opportunity recognition should improve in undergraduates to enhance entrepreneurial intention. Therefore, it can be recommended for undergraduates to become entrepreneurs by taking calculated risks and up confidence while overcoming negative attitudes and failures. And also, undergraduates can follow role models to increase the psychological capital, set their own goals, and mastery experiences to improve psychological capital. Moreover, they must focus on sports customers and listen to their needs, wants, challenges and frustrations with the industry to identify market needs. And also, it can be recommended academic administrators to involve and help undergraduates to fulfill their knowledge about entrepreneurship by helping to join undergraduates to entrepreneurial clubs, workshops, motivate and teach undergraduates to search for opportunities in the market and also to get industrial support, force students to join with entrepreneurship projects, accept industry placements and take steps to make more aware of entrepreneurship. Moreover, it is better if entrepreneurial education can be added to the curriculum of the SSM degree and if the government is able to allocate funds and loans to students to startup their own businesses.

6.2 Limitations

Limitations that arouse during the process are the accuracy of the information depends on the conceptual knowledge about entrepreneurship of expected respondents, respondents readiness to share data, and issues that arouse due to COVID-19 pandemic during the data collection.

6.3 Conclusion

The purpose of this study was to determine the effect of psychological capital on entrepreneurial intention with the mediating effect of opportunity recognition. By introducing psychological capital as an antecedent of opportunity recognition, and identifying opportunity recognition as a mediator, this research examined the determinants of entrepreneurial intention. Finally, the present study highlighted the necessity of developing the psychological capital and opportunity recognition of SSM undegraduates to address the prevailing socio-economic issue of un[der]employment and emphasized the importance of graduate entrepreneurship. A

conclusion section must be included and should indicate clearly the advantages, limitations, and possible applications of the paper. Although a conclusion may review the main points of the paper, do not replicate the abstract as the conclusion. A conclusion might elaborate on the importance of the work or suggest applications and extensions.

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