

# A Study on the Mechanism of College Students' Entrepreneurial Exit: Regulating Effect of Entrepreneurial Self efficacy and Entrepreneurial Ability

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**Abstract:** Based on the theory of planned behavior and entrepreneurial failure, this paper conducts a questionnaire survey of college students' entrepreneurs through stratified sampling method to study the influencing factors of Entrepreneurial exit intention behavior, and establishes a structural equation model to more intuitively analyze the path relationship between Entrepreneurial self-efficacy and Entrepreneurial exit intention, with a view to promoting a correct understanding of Entrepreneurial exit intention and providing systematic and personalized training for entrepreneurs, Only by building a scientific and reasonable Entrepreneurial exit intention mechanism and path can entrepreneurs and potential entrepreneurs face entrepreneurial challenges directly and truly promote the sustainable development of innovation and entrepreneurship practice in the whole society.

## 1. Introduction

Entrepreneurial Exit is a global phenomenon. According to the Global Entrepreneurial Observation Report (2019), nearly 1/4 of entrepreneurial enterprises in China will choose to withdraw. Entrepreneurial exit intention involves multiple dimensions such as system, market, enterprise, entrepreneurial team, and entrepreneurs, and is a complex process that contains multi-level elements (Li Weiwen et al., 2021; He Xiaogang et al., 2019; Davidson and Wiklund, 2007). The study found that entrepreneurs' Entrepreneurial self-efficacy has a significant impact on organizational behavior and exit decision-making in the process of entrepreneurship. The entrepreneurial activities of college students' entrepreneurs are both internal and external influences. This study is also conducted from the internal factors of the individual to explore the subjective factors that affect the Entrepreneurial exit intention. For college students entrepreneurs, we need to constantly analyze from the perspective of Entrepreneurial self-efficacy, so as to avoid adverse factors, reduce the impact on college students entrepreneurs, fully mobilize their knowledge, create a good entrepreneurial atmosphere for college students entrepreneurs to the greatest extent, and reduce the probability of Entrepreneurial exit intention.

## 2. Literature review and assumptions

### 2.1 Entrepreneurial exit intention

Previous studies on exit mainly refer to the exit of large

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enterprises and markets (Wasserman, 2003). Entrepreneurial exit intention is different from this. Detienne (2010) in the Journal of Entrepreneurial Management defines Entrepreneurial exit intention as "the founder of an enterprise leaves the company he founded as a means to eliminate his influence on the main ownership and decision-making power of the company." Entrepreneurial exit intention is an indispensable and important part of the entrepreneurial process, This can be understood as the decision of entrepreneurs to leave self-employment (Dawson & Henley, 2013) and abandon their entrepreneurial career (Callan & Zimmerman, 2016). Detienne and Cardon (2010) believe that the desire or goal of entrepreneurs or founders to leave the company at a certain time in the future is the intention to quit. The situation of the individual can clearly predict the degree of individual participation and the degree of behavioral withdrawal, that is, withdrawal intention is a variable that will be affected by situational factors. For example, relevant scholars have studied the issue of job burnout, and the results show that the greater the degree of stress, the greater the negative impact, such as decreased satisfaction, decreased enthusiasm, and so on, which will indirectly predict withdrawal behavior (i.e., reduced commitment, increased turnover intention, etc.) (Baron, 2008; Alan Williams, 2006). To sum up, this paper defines exit intention as the desire or goal of the entrepreneur to exit the business at a certain time in the future in the process of entrepreneurship.

Wang Yan (2018) pointed out in the study that the factors that affect college students' Entrepreneurial exit intention are: entrepreneurial education, individual characteristics, social environment and family

environment, from high to low. He pointed out that compared with other factors, college students believed that entrepreneurship education in colleges and universities had the greatest impact on their Entrepreneurial exit intention. Wu Delin (2020) said that under the influence of the external environment such as family education and school education, entrepreneurs combined with personal factors such as personality traits, entrepreneurial passion and other factors, and finally had an impact on their entrepreneurial intention was determined by the comprehensive consideration of internal and external factors. The influencing factors of Entrepreneurial exit intention mainly involve individual characteristics and the environment of entrepreneurs. Existing research focuses on the human capital and personality characteristics of entrepreneurs. First of all, (DeTienne & Cardon, 2012) confirmed the impact of entrepreneurs' human capital, such as industry experience and entrepreneurial experience, education level, etc. On Entrepreneurial exit intention. The number of entrepreneurial resources, market share and degree of competition of entrepreneurs will affect the level of entrepreneurs' exit intention. Rich environmental resources will greatly enhance the possibility of entrepreneurial success (Kollmanneal., 2017), thus reducing the entrepreneurs' exit intention.

## 2.2 Entrepreneurial self-efficacy

Entrepreneurs' cognition is the knowledge structure used by entrepreneurs to evaluate, judge and make decisions in the process of opportunity identification and enterprise growth (Mitchell et al., 2002). Entrepreneurs use a simplified thinking mode to collect and process information and make specific decisions and behaviors (Yang Jun, 2014). Entrepreneurial self-efficacy reflects the thinking rules of entrepreneurs, and reflects the inherent logic of entrepreneurs' perception, analysis and judgment of information. Based on this, entrepreneurs' cognition in this paper refers to the thinking process that entrepreneurs use their own knowledge structure to perceive, analyze and form specific logic for entrepreneurial information involved in the environment. In essence, entrepreneurial enterprises are the continuation of entrepreneurial characteristics (Han Wei, Xue Hongzhi, 2008). As an important part of entrepreneurial enterprises, entrepreneurial teams are obviously affected by Entrepreneurial self-efficacy

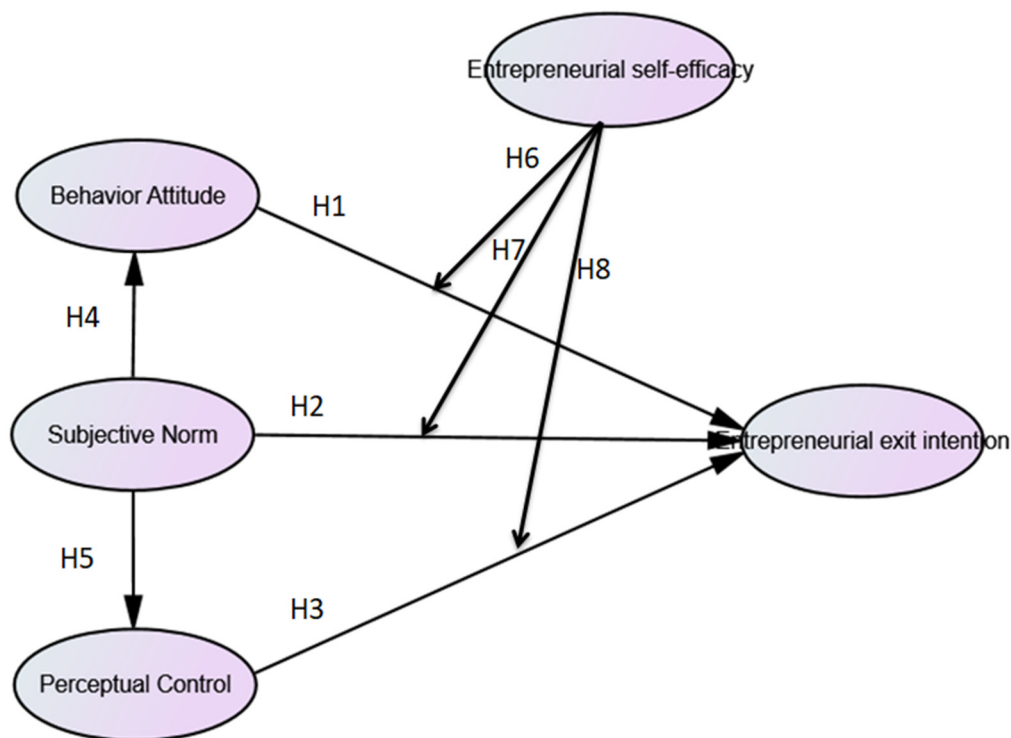
(Klotzetal., 2014).

Through communication and interaction with the team, entrepreneurs share their own judgment of opportunities and risks, interpretation of entrepreneurial prospects and other information, which affects the collective cognition, identity and entrepreneurial passion of the entrepreneurial team (Klotzetal.,2014; Lazaretal.,2020; Zhu Xiumei, Dong Zhao,2021). In this process, entrepreneurs transmit information to the entrepreneurial team through their unique cognitive and thinking processes, and shape the thinking and habits of the entrepreneurial team in handling information (Armstrongetal.,2012). Different cognitive styles will also affect the internal communication mode of the team. As well as the emotional structure of trust among team members and team entrepreneurial passion (Armstrongetal.,2012; Klotzetal.,2014), thus affecting the internal coordination and integration, stability and consistency of the entrepreneurial team in the entrepreneurial process (Yang Jun,2014; Tian Li etc.,2021).

## 2.3 Planned Behavior

The theory of planned behavior is put forward on the basis of the theory of rational behavior. Its main point is that the behavior intention of an individual can predict its behavior. The behavior intention has three main predictive variables, namely, the individual's attitude to behavior, subjective social norms and control. The individual's attitude to behavior refers to the individual's desire for each possible result multiplied by its weight, that is, the possibility of the result, including emotional attitude and instrumental attitude; Subjective social norms refer to the intuition of how important others expect them to behave, multiplied by their weight, that is, the motivation to comply with these expectations, including legal rules and descriptive rules; Control includes the perception of social behavior control and self-efficacy. The perception of social behavior control refers to the individual's perception of the difficulty of a thing; Self-efficacy refers to people's confidence in whether they can use their skills to complete a certain work behavior.

The theoretical model of this paper is derived from the above analysis of theory and practice, as shown in Figure 1.



**Figure 1** Research model

Based on the review and summary of relevant theories and previous empirical studies in the literature review, combined with the purpose of this study, research issues and research framework, this study proposes specific assumptions. The assumptions of this study are described as follows:

H1 : Behavior attitude has a significant positive impact on Entrepreneurial exit intention;

H2: Subjective norms have a significant positive impact on Entrepreneurial exit intention;

H3: Perceptual control has a significant positive impact on Entrepreneurial exit intention;

H4 : Subjective norm has significant positive influence on behavioral attitude;

H5: Subjective norms have a significant positive impact on perceptual control;

H6: Entrepreneurial self-efficacy plays a moderating role in the influence of behavior and attitude on Entrepreneurial exit intention

H7: Entrepreneurial self-efficacy plays a moderating role in the impact of subjective norms on Entrepreneurial exit intention

H8: Entrepreneurial self-efficacy plays a moderating role in the impact of perceived control on Entrepreneurial exit intention

### 3. Research method

#### 3.1 Research object

This research is based on the questionnaire distributed to college entrepreneurs in 8 schools and 3 entrepreneurship parks in Quanzhou, Xiamen and Fuzhou in 2021, and 423 valid questionnaires were finally obtained.

#### 3.2 Measuring tools

The scale used in this study to measure entrepreneurial willingness is based on the theory of entrepreneurs' planned behavior, so as to measure the impact of entrepreneurs' personal attitudes, their subjective norms and their perceived behavior control on Entrepreneurial exit intention willingness. In this scale, there are 7 items for measuring behavior attitude, 4 items for subjective norms, 7 items for perceived behavior control, 16 items for entrepreneurial ability, and 4 items for quitting willingness. The scale uses Likert's seven point scoring system. 1 means entrepreneurs "completely disagree", 2 means entrepreneurs "disagree", 3 means entrepreneurs "disagree", 4 means entrepreneurs "average", 5 means entrepreneurs "relatively agree", 6 means entrepreneurs "agree", and 7 means entrepreneurs "fully agree". As an adjusting variable, entrepreneurial ability refers to the

scale design of Liu Jianwei et al., which contains 16 items. The scale uses Likert's seven point scoring method. 1 indicates that the entrepreneur is "totally disapproved", 2 indicates that the entrepreneur is "disapproved", 3 indicates that the entrepreneur is "not very likeable", 4 indicates that the entrepreneur is "average", 5 indicates that the entrepreneur is "relatively agreed", and 6 indicates that the entrepreneur is "agreed", 7 means that the individ

### 3.3. Analytical method

The analysis tools used in this study are SPSS 24.0 and AMOS 24.0. This study uses SPSS24.0 to check the quality of the recovered data. First, check the descriptive statistics of kurtosis, skewness and mean. Then the commonly used method variance test is used to check whether the data can be analyzed in the next step. In addition, the corrected items of each dimension - total correlation (CITC) shall be tested, the inappropriate items shall be eliminated, and then the reliability test shall be conducted. The measurement model is analyzed by CFA through Amos 24.0, combined with reliability and convergence validity analysis to determine whether necessary model modification is needed. On this basis, the overall structure model is used to test the SEM, and the above assumptions are verified one by one. In this study, there are many possible mediation effects. Bootstrap method is used to analyze the possible mediation effects. Due to some differences in exit intention among different entrepreneurs, this study takes entrepreneurial ability as the moderating factor, and uses multiple group analysis to detect the moderating effect among different entrepreneurs.

## 4. Result inspection

Before data analysis, first check the data missing value data and outlier data set, and there is no missing data and outlier found. Through the kurtosis and skewness indicators, the normal distribution of data can be found and suitable for further analysis.

### 4.1 Common method deviation

In this study, Harman's Single-Factor Test is used to

determine whether the common method variance of the sample is problematic. It is generally believed that the factor analysis of all items is carried out, and the "total variance interpretation" table is viewed in the output results. With the characteristic value before rotation greater than 1 as the judgment standard, the explained variance of the first factor is less than 50% (Hair, 1998), it can be considered that there is no serious common method deviation, which is within the acceptable range. After the test, the interpretation factor of the first factor obtained by this sample is 20.745%, which is far below the standard 50%. Therefore, it can be judged that there is no serious common method deviation in the sample data.

### 4.2 Reliability analysis of measurement model

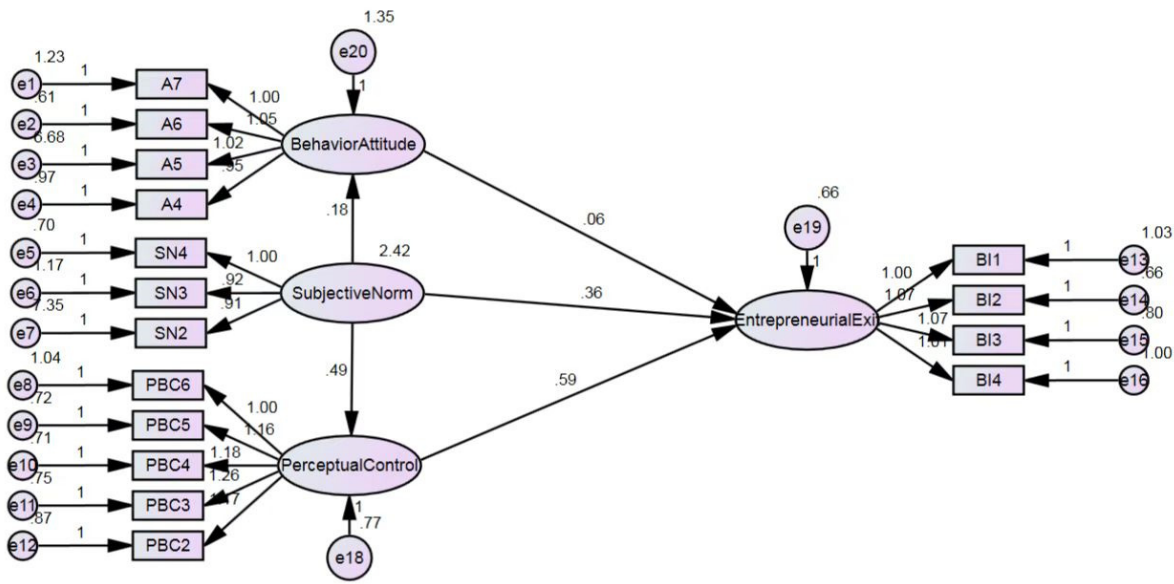
The main evaluation index of the reliability and validity of the questionnaire is Cronbach's Alpha. When the coefficient is above 0.6, it is acceptable for researchers. When the coefficient is 0.7-0.8, it indicates that the scale shows considerable reliability. When the coefficient is 0.8-0.9, it indicates that the scale has very good reliability. This study uses SPSS 24.0 to measure the reliability of the data of each dimension to ensure that each dimension has good consistency. After testing, Cronbach a of each dimension is between 0.687 and 0.915 (see Table 2), with CITC>0.5. Therefore, the reliability of the data in this study can be judged as good and can be analyzed in the next step.

### 4.3 Validity Analysis

It can be seen from the analysis of Table 1 that the results of this study have passed the test, proving that the question has convergent validity.

**Table 1** Reliability and validity analysis results

Constructs/Items	Alpha	CR	AVE
Behavior attitude	0.712	0.794	0.505
Subjective norm	0.687	0.773	0.547
Perceptual control	0.915	0.915	0.684
Entrepreneurial exit intention	0.907	0.908	0.711
Entrepreneurial self-efficacy	0.917	0.935	0.707



**Figure 2** Structure model and route coefficient

**4.4 Model fitting degree analysis**

The structure of the model is shown in Figure 3. The model fit index is mainly used for the analysis of the overall model fit validity. In order to verify the multiple independent variables of behavior attitude, subjective norms, perceptual control, Entrepreneurial exit intention intention, as well as the differentiated validity between the intermediary variable behavior attitude and

the dependent variable behavior intention, as well as the measurement parameters corresponding to the measurement variables, this paper conducts a confirmatory factor analysis on the variables, selecting RMSEA, GFI, AGFI, CFI IFI and other indicators are tested [1], and the results are shown in Table 2, which shows that the model is in good agreement and can continue to be analyzed.

**Table 2** Overall model fitness index table

	$\chi^2$	df	$\chi^2/df$	RMSEA	GFI	AGFI	CFI	IFI
<b>CFA</b>	388.35	199	1.952	0.047	0.922	0.901	0.968	0.968
<b>Structural model</b>	247.76	99	2.503	0.06	0.932	0.906	0.964	0.964
<b>Fitted Value</b>			$1 < \chi^2/df < 3$	$< 0.08$	$> 0.9$	$> 0.9$	$> 0.9$	$> 0.9$

In this study, the maximum likelihood method is used to measure the five hypotheses H1, H2, H3, H4 and H5 of the model. From the results, see Figure 3 (structural model). The model fitting is generally satisfactory (Hair

et al., 2010). From the results of Figure 2, all the assumptions are supported, except H5: behavioral attitude has no significant impact on Entrepreneurial exit intention intention. See Table 3 for specific indicators.

**Table 3** Parameter estimation of structural model

Route hypothesis				Estimate	Std.	S. E	T-value	P-value	Result
H1	Subjective norm	→	Perceptual control	0.486	0.654	0.042	11.627	***	Support
H2	Subjective norm	→	Behavior attitude	0.183	0.237	0.045	4.032	***	Support
H3	Subjective norm	→	Entrepreneurial exit intention	0.358	0.397	0.052	6.912	***	Support
H4	Perceptual control	→	Entrepreneurial exit intention	0.586	0.483	0.072	8.105	***	Support
H5	Behavior attitude	→	Entrepreneurial exit intention	0.063	0.054	0.047	1.323	0.186	Notsupport



### 4.5 Intermediary Effect

**Table 4** Effect analysis of intermediary model

Route	Effect		Percentiles		Deviation correction		Intermediary effect
			lower limit	upper limit	lower limit	upper limit	
SN→ATT→BI	Direct effect	0.397	0.284	0.498	0.285	0.498	Not Support
	Indirect effect	0.013	-0.006	0.035	-0.004	0.037	
	Total effect	0.41	0.558	0.754	0.56	0.76	
SN→PBC→BI	Direct effect	0.397	0.229	0.369	0.233	0.38	Support
	Indirect effect	0.316	0.245	0.392	0.253	0.339	
	Total effect	0.723	0.558	0.754	0.56	0.76	

This study uses the Bootstrap (Bootstrap=2000) method to measure the intermediary role of behavioral attitude between subjective norms and Entrepreneurial exit intention and the intermediary role of perceptual control between subjective norms and Entrepreneurial exit intention. According to previous research results, if the 95% CI value of the indirect effect value includes the number 0, it means that the variable has no mediating effect; If the 95% CI value of the indirect effect value does not include the number 0, it indicates that the variable has an intermediary effect. The results from Table 4 show that behavioral attitude does not play a mediating role between subjective norms and Entrepreneurial exit intention, while perceptual control plays a mediating role between subjective norms and Entrepreneurial exit intention.

### 4.6 Regulatory Effect

From previous studies, we can find that entrepreneurs with strong entrepreneurial ability may exit relatively slowly. Therefore, entrepreneurial ability may play a moderate role in the moderating effect of behavioral attitude, subjective norms and perceptual control on Entrepreneurial exit intention. Based on the above findings, this study believes that entrepreneurial ability plays a moderating role in the impact of behavior and attitude on Entrepreneurial exit intention, and in the impact of subjective norms on perceptual control, as well as the impact of perceptual control on Entrepreneurial exit intention.

**Table 5** Effect analysis of regulation model

Route		Entrepreneurial self-efficacy (EC)		
		R2-chng	P value	Decision
<b>H6</b>	Behavior attitude (ATT)	0.0060	0.0917	Not Support
	→Entrepreneurial exit intention (BI)			
<b>H7</b>	Subjective norm (SN)	0.0019	0.2782	Not Support
	→Entrepreneurial exit intention (BI)			
<b>H8</b>	Perceptual control (PBC)	0.0056	0.0260	Support
	→Entrepreneurial exit intention (BI)			

From the results in Table 5, we can see that H6 and H8 have been verified in this study, while H7 has not been verified in this study. Specifically, the impact of behavior and attitude on Entrepreneurial exit intention is regulated by the entrepreneurial ability of college students, and the impact of perceptual control on Entrepreneurial exit intention is also regulated by the entrepreneurial ability of college students. However, the impact of subjective norms on Entrepreneurial exit intention of entrepreneurs is not regulated by the entrepreneurial ability of entrepreneurs.

### 5. Conclusion

First, from the perspective of entrepreneurial failure, this paper deconstructs the relationship between Entrepreneurial self-efficacy and Entrepreneurial exit

intention, reveals the moderating role of Entrepreneurial self-efficacy in the process of Entrepreneurial exit intention, and further enriches the research on the process of Entrepreneurial exit intention.

Second, Entrepreneurial self-efficacy helps reduce Entrepreneurial exit intention. Entrepreneurs' Entrepreneurial self-efficacy is the core factor for new ventures to occupy significant market shares in the market. Strong entrepreneurial cognitive ability can enable enterprises to better adapt to the changing market, identify business opportunities earlier than competitors, seize new opportunities, maximize enterprise value, and reduce Entrepreneurial exit intention.

Thirdly, Entrepreneurial self-efficacy plays a moderating role between entrepreneurial attitude and entrepreneurial withdrawal. Learning from entrepreneurial failure can not only update and accumulate relevant entrepreneurial experience, but also

reshape one's own values, thus promoting the improvement of the performance of the re-created enterprise. Entrepreneurs acquire new knowledge and resources from failure learning, and then convert them into the ability to overcome various entrepreneurial difficulties. This ability gradually evolves into the ability to identify entrepreneurial opportunities, so that they can find business opportunities earlier than their competitors and occupy the market faster, thus promoting the improvement of entrepreneurial performance.

## 6. Inspiration

According to the above research conclusions, the following enlightenments can be drawn:

First, encourage entrepreneurs to learn from failure. Single-loop learning focuses on the existing value system, while double-loop learning breaks through the existing value system and focuses more on the future. In the early stage of the establishment of the re-establishment enterprise, due to the constraints of conditions, entrepreneurs need to do and can easily achieve single-loop learning, that is, integrate the previous failure experience and the understanding of the existing environment to form a preliminary business idea, and then promote the initial improvement of entrepreneurial performance. However, in order for enterprises to achieve breakthrough growth, they should avoid the formation of habitual defense and path dependence. At this time, they need to carry out double-loop learning, that is, breaking the original technology and operation mode, finding new production factors such as people, money and goods, forming new combinations of these production factors and implementing new combinations, and finally achieving one-to-one correspondence between input and output, that is, maximizing enterprise value.

The second is to focus on improving the entrepreneurial opportunity identification ability of entrepreneurs. Entrepreneurial opportunities can be found and constructed on the premise of awareness and vigilance to identify opportunities. At the same time, opportunity identification is carried out by the value of the information collected through discovery, and the characteristics of social networks play a decisive role in the type and quality of information obtained by new enterprises. Therefore, entrepreneurs need to build strong social networks and build social relationships across different social networks, so as to obtain more effective heterogeneous information and better improve their ability to identify opportunities. In addition, the government needs to build a data integration platform for entrepreneurial enterprises and implement data sharing to help entrepreneurs improve their ability to identify opportunities.

## Shortcomings and prospects

This study mainly considers the impact of Entrepreneurial self-efficacy, a moderator variable, on

entrepreneurial failure. More intermediary variables need to be considered in subsequent studies to make the analysis more comprehensive. Future research can also conduct dynamic follow-up surveys on entrepreneurs to find out whether their learning methods and contents are different in different periods of time and whether they have different impacts on subsequent entrepreneurial performance.

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