Entrepreneurial Potential and Higher Education Institutions: A Systematic Literature Review

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Abstract

It is a systematic literature review of 32 scholarly articles published between 1971 to 2025 exploring the entrepreneurs' potential in the institutions of higher education. Entrepreneur's potential defines as psychological, cognitive, attitudinal and behavioural potentials of a person for venture creation. Theoretical background, antecedents, and behavioural outcomes were located and retrieved from the Scopus database for this review. The PRISMA was used in the selection and screening. There are five theoretical frameworks used to operationalize the entrepreneurial potential. These are personal entrepreneurial competencies and psychological trait-based approaches, the Theory of Planned Behaviour (TPB), self-efficacy, and systems of contextual support. It has been evinced that entrepreneurship education produces mixed effects. Moderating factors prove to be cultural context, gender, mechanisms of institutional support and the design of pedagogy. There is a substantial disparity in measured entrepreneurial potential. This disparity arises when intention and attitudinal proxies are used. It appears when comparing these proxies with observed entrepreneurial behavior. Since the research is mostly from one region, the findings might not hold elsewhere. Many of these studies are located in Europe and other developed economies. The review cites longitudinal potential-to-behavior conversion as a research priority. The focus is on the growth of entrepreneurial capacity among students. The context is specifically within the university setting.

Keywords: entrepreneurial potential, higher education, entrepreneurship education, systematic review, behavioral outcomes, digital entrepreneurship

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Introduction

Entrepreneurial potential can be defined as the concept of how individuals develop the psychological, cognitive, and behavioral skills to engage in entrepreneurial act (Krueger & Brazeal,

1994). Unlike entrepreneurship as such, referring to apparent economic action and venture formation, "potential" describes pre-existing individual and situational circumstances that facilitate or inhibit entrepreneurial action. This construct has taken on a more important role in the context of higher education, where there has been an increased importance to the operation of universities that has taken on the third mission of enabling innovation, ventures, and economic regeneration in addition to the traditional teaching and research roles.

The academic analysis of entrepreneurial opportunity in institutions of higher learning has grown significantly in the last twenty years, but published works are still highly fragmented in terms of theory and are inconsistent in the operations used. In early psychology researches, entrepreneurial potential was portrayed as motivational achievement. It was also linked to tolerance of risk and it included the ability to make decisions under uncertainty (Palmer, 1971). Later studies began to focus on intention-based models. These models build on the TPB and they treat entrepreneurial potential as equivalent to attitudes. They also equate it with perceived behavioral control and they link it to entrepreneurial intentions (García-Rodríguez et al., 2017; Huertas González-Serrano et al., 2021). More contemporary capability-conceptualizations of potential redefine what potential means. They conceptualize potential as a learnable set of competencies and skills. These competencies and skills are distinguishable from psychological traits. They are also distinct from intentions in their own right (Souza et al., 2017; Lazanyi, 2014). Researchers still do not agree on what potential means. Some argued this as something individuals are born with while other argued it as a part which can be grown through learning and support. Studies from developed economies mainly stress individual psychological traits and formal entrepreneurship education as key drivers for the entrepreneurial outcome. Research from both developing countries and middle-income countries is also inclined toward institutional support, relational networks, and the ability to overcome constraints as important factors. Recent work after the pandemic shows that digital change is changing platform- and AI-based entrepreneurship, as well as traditional venture creation (Sangwa et al., 2025). Sustainability is now becoming an important part of how universities think about and develop entrepreneurial skills. It is still not clear whether culture changes the meaning of entrepreneurial potential itself, or whether the meaning stays the same but its causes and expressions differ from place to place.

Moreover, the literature is severe by a critical empirical gap: as numerous studies have shown that potential based on intentions, attitudes or as assessed psychologically, improves as a result of educational intervention, little literature has been able to longitudinally confirm that measured entrepreneurial potential is predictive of entrepreneurial action. In a widely-publicized study, Galloway and Brown (2002) discovered that entrepreneurship education greatly facilitated entrepreneurial awareness and intentions among graduates without consistently raising the actual startup action, thus pointing to the potential-behavior gap that justifies the focus of the present review on conversion processes and the complexity of transforming the latent potential into lasting entrepreneurial action in different settings.

It is against this backdrop that this systematic literature review is able to bring together diverse evidence fragments and general trends across theoretical traditions, methodologies, geographic settings and student populations. The review, with a synthesis of results of 32 peer-reviewed studies, determines areas of theoretical congruence and substantive discord, defines the state of empirical

evidence base; and sets priorities of research directions to develop interdisciplinary entrepreneurial potential growth in higher education institutions within a more complex and digitally-mediated entrepreneurial environment.

Literature Review

The presence of entrepreneurial potential has been a debated issue in the field of entrepreneurship. The seminal contribution of Palmer (1971) defined the first principle of being assessed ex ante by psychological testing of the entrepreneurial capacity based on psychological hypothesis stating that measures of decision-making under uncertainty, innovation tolerance, and interpersonal competence are the valid proxies of future entrepreneurial activity. The early framing of the potential placed the potential as a psychological inclination based on cognitive and character attributes.

Trait and motivational traditions built on this premise and associated entrepreneurial potential with certain psychological dimensions. McClelland's (1961) achievement motivation theory gained wide popularity. It identified people with high need for achievement, internal locus of control, and risk-taking as having strong potential. A study that looked at 1,790 university students from nine different countries (Mueller & Thomas, 2001). It found entrepreneurial orientation high innovativeness and internal locus of control linked to national culture. Individualism and uncertainty avoidance showed the strongest connections. This study found that the ability to start a business is not evenly distributed across cultures. The early traits theories did not provide much information concerning the role of higher education. They did not concern themselves on whether education could prompt or quash latent potential. Neither did they put into consideration possible variability with time.

The TPB used by Ajzen (1991) was later adopted in intention-based models. These concentrated on psychological processes immediately prior to action as an entrepreneur. In this method there was the attachment of potential to entrepreneurship attitudes. The perceived behavioral control and the subjective norms also contributed significantly. The primary outcome was entrepreneurial intention. Several TPB studies in higher education confirmed this (Huertas González-Serrano et al., 2021; García-Rodríguez et al., 2017; Badghish et al., 2024). Entrepreneurship education does shape attitudes and intentions. Which leads to the changes in perceived behavioral control more frequently mediate these effects. But this theoretical tradition also created a conceptual conflation in that, when potential and intention share the same psychological processes, are they different constructs or simply different terms used at varying conceptual levels? This is one of the questions that has not been sufficiently covered in the literature.

This conceptual ambiguity was acknowledged by studies that reconceptualize entrepreneurial potential as a potential in the form of ability or competency rather than intentions. Comparing the performance of tertiary students with the performance of practicing entrepreneurs in Hungary, Lazanyi (2014) observed that entrepreneurs scored significantly higher on various personal entrepreneurial skills such as initiative taking, commitment and persistence. In their psychometric validation of entrepreneurial potential in Brazil using 455 university students and 148 practicing entrepreneurs, Souza et al. (2017) showed that capability-based operationalization of potential was a reliable way to distinguish entrepreneurs and students as well as explain the special variance beyond intention. According to these studies, potential, measured by the exhibited competences and skills, functions as an independent construct that has a better

behavioural predictive validity than intention-based tests.

The research conducted in parallel validation along the attitudinal framework further provided the insight into the multidimensionality of the construct. Spagnoli et al. (2017), having tested 630 Italian students of various levels of education and having participated in a confirmatory factor analysis, confirmed Attitude Toward Enterprise model as a psychometrically reliable second-order measure of potential in terms of leadership, creativity, achievement motivation, personal control, and intuition. This study not only established that entrepreneurial potential was quantifiable as a complex attitudinal set up prior to intention formation, but it also found that achievement and personal control dimensions had lower cross-level invariance, which implied that achievement and personal control had context-dependent make up.

New studies look beyond individual psychology and capabilities. which leads to putting potential play in institutional and systemic settings. Facilitators are identified in the literature of entrepreneurship in universities. Transfer of knowledge is significant. Infrastructure support issues. Institutional legitimacy is also identified to be a major factor that mobilizes the latent potential. Qureshi and Mian (2021) examined the transfer of entrepreneurship education in engineering higher education institutions. They discovered that success was based on absorbency. Institutional champions were found to be crucial in thos context. Pedagogy determined whether students' behavior toward entrepreneurial acts was activated, and the studies of women entrepreneurs in constrained setups provide the positive relation toward finding (Goncalves et al., 2024; Sharma et al., 2024).

An individual potentential towards entrepreneurship leads to a vague definition and understanding without connection explaining with the support systems, which leads to the importatace of Institutional access. is has been seen that the there is importance towards the adaptive responses to constraints. Most importantly, longitudinal data on potential formation were found to be in limitations. Varamaki et al. (2015) studied Finnish students at university enrollment. They found potential often decreased during higher education. Active experiential pedagogies could prevent this decline. Without them, potential suffered under harsh educational experiences. which leads to the finding disputes prenotion that potential steadily grows through formal education and describes that educational design and its timing greatly important. Gil-Soto et al. (2022), who studied Senegalese students prior to and after the entrepreneurship program completion, however, discovered much more potential dimension strengthening, including leadership, creativity, and intuition, but paradoxically, there was a decrease in personal control, meaning that the effect of the programs is multidimensional and even contradictory.

The literature reviewed shows a general consensus that entrepreneurial potential is a predisposition to entrepreneurship based on psychological qualities, skills and attitudinal patterns, which are defined by education, culture and institutional environments. However, a cumulative development of knowledge is inhibited by persistent conceptual fragmentation, heterogeneity in operationalization, cross-sectional research design and lack of longitudinal validation of behavior. The field has not been able to determine the nature of potential as a single construct with contingent antecedents or whether the very composition of entrepreneur potential is different in different geographic, cultural, and institutional contexts and therefore cannot be framed with a universal set of constructs.

Research Gap

In spite of widespread academic scrutiny, there is still a lack of theoretical consistency in potential and at best it is operationalized in terms of proxies like intentions and attitudinal measures that are poorly predictive of actual entrepreneurial behavior. There are published studies that show that education and institutional support systems are beneficial to measured potential in intention-based and attitudinal frameworks, but the point of critical weakness is that to date there is no longitudinal, behaviorally based evidence to detail how and whether these improvements in measured potential are translated into enduring entrepreneurial action within different geographic, cultural, and institutional settings. Moreover, modern entrepreneurship has gone well beyond the traditional venture formation, to include social entrepreneurship, corporate entrepreneurship, the digital platforms, sustainability-oriented movement, and new gig economy formulations but has not yet systematically integrated how universities prepare potentials of such varied entrepreneurial directions.

Research Objectives

This is a systematic literature review that is expected to bring together the piecemeal evidence and generalize the trends in theoretical tradition, methods, and geographical settings. In particular, the four research objectives covered by this review include:

- To describe the conceptualization, operationalization and measurement of potential in published empirical and theoretical studies in the scopes of higher education.
- To determine the key individual-level predispositions, institutional mediators and contextual moderators of the formation of potential among higher education students and only graduated students.
- To describe conceptual gaps, methodological constraints and geographic and demographic settings that lack research and define directions of priority in future research.

The synthesis of evidence across these dimensions is expected to help in the development of more cohesive and empirically-based theoretical development, inform more effective institutional design of entrepreneurship education and support that is consistent with entrepreneurial diversity today, and create high priority questions in further research.

Research Methodology

This systematic literature review followed the preferred reporting components for Systematic Reviews and Meta-Analyses (PRISMA) guidelines (Page et al., 2021; Moher et al., 2009). The study met to the methodological standards outlined in the Cochrane Handbook for Systematic Reviews (Shuster, 2011). The review protocol was created and defined before the study was chosen to reduce systematic bias and tell the difference between conclusions based on evidence and those based on subjective experiences (Gusenbauer & Haddaway, 2020).

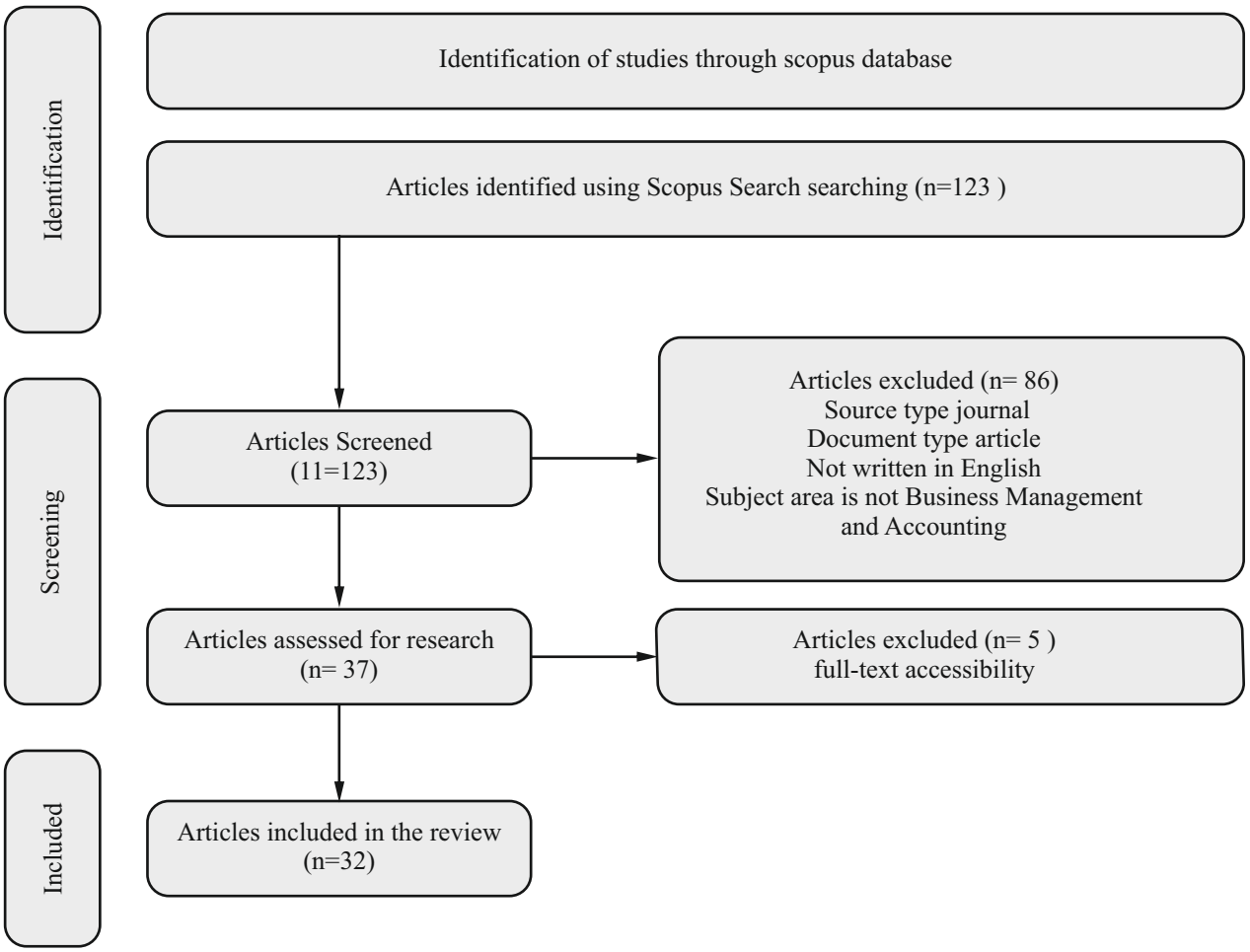

Figure 1: Prisma Framework (Moher et al., 2009; Page et al., 2021)

The search was made by an exhaustive electronic search of the Scopus database which is the largest multidisciplinary citation index in social sciences and business research. The search query was a combination of two core concept clusters, which are potential and higher education that is the institutional backdrop. The refined search strategy was

"((title-abs-key("entrepreneurial potential") and title-abs-key("higher education institution" or "higher education institutions" or "universities" or "university students" or "college students" or "tertiary education")) and (limit-to (srctype,"j")) and (limit-to (pubstage,"final")) and (limit-to (doctype,"ar")) and (limit-to (language,"english")) and (limit-to (subjarea,"soci") or limit-to (subjarea,"busi")))".*

The search was limited to journal articles in English language, published between 1971 and 2025, in subject area of Business, Management, and Accounting. This strategy brought 37 preliminary amount of peer-reviewed articles. The next steps of manual screening and evaluation of full-text accessibility lead to the final included set of 32 articles, the complete data extraction of which was possible.

Inclusion and exclusion criteria allowed study selection, which was stipulated in advance (see Figure 1). Studies that included in the set were

peer-reviewed empirical or conceptual studies that specifically investigated entrepreneurial potential in respect to higher education settings where university or college students or recent graduates were the main population of interest and where full-text data were available to extract. Studies were excluded, which dealt with entrepreneurship education or entrepreneurial intention without making a specific reference to potential, limited the sphere of corporate intrapreneurship without higher education background, or did not have available full-text data. Identification and screening were conducted in four PRISMA compliant steps, which included identification (37 candidates in Scopus), screening (37 articles through title and abstract), eligibility (32 articles through full-text verification) and inclusion (32 articles through data extraction).

Analysis & Discussion

Trends in publications demonstrate a significant increase in the research of the entrepreneurial potential in the context of higher education (*see Figure 2*). The number of studies ranged between 1971 and 2000 (n=1), 2001-2010 (n=4), 2011-2015 (n=8), 2016-2020 (n=7), and 2021-2025 (n=12), pointing to an increasing number of studies in the field during the fifth year. The citation profile reveals intellectual grounds and development of the research on entrepreneurial potential (*see Table 1*). Mueller and Thomas (2001) is the most influential work that through their cross-national study the role of culture, locus of control and innovativeness in determining potential was clearly established. Initial theoretical work including Palmer (1971) put the construct within the context of psychological testing whereas Galloway and Brown (2002) critically reviewed the importance of university entrepreneurship education, a theme that evolves the debate. A change in trend in the focus on the traits-based approaches to the institutional, educational, and contextual explanations can be seen in highly cited studies published in such leading journals as Journal of Business Venturing and Research Policy. Later works are more concerned with the developing and less innovative regions, gender and cultural diversity, and the role of the universities in the emerging economies, which signifies a progressive expansion of the scope of the field of the Western-centered and individual-only model.

There is a wide range of diversity in methodologically considered studies. The most common ones include cross-sectional quantitative surveys with structural equation modelling (56% n=18), conceptual or theory building articles (13% n=4), longitudinal quantitative designs (13% n=4), qualitative research (13% n=4) and mixed-methods studies (6% n=2). Cross-sectional designs have a very high dominance thus restricting causal inferences and validation of the outcomes of behavior to a large degree. The sample sizes were 100-1,790 respondents, most of them being students (81 percent, n=26), and some of them consisting of practicing entrepreneurs (n=4) or graduates (n=2).

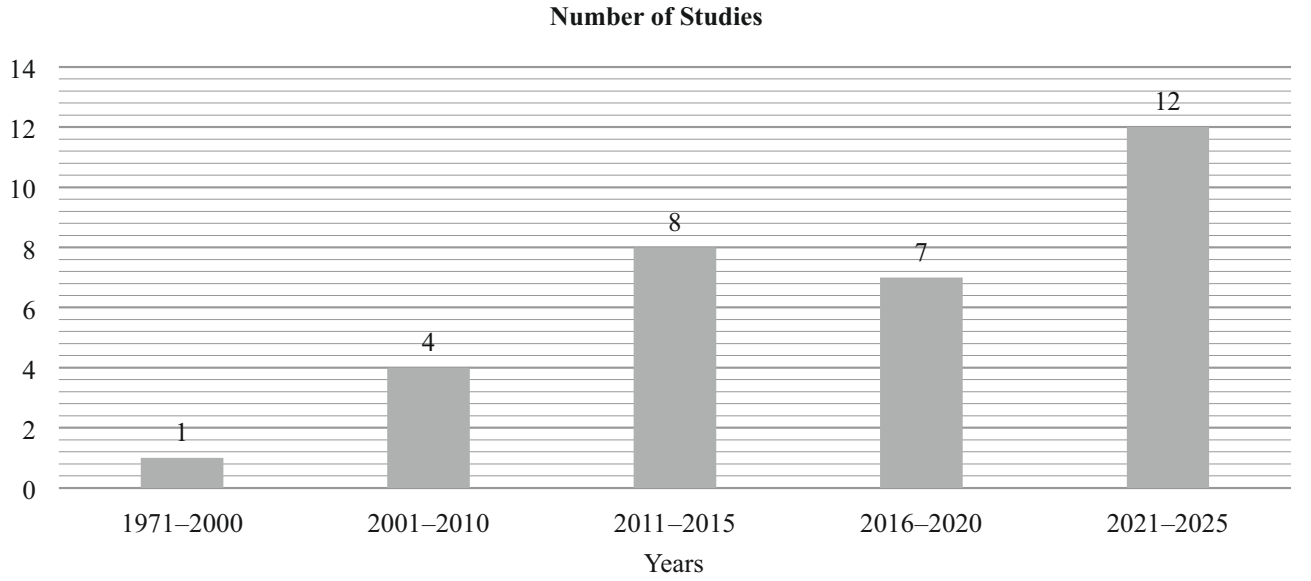

Figure 2: Number of studies published over time

In terms of operationalization, there are 14 positive effects of entrepreneurship education on assessed potential in 44% of the studies (n=14). Almost 22% (n=7) say that there are no effects or that they are not significant, or they find that education stabilizes rather than increases potential. The remaining studies employ educational interventions as one variable among many antecedents rather than as the central research focus.

Research Findings

The studies included show that there is a lot of disagreement about what entrepreneurial potential means and how to use it. This is because the theories are not well-connected, which makes it hard to build on what reasearches explained. There are five main theoretical frameworks used in the literature. The Theory of Planned Behavior (TPB) is used in eight studies (25%). In these studies, potential is described as a hidden starting point of entrepreneurial intention. It is closely connected to sub part of the TPB theory which over their actions. Founded on Krueger and Brazeal (1994), the Entrepreneurial Potential Model is expressly found in four researches and indirectly in six other researches (31%), in which potential is operationalized as a state of felt readiness that entails perceived feasibility and desirability. Five studies (16%), which are based on McClelland's (1961) Achievement Motivation Theory, define the potential based on the availability of a need to accomplish anything and goal-directed behaviour. Three studies (9%), looking at potential as a complex attitudinal construct, use the Attitude Toward Enterprise model. Entrepreneurial Competency Theory bases five studies (16%), interpreting potential as a learnable bundle of personal competencies.

Within each of these structures, potential is carried out via four primary approaches. The trait-based approach described in seven studies (22%) says potential comes from a person's basic personality. It focuses on traits like locus of control, innovativeness, willingness to take risks, and the need to achieve. The attitudinal approach explained in twelve (38%) says potential depends on a person's attitude, confidence, and motivation. It assumes that these psychological factors can change. The intention-based approach explained in

eight studies (25%) measures potential indirectly by looking at entrepreneurial intention. It sees intention as a clear sign that someone is ready to start a business. The capability-based approach (16%, n = 5) measures potential through skills and competencies that people have developed.

This heterogeneity of operation creates a substantive idea of disagreement regarding the nature of entrepreneurial potential. Trait-studies offer a possible fixation of potential which is mainly determined at early stages of development by psychological testing. The potential is malleable due to education and support systems based on the attitudinal and intention studies. Potential is seen as a developmentally-responsive skill set that is developed through training and practice in capability-based research. These opposite assumptions have varied implications on institutional intervention logic: there are trait theories (early identification and selection); educational theories (capability building, through pedagogy); competency theories (behavioral apprenticeship, with guided practice); and competency theories (behavioral apprenticeship, with guided practice). The research has not solved one main question. What is potential, really? Do we need to understand entrepreneurial potential differently in different situations? Many factors affect potential. Some factors may matter more than others. Their influence on a person's potential can change over time. Still, personal psychological factors often have a big effect on how ready someone is to start a business. Need for achievement matters. Self-efficacy is important. Internal locus of control helps. Risk tolerance also plays a role. These form the psychological foundation for entrepreneurship.

Nevertheless, these attributes appear to be largely determined. At the end of adolescence or at the onset of adulthood, they stabilize. This implies that they are not affected by direct education

Table 1: Top 10 Cited Studies

S. No.	Authors	Year	Title	Source	Cited by
1	Mueller, S.L.; Thomas, A.S.	2001	Culture and entrepreneurial potential: A nine country study of locus of control and innovativeness	Journal of Business Venturing	1188
2	Galloway, L.; Brown, W.	2002	Entrepreneurship education at university: A driver in the creation of high growth firms?	Education and Training	292
3	Wennberg, K.; Wiklund, J.; Wright, M.	2011	The effectiveness of university knowledge spillovers: Performance differences between university spinoffs and corporate spinoffs	Research Policy	269
4	Palmer, M.	1971	The Application of Psychological Testing to Entrepreneurial Potential	California Management Review	112
5	Tung, D.T.; Hung, N. T.; Phuong, N.T.C.; Loan, N.T.T.; Chong, S.-C.	2020	Enterprise development from students: The case of universities in Vietnam and the Philippines	International Journal of Management Education	68
6	Varamäki, E.; Joensuu, S.; Tornikoski, E.; Viljamaa, A.	2015	The development of entrepreneurial potential among higher education students	Journal of Small Business and Enterprise Development	64
7	García-Rodríguez, F.J.; Gil-Soto, E.; Ruiz-Rosa, I.; Gutiérrez-Taño, D.	2017	Entrepreneurial potential in less innovative regions: the impact of social and cultural environment	European Journal of Management and Business Economics	41
8	Ryan, J.C.; Tipu, S.A.; Zeffane, R.	2011	Need for achievement and entrepreneurial potential: A study of young adults in the UAE	Education, Business and Society: Contemporary Middle Eastern Issues	38
9	Gerry, C.; Marques, C.S.; Nogueira, F.	2008	Tracking student entrepreneurial potential: Personal attributes and the propensity for business start-ups after graduation in a Portuguese university	Problems and Perspectives in Management	32
10	Zeffane, R.	2014	Does collectivism necessarily negate the spirit of entrepreneurship?	International Journal of Entrepreneurial Behaviour and Research	29

so much. The most researched factor is entrepreneurship education. It is represented in 18 articles (56 percent of the sample). Nevertheless, it has a contradictory evidence. Eight (44 percent) studies establish that entrepreneurship education has some positive effects on the measured potential, and that educational exposure positively affects intentions, attitudes, competencies or dimensions of traits. Four studies (22%) find the null or non-significant effects, and some of them indicate that passive pedagogies can even inhibit the possible development. Two studies discovered that active experiential pedagogies stabilize the potential. They do not add to it significantly. This

implies that generic entrepreneurship education is ineffective. The design of pedagogy is the key to success. Program length matters. The background of students is significant. Mediation of effectiveness takes place through situations. The environmental and institutional factors are the significant mechanisms. University support systems are significant and mentoring relationships are useful. Network access is crucial. Potential is triggered by incubator resources. Those who have cultural barriers are particularly assisted by institutional legitimacy. This is attested in four qualitative studies. Entrepreneurial immigrants should be given assistance. It depends on Lebanese women businesspersons.

The same is experienced in technology sector development. Potential remains in latent form without validation, opportunities and resources. This implies that potential is not only psychological. It requires institutional scaffolding in order to get going. Complex moderators are the cultural and contextual factors. Entrepreneurship opportunities are influenced by individualism/collectivism. The extent of potential is influenced by uncertainty avoidance. Yasin and Khansari (2021) made an interesting discovery. Potential in the UAE is favorably anticipated by collectivism. This disputes the fact that individualistic cultures only produce an entrepreneur. Effects of gender are situation-dependent. There is some research that indicates that women students benefit more when educated on entrepreneurship. In particular institutional or cultural contexts, others discover gender issues. In the Western countries the family background forecasts potential. But not in a sample of some developing countries. Family effects appear to be mediated by culture. The strongest predictor is perceived behavioral control in which six TPB studies validate this. It is a composite of self-efficacy and feasibility beliefs and access to resources perceptions. it predicts both intention and potential. This implies that it is better to work with perceived control. Confidence is created through mentoring. Access of resources is feasible. There are success stories that motivate to act. These beat are aimed at altering attitudes or norms. There is critical gap in the literature. Aspirations, attitudes or test scores are the most commonly measured. Not many follow through behavioral follow through. Among 32 articles that have been reviewed, three of them are covering it. Are measured potential levels predictive of actual venture creation? Do they lead to observable entrepreneurial behavior? Lazanyi (2014) and Souza et al. (2017) established the cross-sectional ability of potential to distinguish between entrepreneurs and students and found that planning, persuasion, goal-setting, and control are the strongest behavioral predictors. Yet, they are cross-sectional comparisons between student and the population of the entrepreneurs and not longitudinal predictions based on potential measurements to actual ventures.

Two studies ex-post facto rebut suppositions of direct potential-behavior conversion. Galloway and Brown (2002) discovered that entrepreneur education did not increase the actual starting up, but it did increase entrepreneurial intentions and awareness among graduate respondents, indicating a temporal disconnect between potential development and behaviour action or that there are structural barriers to action despite high potential. Following higher education to monitor the growth of potential, Varamaki et al. (2015) found that intention-behavior conversion was weak and context-sensitive and institutional support and network access were strongly moderating the manifestation of the potential in observable action.

There are important implications of this potential-behavior gap. The intention, attitudes, or trait measures of entrepreneurs potential could be a poor proxy of actual entrepreneurial readiness in the

absence of behavioral predictive validity. The papers showing this disparity have posited three potential reasons, the first is that psychological or attitudinal states measured by instruments do not causally induce behavior; the second is that the resources, risk aversion, or lack of opportunity following measurement do not allow behavioral action despite high potential; the third is that there is no consistency between the timing of measurement and the timing of opportunity to take action in ventures based on natural timelines to venture creation decisions. This limits evidence-based institutional design.

The review found high heterogeneity in entrepreneurial potential. The way researchers define potential changes depending on the country and the people they study. What predicts potential also changes from place to place. The way that potential ends up being actual act is not the generally same. Studies from Western developed countries (38%, n = 12) focus mainly on individual qualities. Independence and personal traits are things that researchers often talk about. People often don't pay attention to cultural or institutional barriers. Studies of developing and middle-income countries (31%, n=10) tell a different story. Possible connections to weak institutions. Support from outside is more important than traits inside. Collectivist cultural values predict entrepreneurial potential. This goes against Western ideas of generality as the effects on families and relationships are complicated. They're highly context-dependent. Gender emerges as a key constraint. Resilience becomes central. Relational leadership matters more. In these situations, adaptive decision-making under constraints shows what is possible.For instance, Goncalves et al. (2024) found that women business owners in Lebanon show potential for resilience and the ability to handle the demands of their families, make ends meet, and deal with institutional barriers, rather than focusing on psychological traits or goals like Western models do.

Conceptual Framework

Entrepreneurial potential is a multi-level construct that connects individual psychological abilities, design of the educational institution, and the ecosystems in general (see *Figure 3*). Psychological pre-dispositions at the individual level such as internal locus of control, achievement motive, and risk-taking will offer the base of psychological pre-disposition to entrepreneurial action. Still, this basic tendency does not automatically lead to entrepreneurial action.It only prepares a person mentally. Entrepreneurial action is brought about by the level of support provided and by the potential that are available in the surrounding environment.

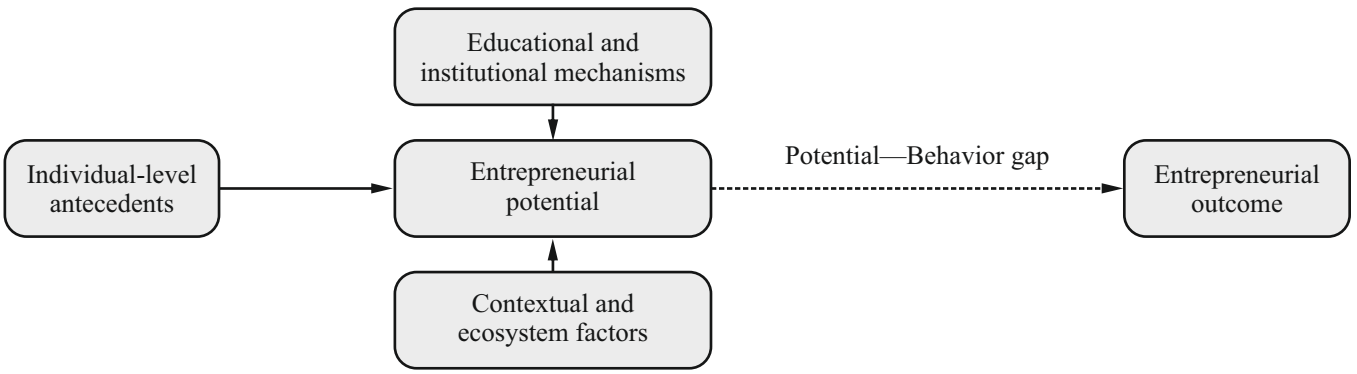

Figure 3. Conceptual Framework

At the institutional level, the potential to become an entrepreneur is mobilised by the universities in various ways not directly linked to the formal education of entrepreneurship. Mentoring relationships at the Institutional Level- Mentoring offers psychological assistance. They justify entrepreneurship identity. They make abstract potential specific action steps. Access to resources is provided in incubators and accelerators. They translate the latent potential into the opportunity recognition. The peer communities justify taking risks. The culture of entrepreneurship renders it to be acceptable among a wide range of students. These relational and infrastructure processes are the most important ones. They play a very important role amongst students who have cultural or institutional constraints. Ecosystem Level- Policy is the policy of national startups. Digital transformation brings about possibilities. Results are also determined by industry conditions and labor markets. Barriers inhibit behavioral conversion. There are barriers formed by credit limits. Complexity in regulation retards development. There are family pressures which introduce restrictions. Opportunities are limited, which is a barrier to action. Ecosystem conversion is facilitated by ecosystem tailwinds. Startups are fast-tracked by the interest of investors. Low-cost entry is made possible with digital platforms. Slack in labor market decreases opportunity cost. Entrepreneurial potential has been more of a multi-level ecosystem. It is not just about psychology or teaching. This changes institutional emphasis on training potential entrepreneurs to facilitating the expression of behavior among students of different paths.

Conclusion

It is a synthesis review of 32 studies (1971-2025) on entrepreneurial potential in higher education. Studies demonstrate hard work but conceptual disintegration. There is a decrease in generalizability because of methodological constraints and geographic bias. Entrepreneurial potential is a readiness state of latency and multidimensional. It falls under cognitive, affective and behavioral domains. Individual characteristics have an impact (achievement motivation, self-efficacy). Support systems in the institution are essential. This can be determined by cultural values and access to resources. Measured potential is increased by entrepreneurship education in 44% of the studies. However, there is limited study that follows to real venture on-creation. Institutions and psychology are not enough. Multidimensional ecosystems are the most productive mentoring, networks, resources, cultural validation. Potential is quite situational. Western universal models are not universal.

Policy Implications

The old standardized models of entrepreneurship do not apply anymore. The responses should be culturally effective and student-diversified. The teaching in the classroom usually does not succeed. Ecosystem based, and experiential approaches are successful. Successful policies lead to Mentoring and learning, Interdisciplinary teamwork with peers, effective incubators and accelerators.

Recommendations

Universities require comprehensive entrepreneurship systems. Single courses won't suffice. Active, practice-based learning should be prioritized in preference to lectures. Potential is triggered better through doing than by knowledge transmission. Local institutional support of the culture. Wholesale Western business school models are not a good idea.

Future Research Directions

It is evident in this systematic literature review that

there is not only a theoretical fragmentation but also an emergent consensus of multidimensional and institutionally malleable nature of entrepreneurial potential in higher education. Current research shows entrepreneurship education works. Support provided by institutions also helps in improving defined potential. But a critical gap remains. Lack of research if this leads to real entrepreneurial behavior. This is worse with cross-sectional designs. Eastern samples are not adequately represented in dataset taken for the study. Future studies should focus on following changes over time in how potential becomes actual behavior. Which can be done by testing different teaching methods. Also by examining the effects of institutional changes. Cross-cultural comparisons also can be focused for the further research. Also research on digital/AI entrepreneurship and uncommon entrepreneurial outcomes can be consired in future work. Regions and demographics that are not well represented, and a wide range of academic fields.

Limitations

There are a number of significant limitations that were recognized in this systematic review. Scopus search was extensive but limited. It missed specialized journals. Regional publications got overlooked. Non-English studies were excluded. Inclusion criteria were narrow. We focused only on "entrepreneurial potential" explicitly. Similar studies on intentions and mindset were excluded. Most studies used cross-sectional designs. This limits causal claims. We can't track development over time. Samples were mostly students as study are inclined towards institutions of higher education. Results don't generalize to- older adults with inclusion of out-of-school youth also actual entrepreneurs. Studies lacked consistent measures. Different ways of putting things into action made it hard to make strong comparisons.

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