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Factors Affecting Entrepreneurial Intention of Indigenous Entrepreneurs of Bangladesh

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Abstract

Globalization, the technological revolution and the alleged climate crisis have brought about significant changes in the patterns of economic development experienced by humanity. The evidence that human activities play an important role in environmental degradation is more evident. Faced with this scenario of crises and uncertainties, the economic sustainability of large corporations may be compromised by external issues, over which societies have no control. Much has been disclosed about the need for companies to seek the ability to generate value for the public in order to obtain higher levels of economic and environmental sustainability. Within this perspective, that corporations must be able to generate value and not just profits, the present work is inserted. The prospect that natural resources can be exploited in an exhaustive manner until they are exhausted in order to obtain maximum profits in business, does not hold up, corporate law increasingly turns to the need to develop its activities in a sustainable way both by economic and environmental bias.

Index terms— entrepreneurial intentions, entrepreneurs, bangladesh, indigenous, indigenous entrepreneurs.

1 Introduction

One of the main forces behind development in the economy, technological advancement, and social advancement is entrepreneurship. Entrepreneurship is acknowledged as a significant factor in a nation's ability to create new jobs. The entrepreneurial sector may facilitate young people to become less dependent on the job market by providing more opportunities for income and lowering unemployment (Amiruddin et al., 2020). Therefore, rather than being a state of being, entrepreneurship is a process of "becoming" (Rasli et al., 2013). Therefore, governments and policymakers around the world are adopting various actions to highlight entrepreneurship-related opportunities and support entrepreneurs. Several pertinent groups have expressed concern about the significance of influencing entrepreneurial intention, which entails a desire and willingness to launch an enterprise (Al-Harrasi et al., 2014). For the people of Bangladesh, entrepreneurship has emerged as a significant profession. Bangladesh once had an image as an underdeveloped country and a stagnant economy as a result of the British colonial exploitation and the oppression of Pakistani regimes. However, Bangladesh now has achieved great strides in both economic and social growth. Entrepreneurship is one of the several economic activities that Bangladeshi people are currently involved in. In Bangladesh, it was always believed that only men should engage in entrepreneurship. However, as a result of globalization, women are now supporting themselves and their families by carrying out their own businesses (Islam, 2019). Therefore, the government is making an additional attempt to empower youth and get them working for themselves in order to lower unemployment. Up until January 2023, the Department of Youth Development provided skill improvement training in a variety of trades to a total of 33.11 lakh youth for their job and self-employment as young people and young women. Among them, 7.54 lakh of the trained young have taken up self-employment (Ministry of Finance, 2023). Like numerous people, there are numerous indigenous people who are entrepreneurs. Indigenous entrepreneurship is a way to create and extract value that is based on the unique socioeconomic conditions of the community where an entrepreneur or business is based (Colbourne, 2017). Along with the predominant Bengali population, Bangladesh is a nation of great historical and ethnic variety, belonging to around 54 groups of Indigenous Peoples who speak at least 35 different languages. The

45 indigenous population of the nation comprises about 1,650,159 people, or 1% of the entire population, according
46 to the 2022 census (IWGIA, 2023). Indigenous populations can be found in several areas of Bangladesh, primarily
47 in the bordering states of Rajshahi-Dinaajpur which are located in the northwest, Mymensingh-Tangail which are
48 located in the central north, Greater Sylhet which is located in the northeast, and Chittagong, Cox's Bazar, and
49 Greater Barisal which are located in the south and southeast (Dhamai, 2014).

50 Indigenous entrepreneurship is a comparatively recent field of study, and much effort is being put into
51 developing theories to help explain its characteristics and have an impact on policy and practice (Paul Mika,
52 2020). Numerous studies concentrating on entrepreneurship and the factors influencing intentions to become
53 entrepreneurs have been conducted due to the rapid growth of entrepreneurship in Bangladesh. However, there
54 is seldom any research where the attention is centred on the factors that are influencing indigenous people to
55 choose their career in this field. So, this study will try to close the literature gap.

56 This study attempts to address the question: "What are the factors that are influencing the entrepreneurial
57 intention of indigenous entrepreneurs in Bangladesh?". Based on the research question the data have been
58 gathered, analyzed, and the findings have been accumulated. Based on the description above, the objective of
59 the study is to find out the dominant factors that influence entrepreneurial intention of indigenous entrepreneurs
60 of Bangladesh. The article is structured in the following way: first, it describes the pertinent literature. The
61 research methodology was then described after that. Afterwards, it addressed the results of the study. Finally,
62 the study outlined the conclusion.

63 2 II.

64 3 Literature Review a) Entrepreneurship

65 The words "entrepreneur" and "entrepreneurship" were created by Richard Cantillon. The word originally came
66 from the French verb "entreprendre," which meaning "to undertake" (Jonsson, 2017). An entrepreneur is a
67 person who provides services or products by combining capital, labor, and other resources while competing with
68 other people in the market in order to make a profit (Uddin et al., 2014). The process of starting a new
69 business or organization is referred to as entrepreneurship (Shane & Venkataraman, 2000). Entrepreneurship is
70 widely regarded as a vital driver of economic expansion, technological advancement, and job creation (Badulescu
71 & Badulescu, 2013). Several academics have discussed the significance of entrepreneurship in the economy.
72 Kritikos described the role the entrepreneurship on jobs and economic growth. According to him, even though
73 some individual businesses fail, entrepreneurs provide the vitality that keeps economies strong and thriving.
74 If entrepreneurs are persistently supported, in both good and bad economic times, then all enterprises are
75 kept vigilant and inspired to strive constantly to grow (Kritikos, 2014). An individual's goals, motivations,
76 and preparedness to get involved in entrepreneurial endeavors or launch a new company are referred to as
77 entrepreneurial intentions. This aspiration is a critical prerequisite behind starting entrepreneurial practice and
78 building a business. In the study of entrepreneurship, entrepreneurial intention has grown to be a popular area. It
79 is an effective method of instilling in people a desire to do something productive and to embark on new projects
80 (Ngat & Tuyet, 2023). Attitudes (attitude toward the behavior, subjective norms, and perceived behavioral
81 control) are the best predictors of intention. Exogenous factors (such as characteristics, demography, skills,
82 and social, cultural, and financial support) also have an impact on attitudes, which in turn affects intentions
83 and behavior (Souitaris et al., 2007). An individual's views of their social and physical settings, as well as
84 their perceived contexts, expectations, attitudes, beliefs, and choices, all influence their intentions (Boyd &
85 Vozikis, 1994). It has been demonstrated that social models are a reliable and potent indicator of entrepreneurial
86 interests. To put it another way, those who have experienced entrepreneurship to the same extent as family
87 members and/or close acquaintances are generally more inclined to initiate business on their own than people
88 who have not (Hmieleski & Corbett, 2006). People who share numerous similar traits may act differently in a
89 changing context, whereas others who have completely distinct traits may react similarly in the same context.
90 Even if a person has the same talent and resources to succeed as an entrepreneur, it may be difficult to predict
91 their next move across multiple times, and we may not be able to pinpoint the specific element that changed
92 their decision (Ngoc Khuong & Huu An, 2016). c) Indigenous entrepreneurship Indigenous entrepreneurship
93 is the notions, management, and development of innovative business processes (startups or enterprises) led by
94 indigenous people who are pursuing their own objectives. These objectives may be viewed as collectively or
95 individually beneficial to the community (Valencia León, 2020). It is a somewhat well-known topic within the
96 field of entrepreneurship.

97 Indigenous businesses and entrepreneurship have the potential to be effective instruments for fostering
98 financial independence, selfdetermination, and conserving culture in Indigenous communities (Butler & Hinch,
99 1996). There are several universal factors that define indigenous entrepreneurship-Heterogeneity, resources,
100 sustainability, context and place, success, partner group, culture, sense of community and family and cooperation
101 (Valencia León, 2020).

102 Experience is one of the factors that can affect the emergence of entrepreneurial intentions among the
103 indigenous entrepreneurs. Experience increases a person's sense of self-efficacy, has a favorable impact on
104 feasibility, which is seen as one of the determinants of entrepreneurial intentions, and also encourages an
105 entrepreneurial mindset. If the entrepreneur began or took over his business in the same industry that his

106 role model operates in, the role model would boost self-efficacy in the first place. Gaining confidence would
107 lead to the development of entrepreneurial intention in addition to the exhibition of entrepreneurial behavior
108 by positively affecting the perceived feasibility. Thus, Entrepreneurial inclinations are significantly influenced
109 by personal background. Another important component in the development of entrepreneurial intentions is the
110 perception of viability and desirability. An entrepreneur is more likely to develop entrepreneurial intents if they
111 believe that launching or taking over a business is realistic and worthwhile (Uygun & Kasimoglu, 2013).

112 4 III.

113 5 Methodology

114 This study used a descriptive survey approach. Data had been gathered from primary sources. The factors
115 impacting entrepreneurial intentions were examined using primary data. The study drew in a total of 90
116 respondents. A structured question set of both open-ended and close-ended questionnaire, which comprises
117 of 15 questions, has been constructed as the main data-gathering tool. There were physical and electronic
118 distribution methods used for the questionnaires. The questionnaire is divided into two sections: Section A
119 gathers data on the respondents' demographics, and Section B asks them about the factors they think influenced
120 them. Convenience sampling was utilized in the study since it is both convenient to carry out the study. In order
121 to analyze the data, frequency and percentage in charts, tables were carried out. Table 1 displays an overview of
122 the demographic data provided by the respondents. IV.

123 6 Findings and Discussion

124 Responses from indigenous entrepreneurs were used to study the factors affecting Bangladeshi indigenous
125 entrepreneur's entrepreneurial intentions. The participants were asked to complete the questionnaire. Table
126 2 shows the main factors that influence indigenous entrepreneurs' entrepreneurial intentions. Under these key
127 factors, various other factors are also included.

128 7 a) Economic factors

129 According to the research, their entrepreneurial decisions are significantly influenced by economic factors. Access
130 to capital and loans was a factor in 10 respondents' entrepreneurial decisions. The COVID-19 pandemic is
131 having a noticeable disruptive effect on a variety of industries. Eleven respondents acknowledged its influence,
132 demonstrating the resilience and perseverance of indigenous businesspeople. During that time, a lot of people
133 experienced financial hardship and job loss, which had an impact on their entrepreneurial decisions. The second
134 largest group of participants, 23, acknowledges the impact of market conditions on their entrepreneurial decisions.
135 The sample regions are popular tourist destinations in Bangladesh. Since tourists desire to acquire those local
136 products, the business owners use this as an opportunity to sell their goods. Access to Local Markets was
137 highlighted by 15 respondents, which indicates the dependence on the current environment for marketing and
138 distribution. A total of 24 respondents, or the majority, give priority to raw material availability. This emphasizes
139 how essential a reliable supply network is to indigenous enterprises. Among the respondents, 77.8% stated that
140 the availability of modern technology had an impact on their entrepreneurial decisions, and 57.7% highlighted the
141 importance of knowledge of social media marketing in entrepreneurial decision. This demonstrates how technology
142 can be a powerful driver of entrepreneurship. They believe that technology has the power to reshape society,
143 serving not just as a tool but also as a doorway to wider market access, more productivity, and more intense
144 competition. They will be able to engage with more potential customers by using technology and reaching out
145 to larger audiences. 83.3% of respondents claimed that easy communication and transportation options affected
146 them. This represents their practical viewpoint, which acknowledges that effective networking and logistics
147 support are crucial for addressing operational challenges. Besides that, a vast majority of respondents, around
148 42.3%, don't have enough knowledge about social media marketing, so that factor did not influence them to pursue
149 their entrepreneurial decision. c) Psychological factors Indigenous populations in Bangladesh are motivated
150 to start businesses by psychological factors. Their confidence, freedom, success-hunger, competitiveness, and
151 risk-taking attitude make up the psychological basis driving their business decisions. Twenty-five individuals
152 acknowledge its significant influence. Self-confidence isn't just a quality these business owners possess; it's also
153 an external influence that gives them the courage to take chances, embrace possibilities, and remain positive in
154 the face of difficulties. Freedom was highlighted by 30 people and stands for the independence to make choices
155 and follow one's own path. Their decision to pursue an entrepreneurial career is driven by their desire for
156 financial independence. Thirst for achievement is a motivational force for 13 people to pursue their businesses
157 as entrepreneurs. Thirteen individuals highlighted the value of taking risks. Nine people defined competitiveness
158 as their drive to succeed in a highly competitive marketplace. one participants mentioned that their choice was
159 influenced by encouragement from friends and family. For 23 people, the local customs and practices served as
160 inspiration. They recognized how entrepreneurship has always played a significant role in the development of
161 the heritage of their community. They sell their products to tourists since they are from a tourist area, and this
162 encourages them to keep their culture alive. Family crises are cited as a strong motivator by 19 respondents.
163 They were motivated to launch their own firm by the duty to look after their families. Twenty people's thoughts

8 CONCLUSION

164 were influenced by the employment market's volatility. Because they have experienced the instability of regular
165 employment, they had taken an alternative path. Bangladesh has a high unemployment rate; thus people turn
166 to business as a means of survival. Among the participants, 8 people mentioned how their leadership abilities
167 influenced their decision to launch their firm. 15 people have a family background that is deeply connected with
168 entrepreneurship. According to them, business ownership has been transferred to them through the generations
169 as a heritage. Their familial past not only shapes their choices but also firmly grounds them in a culture they
170 are devoted to preserving their business. Twenty-two individuals launched their businesses with assistance from
171 their surroundings. Eleven respondents said that their decision was impacted by their capacity for innovation
172 and change. The majority of 34 people mentioned autonomy as their influential factor. They felt that following
173 an entrepreneurial career would provide them with the freedom and authority they seek. f) Knowledge and skills
174 Approximately 7.7% of respondents said they had gained expertise and abilities from formal entrepreneurial
175 training courses. This result highlights the potential value of structured training programs in promoting the
176 entrepreneurial mindset. Only 5.5% of respondents said they had learned new information and skills through
177 entrepreneurship education, which influenced them to seek a career in this field. A vast majority portion,
178 25.5% of respondents admitted that they had received their entrepreneurship knowledge and skills from their
179 family's business practices. By working there, they acquired practical business experience. Around 33.3% of the
180 respondents said that working parttime jobs helped them advance their entrepreneurship knowledge and skills.
181 This means that practical expertise earned through part-time employment can act as a useful and effective route
182 to entrepreneurship.

8 Conclusion

183
184 Indigenous groups have always protected their distinctive traditions and cultures. These indigenous communities
185 in Bangladesh are representative of the great diversity. In the midst of this diversity, entrepreneurial endeavours
186 have come into their own as a driving force for financial independence and sustainability. Entrepreneurship
187 is more than just a means of financial gain; it is a factor that has the power to reshape societies, advance
188 society, and solve some of the most important problems the world is currently experiencing. It fosters creativity,
189 empowers people, and improves a community's quality of life. This research paper examines the factors that affect
190 indigenous communities's entrepreneurial decisions in Bangladesh. In addition to being crucial for their economic
191 development, these communities' entrepreneurial decisions have a significant impact on both the conservation of
192 their indigenous history and the longterm development of their communities. Recognizing the factors that drive
193 indigenous community's entrepreneurship decisions is critical for developing appropriate plans and policies that
foster sustainable and inclusive economic growth. ¹

1

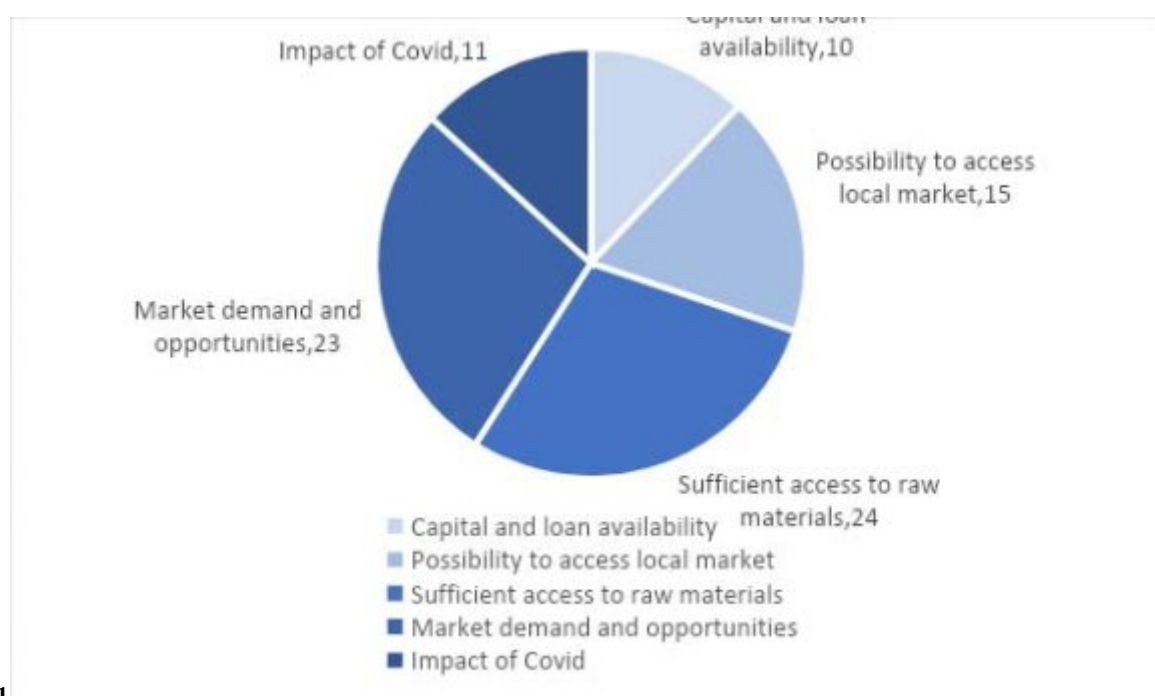
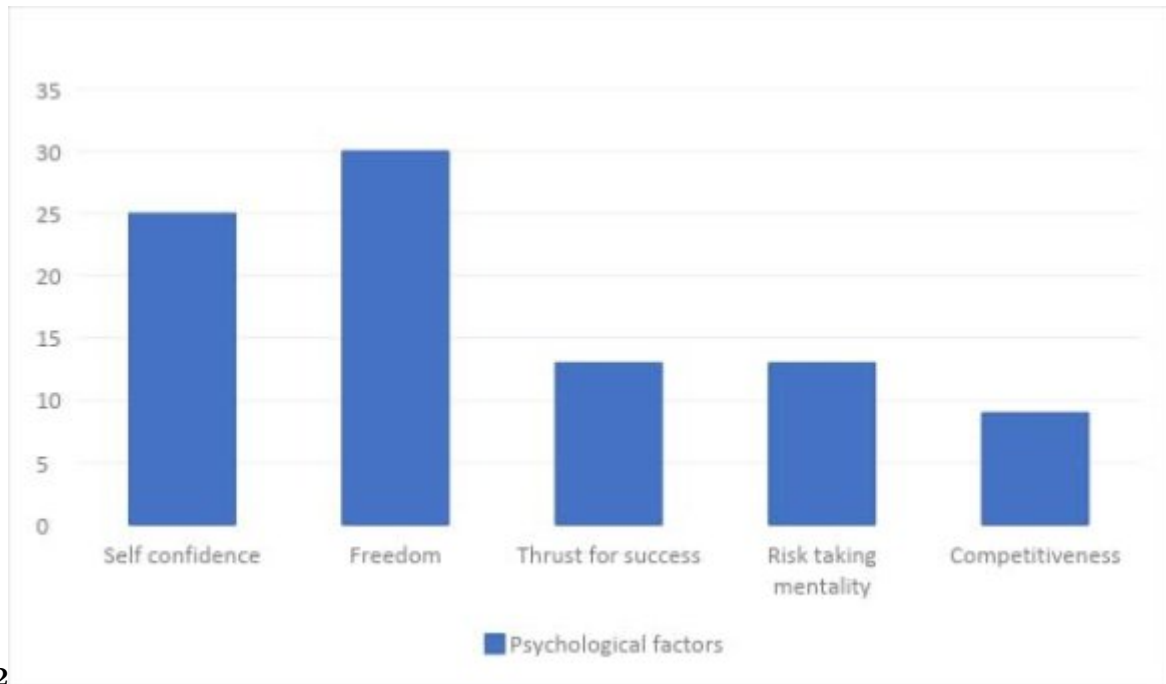


Figure 1: Figure 1 :

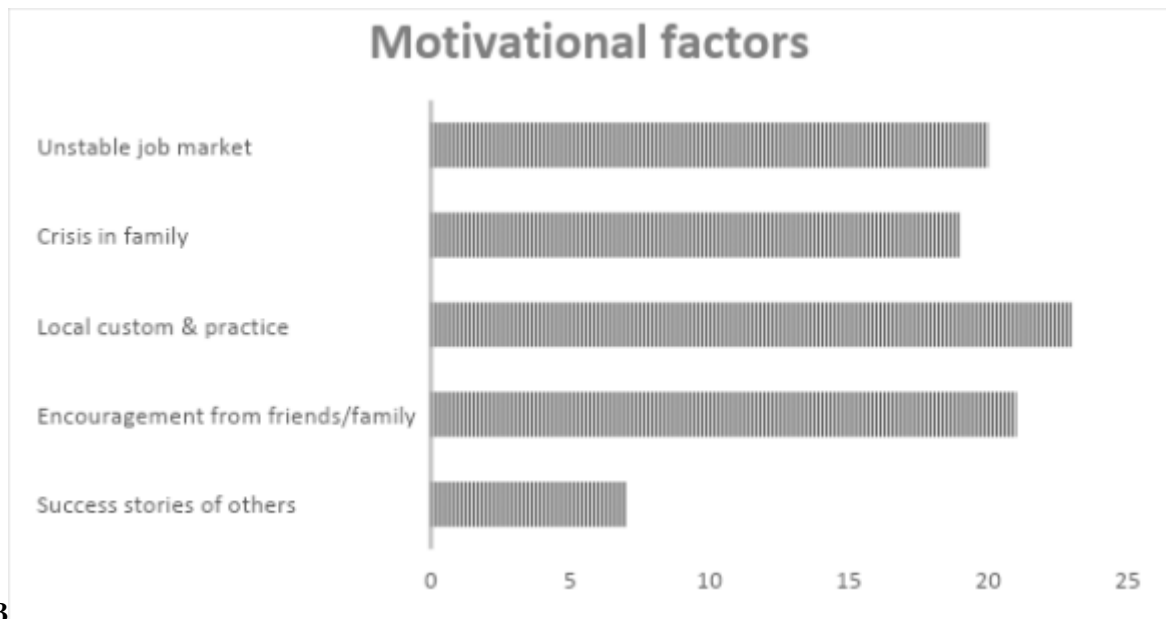
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¹ Factors Affecting Entrepreneurial Intention of Indigenous Entrepreneurs of Bangladesh



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Figure 2: Figure 2 :



3

Figure 3: Figure 3 :



Figure 4: Figure 4 :



Figure 5: Figure 5 :

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Variable					Frequency	Percentage						
Age	Below 20	21-40	41-60	61-above	3	62	19	3.3	68.9	21.1	6.7	
Educational background	Below Secondary	Secondary	Higher Secondary	Graduate	6	10	25	11.1	27.8	22.2		
Post-graduate	Marital status	Single	Married	Divorced	20	30	5	33.3	5.5	36.6	53.3	
Sex	Male					33	48	9	10	52.2		
Female					47							
Geographical location					43	47.7						
Chittagong Hill Tracts					42	46.7						
Sylhet					26	28.8						
Rajshahi					22	24.4						
Experience in business												
Less than 1 year					25	27.7						
1-2 years					17	18.8						

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Figure 6: Table 1 :

2

- Factors
- Economic
- Technological
- Psychological
- Motivational
- Personal traits
- Knowledge and skills

Figure 7: Table 2 :

3

Response	No
Yes	

Figure 8: Table 3 :

4

Factors	Frequency	Percentage
Leadership	8	8.9
Family background related to entrepreneurship	15	16.6
Family support	22	24.4
Ability to make changes, innovation	11	12.2
Autonomy	34	37.8

Figure 9: Table 4 :

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