

# The Influence of Entrepreneurial Psychological Capital on College Students' Entrepreneurial Intention and Development Strategies

Ding Kun

Baotou Teachers' College, Baotou, Inner Mongolia, 014030, China  
15661363286@163.com

**Abstract:** As a determinant of entrepreneurial activity, the variability in entrepreneurial intent is shaped by multiple elements, among which entrepreneurial psychological capital plays a significant role. To further explore the realm of college students' entrepreneurial intent, we now present an analysis focusing on how entrepreneurial psychological capital impacts their entrepreneurial intent and outline corresponding development strategies. According to the relevant theories of human capital, we combined with statistical analysis methods to explore the intrinsic role of psychological capital in entrepreneurial intention. And it is concluded that among the four dimensions of psychological capital, self-efficacy has no obvious influence on entrepreneurial intention, and optimism, tenacity and tolerance have positive influence on entrepreneurial influence. On this basis, the development strategy of entrepreneurial intention of college students is proposed, which includes strengthening the combination of entrepreneurial education and practice, strengthening the entrepreneurial psychological capital through psychological counseling, and increasing the policy support and resource investment, etc., aiming to provide favorable guidance for college students' entrepreneurial practice.

**Keywords:** entrepreneurial psychological capital; college students; entrepreneurial intention; work values; countermeasure research

## 1. Introduction

Entrepreneurial psychological capital refers to the positive psychological state that an individual exhibits during the entrepreneurial process, including key elements such as self-efficacy, optimism, hope and resilience. These elements not only directly affect an individual's entrepreneurial intention, but also have a significant predictive effect on his or her entrepreneurial behavior and entrepreneurial success<sup>[1]</sup>. Conducting a thorough examination of the link between entrepreneurial psychological capital and college students' intention to start a business not only uncovers the underlying motivational dynamics of entrepreneurial conduct but also furnishes colleges and universities with a scientific rationale and practical strategies for their entrepreneurship education endeavors. The objective of this research is to offer a scientific foundation and hands-on advice for fostering the enduring growth of entrepreneurship education among Chinese college students by meticulously exploring the impact of entrepreneurial psychological capital on their entrepreneurial aspirations and devising developmental strategies accordingly<sup>[2]</sup>. Within the realm of entrepreneurial psychology, scholarly and practical communities are increasingly turning their focus towards the study of entrepreneurial psychological capital. In recent years, with the increasingly active entrepreneurial activities and the vigorous development of entrepreneurship education, the research on entrepreneurial psychological capital also shows a diversified and in-depth trend<sup>[3]</sup>. Through experimental investigations, scholars have discovered that self-efficacy not only straightly influences entrepreneurs' inclination and actions towards starting a business, but also serves as a notable indicator in predicting their entrepreneurial achievements and ultimate success. Individuals with high self-efficacy in the entrepreneurial domain often exhibit greater confidence and determination, empowering them to surmount obstacles and trials encountered during their entrepreneurial journey, demonstrating a more robust entrepreneurial mindset and adaptability. Optimism is another important entrepreneurial psychological capital. It reflects the positive attitude and coping strategy of entrepreneurs when facing difficulties and challenges<sup>[4]</sup>. Optimistic entrepreneurs tend to view failures as temporary and controllable, and thus are able to maintain a positive entrepreneurial mindset and continuously seek new opportunities and solutions.

Research has shown that optimism not only helps to improve entrepreneurs' mental health, but also enhances their entrepreneurial willingness and entrepreneurial motivation, and promotes entrepreneurial success. Although current research on entrepreneurial psychological capital has achieved fruitful results, there are still some urgent problems and research gaps. For example, there is a lack of in-depth and systematic research on the interactions among the dimensions of entrepreneurial psychological capital and their specific influence mechanisms on entrepreneurial intention and entrepreneurial outcomes<sup>[5]</sup>. In addition, how to effectively develop and enhance the psychological capital of entrepreneurs at different entrepreneurial stages, in different industries and in different regions is also an important direction of current research. The purpose of this research is to offer a foundational understanding and actionable insights for fostering the enduring advancement of entrepreneurship education among Chinese college students by meticulously examining the effects of entrepreneurial psychological capital on their inclination to start a business and devising strategies for its development.

## **2. Conceptual definition and theoretical basis**

### ***2.1 Psychological capital***

The concept of psychological capital is based on a large body of theoretical and empirical psychological research. While early economists realized the important impact of psychological factors on individual productivity, they believed that these psychological factors were unobservable and therefore unmeasurable<sup>[6]</sup>. Psychologists, on the other hand, were able to demonstrate that the description and measurement of such psychological capital was feasible. Goldsmith et al. (Goldsmith, Veum, et al., 1997)<sup>3</sup> were the first to introduce the findings of psychology by explaining the effect of psychological capital on wages (wage) using the concepts of self-esteem and control points. In subsequent studies, they expanded psychological capital to include self-views, self-esteem, work attitudes, ethical orientations, and general expectations of life.

In summary, psychological capital should be viewed as a higher-order core construct that consists of positive psychological capabilities such as self-efficacy, optimism, hope, resilience, etc., but is more than a mere overlay of these positive psychological capabilities<sup>[7]</sup>. Psychological capital as a whole contributes more to organizational performance than the sum of its individual components. The meaning of psychological capital is based on psychological research. Although the connotation of psychological capital is still inconclusive, and different scholars hold different views, the following common features can be summarized: (1) psychological capital refers to the individual's positive psychological characteristics or mental ability; (2) it has a positive impact on the performance of the organization; (3) it can be measured; and (4) it has the potential to be developed, and through the development of the psychological capital, it can make the performance of the organization to be improved.

### ***2.2 Human capital theory***

Human capital theory is a school of thought in modern Western economics. It was born in the mid-1950s and began to flourish in the 1960s, and after the 1970s the theory underwent further development on top of its original foundation. In the study of the theory, Schultz, Danielson and others have made notable achievements<sup>[8]</sup>. In Western economics, capital is the basic element used for material production. After the theory of human capital was generally recognized in economics, the connotation of capital began to have a new development. The traditional definition of capital was broadened beyond tangible assets to include human capital. Physical capital is primarily characterized by its measurable physical form, encompassing both the quantity and quality of material resources. In contrast, human capital represents a form of capital that holds economic worth within human resources (workforce), primarily manifested through the quality of workers. According to the traditional human capital theory, education capital, knowledge and technology capital, health capital, migration and mobility capital and training capital are the five major categories of human capital. Among them, health capital refers to the expenses on health care, including medical treatment, health care, nutrition, and physical exercise. It is a prerequisite and basic guarantee for the formation, accumulation, and energy efficiency of other human capital. Obviously, before this, mental health has not been emphasized and has not been included in the category of health capital<sup>[9]</sup>. However, with the continuous deepening of research, we find that mental health is an important topic that cannot be ignored and even has a deep impact on human capital. Some scholars have summarized and found that there are two views in the

theoretical community: the first view advocates that the traditional "health" content of human capital theory should be expanded from the original physical health to mental health, and accordingly, the investment in human capital should be increased in the content of the investment in mental health; the second view is that the positive psychological elements involved in mental health are different from the traditional human capital or social capital, and that mental health has a deep impact on the human capital. The second view is that the positive psychological elements involved in mental health are similar in nature to traditional human capital or social capital, but completely different in content, and therefore it should be separated and called psychological capital.

### **3. Hypotheses on the relationship between psychological capital and entrepreneurial intention among college students**

Foreign studies on the influencing factors of entrepreneurial intention are mainly conducted in two dimensions, the first one is trait variables and the second one is environmental variables, in which individual trait variables include demographic variables, personality traits and cognitive characteristics<sup>[10]</sup>. In terms of personality traits, entrepreneurs show different traits from other groups such as managers, for example, entrepreneurs are generally emotionally stable, experienced, and possess strong risk-taking tendency, achievement motivation and sense of responsibility. In terms of cognitive characteristics, foreign studies tend to take self-efficacy as a key variable among many antecedent variables affecting entrepreneurial intention to predict entrepreneurial intention well.

Through the above analysis, this paper concludes that the role of psychological capital and its elements is to cause certain effects on college students, so the hypothesis is as follows.

Hypothesis I: Psychological capital positively affects entrepreneurial intention of college students.

Hypothesis I-1: Self-efficacy positively affects entrepreneurial intentions of college students.

Hypothesis I-2: Optimism positively affects entrepreneurial intentions of college students.

Hypothesis I-3: Tenacity positively affects entrepreneurial intentions of college students.

Hypothesis I-4: Tolerance positively affects entrepreneurial intentions of college students.

## **4. Empirical analysis**

### **4.1 Survey Objects and Sample Selection**

Four hundred students enrolled in five higher education institutions from a northern province of China were selected for this study. Each of these five institutions has its own characteristics, covering comprehensive universities (University A), financial institutions (B University of Finance and Economics), teacher-training institutions (C Teacher Training University), 211 colleges and universities of science and technology (D Polytechnic University), and specialized institutions of medical science (E Medical University). University A, as a comprehensive institution, has a large faculty and student population with a comprehensive subject system, and its student body is broadly represented in the sample. B University of Finance and Economics focuses on the field of economics and management, and its students excel in entrepreneurial concepts, making it an ideal target for research on entrepreneurial psychological capital. C Normal University, as a benchmark in teacher education, is suitable as a collection point for samples of education and philosophy. D Polytechnic University, on the other hand, is a leader in polytechnic higher education in the province, and is representative of polytechnic students. E Medical University, on the other hand, focuses on medical education, which facilitates the sample of medical fields to be collection was facilitated.

In terms of sample sampling, this study ensured a diversity of subject disciplines, covering three major fields: humanities, social sciences, and science and technology. Considering that entrepreneurial intention may be more significant among graduates who are about to enter the society, the sample mainly focuses on fresh graduates<sup>[11]</sup>. As for personal information such as gender and place of origin, the principle of random sampling was adopted to ensure a broad and unbiased sample. The core purpose of this study is to explore in depth how entrepreneurial psychological capital affects the entrepreneurial intention of school college students through empirical analysis methods, and to propose effective development strategies accordingly.

**4.2 Correlation analysis**

Correlation analysis serves as an initial step to ascertain whether a relationship exists between variables. It involves examining the degree of pairwise correlation among two or more variables to determine if they are interconnected and suitable for subsequent regression analysis<sup>[12]</sup>. The linear relationship between variables is quantified using the Pearson correlation coefficient. The correlation results among the variables discussed in this paper are presented in Table 1.

*Table 1: Results of variable correlation analysis*

variant	Self-efficacy	Optimism	Toughness	Tolerance	Behavioral levers	Entrepreneurial Intentions
Self-efficacy	1	0.366	0.462	0.354	0.116	0.109
Optimism	0.366	1	0.526	0.507	0.266	0.282
Toughness	0.462	0.256	1	0.538	0.241	0.285
Tolerance	0.325	0.507	0.538	1	0.314	0.325
Behavioral levers	0.116	0.266	0.241	0.341	1	0.647
Entrepreneurial Intentions	0.109	0.282	0.285	0.325	0.647	1

The table reveals that there exists a pairwise correlation among the components of psychological capital. Specifically, self-efficacy, optimism, toughness, and tolerance each exhibit a positive correlation with entrepreneurial intention, with correlation coefficients of 0.109 (P<0.05), 0.282 (P<0.01), 0.285 (P<0.01), and 0.325 (P<0.01) respectively. This suggests that all facets of psychological capital are positively linked to entrepreneurial intention. Similarly, these components also positively correlate with the sense of behavioral control, with coefficients of 0.116 (P<0.05), 0.266 (P<0.01), 0.241 (P<0.01), and 0.341 (P<0.01). Furthermore, a strong positive correlation is observed between the sense of behavioral control and entrepreneurial intention, with a coefficient of 0.647 (P<0.01). These preliminary correlation analysis findings indicate a notable relationship between the dimensions of psychological capital and other variables, paving the way for further regression analysis.

**4.3 Regression analysis**

In order to test Hypothesis I, Hypothesis I-1, Hypothesis I-2, Hypothesis I-3 and Hypothesis I-4, firstly, regression analysis of psychological capital and entrepreneurial intention was conducted. Hypothesis I assumes that psychological capital positively affects entrepreneurial intention of college students, Hypothesis I-1 assumes that self-efficacy positively affects entrepreneurial intention of college students, Hypothesis I-2 assumes that optimism positively affects entrepreneurial intention of college students, Hypothesis I-3 assumes that tenacity positively affects entrepreneurial intention of college students, and Hypothesis I-4 assumes that tolerance positively affects entrepreneurial intention of college students. Regression of psychological capital with entrepreneurial intention as the dependent variable is shown in Table 2.

*Table 2: Regression analysis of the effect of college students' psychological capital on entrepreneurial intention table*

implicit variable	independent variable	Standardized Coefficient	R <sup>2</sup>	Adjuster-R <sup>2</sup>	F
Entrepreneurial Intention	Self-efficacy	0.079	0.137		
	Optimism	0.130*		0.126	13.021**
	Perseverance	0.139*			
	Tolerance	0.212**			

The regression results show that the correlation between college students' self-efficacy and entrepreneurial intention is not obvious, with a coefficient of 0.079 and insignificant, indicating that self-efficacy does not have much influence on college students' entrepreneurial intention, which may be due to the fact that the mean value of self-efficacy of Shanxi college students is the lowest among the four dimensions, as shown in the analysis in chapter four, and that Shanxi college students' self-confidence is relatively low, resulting in an insignificant predictive effect on entrepreneurial intention<sup>[13]</sup>. Optimism is positively correlated with entrepreneurial intention (b=0.130, p<0.05), which indicates that optimism positively influences entrepreneurial intention, and the more optimistic students

are, the more they are able to correctly view the risks and difficulties in the process of entrepreneurship, and the more prone to develop a tendency to start a business on their own. Toughness is positively correlated with entrepreneurial intention ( $b=0.139$ ,  $p<0.05$ ), which indicates that toughness has a positive influence on entrepreneurial intention, and it can be assumed that college students who are tough and unconvinced are more inclined to start their own business<sup>[14]</sup>. Tolerance is positively correlated with entrepreneurial tendency ( $b=0.212$ ,  $p<0.01$ ), indicating that tolerance has a positive effect on entrepreneurial intention, which may be due to the fact that the easier it is for people to tolerate and forgive others, the more they are able to understand and deal with the relationship with other people, with the team, and with the society, and the easier it is for them to develop entrepreneurial intention. Overall, forgiveness has the strongest predictive effect on entrepreneurial intention. From this, it can be concluded that hypothesis I-1 is not ideally supported, and hypothesis I-2, hypothesis I-3, and hypothesis I-4 are supported, so this paper concludes that hypothesis I can be basically supported, that is, for college students' entrepreneurial intention, having a good psychological capital can have a positive impact on it.

## **5. Entrepreneurial Intention Development Strategies for College Students**

### ***5.1 Strengthening the integration of entrepreneurship education and practice***

Colleges and universities should add or optimize entrepreneurship education courses covering basic theories of entrepreneurship, market analysis, financial management, marketing strategies, etc., in order to enhance students' entrepreneurial knowledge and skills. By organizing practical activities such as entrepreneurial plan competition, simulated entrepreneurial projects, and entrepreneurial internships, students can experience the process of entrepreneurship in practice and cultivate innovative thinking and practical operation ability. Successful entrepreneurs and entrepreneurs can also be invited to campus to share their entrepreneurial experience and insights, provide students with entrepreneurial guidance and inspiration, and stimulate their entrepreneurial enthusiasm. Through the combination of theory and practice, students can have a more comprehensive understanding of entrepreneurship, improve their entrepreneurial awareness and reduce their blindness in the process of entrepreneurship. Entrepreneurship practice activities can help students accumulate real-world experience, enhance their problem-solving ability, and lay a foundation for future entrepreneurship.

### ***5.2 Enhancing entrepreneurial psychological capital***

Through psychological counseling, team building and role simulation, we help students build up self-confidence and believe in their own entrepreneurial ability and potential. By fostering student involvement in research endeavors and innovation contests, we can ignite their innovative thinking and creativity, nurturing their capacity to continually seek fresh opportunities and tackle problems<sup>[15]</sup>. Additionally, through case studies and entrepreneurial simulations, students can gain insights into the risks and challenges associated with starting a business, enabling them to develop strategies to enhance their risk resilience. It can enhance students' psychological capital, so that they will be more resilient when facing difficulties and challenges in the process of entrepreneurship. Moreover, it can stimulate students' spirit of innovation and help them constantly seek new opportunities and breakthrough points in the process of entrepreneurship.

### ***5.3 Increased policy support and resources***

The Government should introduce more supportive policies for university students' entrepreneurship, such as preferential loans, tax breaks and entrepreneurship training, to lower the threshold and risks of entrepreneurship. Colleges and universities should cooperate with the government to establish business incubation platforms, providing college students with one - stop services such as venues, funds and technical support, and helping them turn their entrepreneurial ideas into practical actions. Promote the cooperation between universities and enterprises to provide college students with internship, employment and entrepreneurship opportunities while promoting the transformation and application of scientific and technological achievements. Through policy support and resource investment, the initial costs and risks of entrepreneurship for college students will be reduced, and their entrepreneurial success rate will be increased. Business incubation platforms and university-enterprise cooperation can provide more entrepreneurial opportunities and resources for college students and promote their entrepreneurial growth and development.

## 6. Conclusion

The present research delves into "the impact of entrepreneurial psychological capital on college students' entrepreneurial aspirations and growth strategies." Through comprehensive theoretical and empirical examinations, we meticulously explore how various components of entrepreneurial psychological capital—including self-confidence, optimism, anticipation, and adaptability—influence college students' entrepreneurial intentions. Subsequently, we offer a suite of growth strategies aimed at bolstering these intentions. Furthermore, we propose methods to elevate college students' entrepreneurial psychological capital. This study not only bolsters the theoretical framework of entrepreneurship psychology and pedagogy but also furnishes a robust scientific foundation and practical directives for reforming entrepreneurship education in higher education institutions.

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