

The Impact of Perceived Risk on the Entrepreneurial Intention of Final Year Management Undergraduates of a Selected State University in Sri Lanka

Navodya, P. A. L.¹ and Sangarandeniya, Y.M.S.W.V.²

Entrepreneurship plays a pivotal role in economic development, innovation, and job creation, particularly among university undergraduates. In developing nations like Sri Lanka, there has been a noticeable surge in entrepreneurial interest, yet many remain hesitant due to perceived risks associated with starting a business. This research focuses on final-year management undergraduates at a selected state university in Sri Lanka, aiming to examine the influence of perceived risk on their entrepreneurial intentions. The study utilizes a standardized questionnaire divided into demographic information and sections assessing various aspects of perceived risk and entrepreneurial intent. The research contributes to the field by providing insights into the factors affecting entrepreneurial intentions in Sri Lanka, offering practical implications for policymakers and educators to design effective interventions. Additionally, it establishes a foundation for future entrepreneurship research in developing nations. The background emphasizes the global importance of entrepreneurship, especially among university undergraduates, and acknowledges the existing research gap in understanding how perceived risk impacts entrepreneurial intentions in emerging economies. Sri Lanka serves as an ideal case study due to its emphasis on entrepreneurship development amidst economic uncertainties. The problem statement underscores the significance of addressing risk perceptions among university undergraduates, particularly in non-Western contexts, where institutional challenges may differ. The research questions aim to measure entrepreneurial intention levels, identify perceived risks in different domains, and explore the correlation between perceived risk and entrepreneurial intentions, considering demographic factors. The objectives outline the quantification of entrepreneurial intention levels, perceptions of potential risks, and the statistical examination of their correlation, controlling for demographics. The study's significance lies in providing empirical data on the impact of perceived risk on entrepreneurial intentions, offering insights for educational institutions, policymakers, and entrepreneurial support organizations. The findings can inform curriculum changes, policy adjustments, and support structures to enhance youth engagement in entrepreneurship. Moreover, the research contributes to scholarly literature by broadening theoretical ideas on risk as a motivator for entrepreneurship, especially in developing country contexts like Sri Lanka.

Keywords: *Entrepreneurial Intention, Perceived Risks, Demographic Factors*

¹Undergraduate, Department of Human Resource Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka [lakshannawodya123@gmail.com]

²Senior Lecturer, Department of Human Resource Management, Faculty of Commerce and Management Studies, University of Kelaniya, Sri Lanka [sagarandeniya@kln.ac.lk]