

## **Entrepreneurial Intentions among University students of Punjab a Province of Pakistan**

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### **Abstract**

*In order to add to literature on forecasting entrepreneurial intentions this research paper aims to examine levels of Entrepreneurial Intentions amongst Students through a model developed by Ajzen, in Punjab a province of Pakistan. Paper based survey (Entrepreneurial Intention Questionnaire) has been conducted among Pakistani university students. Intended survey has cover 197 students. Data have been analyzed using SPSS soft ware in computer while correlation, t-test regression have been utilized for finding out the results. Results have revealed that students participated in entrepreneurship education have more intention towards entrepreneurship than those who has not participated in entrepreneurship education courses. Policy makers can make policies on the basis of the research to enhance entrepreneurial mind set amongst youth of the region. It will help in socio – economic growth of the region by enhancing entrepreneurship. This study has added to the literature previously researched about antecedent of entrepreneurial inclinations in Punjabi cultural context. Especially in West Asia It will also initiate discussion on new topics for research in future. It should establish more research among this region.*

**Keywords:** Entrepreneurial Intentions; Entrepreneurship Education; Subjective Norms, Theory of Planned Behavior;

### **Introduction**

Entrepreneurship plays a vital role for new venture creation; existing venture expansion, social, technological and economic development of the country (Lumpkin & Dress, 1996). At present, the importance of entrepreneurship goes much further. Encouragement of entrepreneurship has become an essential issue for modern policy makers. Given the very important position of entrepreneurship as an engine of socio-economic development, there is an attention from policy makers and academicians in economic development through entrepreneurship, as well as entrepreneurship education (Gorman et al. 1997). As a consequence, Higher Education Institutes consider entrepreneurship as an important course in their scheme of studies (Kolvereid and Moen 1997). In USA more than 400 HEI are offering courses of entrepreneurship and number of students taking entrepreneurial subjects are increasing day by day. (Kuratko and Hodgetts 2007).

Entrepreneurship courses are not only offered by Business institutes but other faculties like Social Sciences, Engineering, Information Technology are also offering these courses in their syllabus. (Garavan and O'Connell 1994). The rapid growth of entrepreneurship education in academics is evidence of the fact that students participating in entrepreneurial courses have more intentions towards new venture creation than those students who do not participate in entrepreneurship education. (Galloway and Brown 2002). Formal entrepreneurial education has an impact on students' inclination towards entrepreneurship as a career selection. (Hansemark 1998). Therefore, in developing countries there is a focus upon higher education to play an important role in developing entrepreneurial mind set of students (Din 1992). Logically there arises a concern about the capacity of universities to produce students who may select entrepreneurship as their possible future occupation.

### Objectives of the study

The main objective of the study was to; i) explore the impact of family background on university students' intentions towards entrepreneurship; ii) find out whether there is a difference in inclinations towards entrepreneurship between female and male university students; iii) Study was also aimed to examine the entrepreneurship education variables that significantly have an impact on university students' intention towards entrepreneurship.

### Methodology

The data were collected with a questionnaire among university students of Punjab a province of Pakistan (N=197). Correlation, t-test and regression statistics were used for analysis. The regression results give further results in explaining entrepreneurial intentions among students of different countries and cultures under study.

The questionnaire was adapted from previously existing entrepreneurial intentions questionnaires (EIQ). The questionnaires were already tested by their authors previously in their research study. Their research can provide information about the validation of the questionnaire (Lüthje & Franke, 2003; Autio et al. 2001)

### Reliability Analysis

Cronbach alpha gave the following result of reliability analysis;

Table 1 Reliability Statistics

No of Items	Cronbach's Alpha
23	.87

Here in the Table No. 2 is given the discipline of the students. Management students were taken in studied those who have participated in entrepreneurship courses;

Table 2: Frequency analysis of discipline study

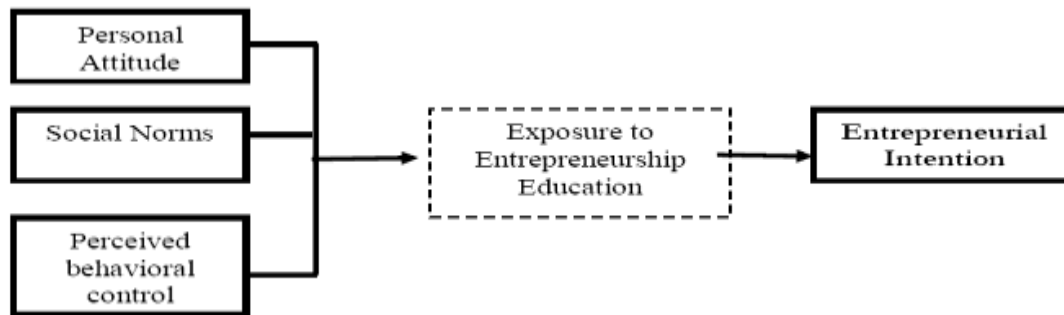
Discipline	f	%
Management	157	79.7
Other	40	20.3
Total	197	100

### Theoretical Framework

To become an entrepreneur is not a one day game; Intentions are state of mind which motivate individual to attain some specific goal. The entrepreneurial mind set directs towards risk taking over the fear of loss with efficacy and therefore, entrepreneurial intentions a range of intention models have been developed in preceding study. As indicated by Peterman and Kennedy (2003) most models of entrepreneurial intention focus on the pre-entrepreneurial event and make use of attitude and behavior theory (Ajzen, 1991), self-efficacy and social learning theory (Bandura, 1997).

More and more theorists explain entrepreneurial intentions as a variable within larger psychological models: e.g. Davidsson (1995) developed a so-called economic-psychological model of factors influencing individuals' intentions to start a new business. Intentions toward entrepreneurship are a concern of psychology in nature. "Psychologists have proven that intentions are the best predictors of any planned behavior, particularly when the behavior is rare, hard to observe, or involves unpredictable time lags" (Krueger et al., 2000). Entrepreneurial inclinations are a psychological in nature. "Psychologists have proven that inclinations are the good forecasters of any *planned behavior*, mainly when the behavior is exceptional, difficult to study, or includes irregular intervals" (Krueger et al., 2000, p.411). While new ventures are not established in a day, entrepreneurship could be observed as a sort of planned behavior. In order to know the behavior of individuals, Ajzen (1991) purposed the 'Theory of Planned Behavior' (TPB). The TPB of Ajzen (1991) assists to know how we can transform the behavior of learners. The essential feature in Ajzen's (1991) TPB is the persons' inclinations to demonstrate a certain type of behavior. Inclinations are understood to be the stimulus of a specific behavior. Thus, the stronger the inclination to carry out specific behavior, the more possibly it will be demonstrated.

Figure; 1 Conceptual Frame work



Ajzen (1991) describes three factors, which are essential in varying the inclination and the real behavior. First, the attitude someone has toward the behavior. A learner could for example have a positive attitude toward entrepreneurship because his/her parents have their own business or self-employed. Other things that have an impact on the attitude in the entrepreneurship case are e.g. readiness to take risks, locus of control, need for autonomy, etc. (Krueger et al., 2000). The secondly the social variables are termed subjective norm. This factor refers to the societal stress from the surroundings on the person to demonstrate or not to demonstrate the behavior; e.g. parents who came across depressing experiences with their own business, could force their kids not to become an entrepreneur. The third factor showing impact on inclination is the perceived behavioral control (PBC). This factor differentiates the model from earlier behavioral models. The concept is that the real behavior does not only rely on the stimulus or inclination to demonstrate specific behavior, but also depends on the insight of the complexity of demonstrating the behavior. This insight can be built up through for instance experience. More study of the TPB (Ajzen, 1991) describes antecedents of these three factors, which have been integrated in conceptual framework. The TPB has been used in various research conducted on entrepreneurial intentions during last few years. Learners were often selected as a sample for the entrepreneurial inclinations (e.g. Autio et al., 2001; Lüthje & Franke, 2003). The TPB turned out to be a basis for other models of entrepreneurial inclination. Different variables interrelated to entrepreneurship, inclination or behavior, have been integrated in the model of TPB (Ajzen, 1991). Therefore, hypothesis developed based on TPB are the following;

*Ho1. There is no relationship between attitude toward behavior and the entrepreneurship inclination among university students of Punjab province.*

*Ho2. There is no relationship between perceived behavior control and intention toward entrepreneurship among university students of Punjab.*

### **Family background**

Many studies have recommended the impact of demographic and family background on a person's inclination towards entrepreneurship (Breen 1998). The general hypothesis is that individual entrepreneurial traits and the good impact brought by family add to higher intention towards entrepreneurship (Din 1992).

Carsrud et al. (1993, p. 53) describe demographics in entrepreneurship study as demographic means the exploration of the entrepreneurial population by quantitative approach through the measurement of range, development or turn down of entrepreneurs and entrepreneurship. Within this narrower description, demography comprises the a range of principles, societal, organic, psychological, and financial variables used to interconnect particular traits of the entrepreneurs, their business and the particular behaviors of that population. Gasse(1982) effectively states the impact of prior work experience : practice may have two unlike and reverse impact on entrepreneurial mind set. It can give the entrepreneur with a set of guiding principle or information helpful to performance; it may develop practice that are tough to modify and may act as barrier to adaptation and improved presentation.

*Ho3. There is no relationship between subjective norms and intention toward entrepreneurship among university students in Punjab.*

### Correlations

A correlation analysis was conducted to determine the relationship between Att\_Ent, Pro\_p, Risk\_tkP, Ent\_Edu and Family S. The relationship strength was derived from the Pearson Product-moment correlation coefficient when the significance level is  $p < .01$  and  $p < 0.05$ . Table present the result from university students sample which shows positive and significant relationship between attitude toward behavior and the intention toward entrepreneurship ( $r = .63$ ). The result does not reject hypothesis 1 that there is a relationship between the attitude toward behavior and the intention toward entrepreneurship where as the attitude toward the behavior related to entrepreneurship increases; it will also increase the intention toward entrepreneurship. Those who have favorable attitudes being entrepreneurs tend to show a higher intention to be involved in entrepreneurship after graduating.

Table 3 Descriptive Statistics and Bivariate Correlations

	Atti_Ent	Pro_p	Risk_tak P	Ent_Edu	Sub_N	percv_BC	Ent_Int
Att_Ent	1						
Pro_p	.45(**)	1					
Risk_tkP	.36(**)	.59(**)	1				
Ent_Edu	.72	.19(*)	.32(**)	1			
Sub_N	.62(**)	.38(*)	.61	.24	1		
percv_BC	.49(**)	.38(**)	.42(**)	.62	.21(**)	1	
Ent_Int	.63(**)	.14(*)	.39(**)	.27	.61	.89(**)	1

\*\* Correlation is significant at the 0.01 level (2-tailed).

\* Correlation is significant at the 0.05 level (2-tailed).

The subjective norms also shows a positive and significant relationship with the intention toward entrepreneurship, ( $r = .62$ ), whereby as the perception of family and friends approve of their decision to become entrepreneur increases, they will tend to show a higher intention to be involved in entrepreneurship after graduating.

The analysis shows that there is a positive and significant relationship between the perceived behavior control and the intention toward entrepreneurship ( $r = .89$ ). This infers that as the perception of control for developing a new business increase, the intention to be involved in entrepreneurship after graduating tends to be higher. This finding does not reject hypothesis 3. It is found that the strength of the relationship is quite high ( $r = .89$ ) which suggest a strong correlation between the sense of being able to control the related behavior in entrepreneurship to the intention of actually being involved in entrepreneurship.

### Gender

Brush (1992) study that female with similar back ground is less entrepreneurship oriented than male counterpart because women have to face a number of social barriers in under developed countries.

*H4: Male university students have more intentions towards entrepreneurship than female university students in Punjab.*

### Entrepreneurship Education Impact

According to Krueger (1993) personal attitude towards entrepreneurship are set out by extraneous factors such as previous experience. These factors have not been yet researched, especially impact of entrepreneurship education on attitude, perceived behavioral control and subjective norms. Prior studies explored that entrepreneurship education and develop a person's level of self efficacy (Wilson et al 2007).students participated in entrepreneurship education have shown more intentions towards starting their own business (Noel, 1998), because entrepreneurship education develop a vision among students to start their own business with innovation (Wilson, 2007). So the hypothesis is as following;

*H5: There is a positive relationship between participation in entrepreneurship education and attitude towards entrepreneurship.*

A t-test was applied to determine whether it exist a significant difference between entrepreneurship education participants and non participants students regards to their intentions towards entrepreneurship.

Table4 Independent Samples Test;

	Levene's Test for Equality of Variances		t-test for Equality of Means		
	F	Sig.	t	df	Sig. (2-tailed)
Discipline	5.14	.02	-.245	183	.82
Gender	1.63	.32	-1.62	191	.07

Table 4.1) shows result from the Levene's test which enables the understanding to be made that there is a difference in the intention toward entrepreneurship between the participants of entrepreneurship education students and non participants' student. The mean score of Ent\_Int from the Entrepreneurship education participants sample is 3.02 that is higher compared to that of non participants students sample which is 2.09.

Table4.1 Independent Samples test for Participation/Non Participation in Entrepreneurship Education

Students	N	M	S D
Participants	157	3.32	.54
Non participants	40	2.07	.63

Table 4.2) shows result from the Levene's test which enables the understanding to be made that there is a difference in the intention toward entrepreneurship between the male students and female students. The mean score of Ent\_Int from the male sample is 3.19 that is higher compared to that of female students sample which is 1.9.

Table4.2 Independent samples test for female and male students

Students	N	M	SD
Male	125	3.19	.32
Non participants	40	1.9	.54

*Relationship between attitudes towards entrepreneurship education, proactive personality, risk taking propensity, perceived behavioral control and entrepreneurial intentions.*

Step multiple regressions were used to test the relationship between attitudes towards entrepreneurship and intentions towards entrepreneurship, proactive personality, risk taking and perceived behavioral control. Result is reported in the table. Results of step wise multiple regression analyses of Attitude, Proactive personality, Risk taking propensity, Perceived behavioral control as predictor of Entrepreneurial Intentions

Table 5 Regression Analysis

Model	Non standardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	3.27	1.04		3.02	.02
atti_ent	.22	.02	.43	5.68	.09
pro_p	-.12	.07	-.17	-2.20	.04
Rtp	.14	.04	.22	2.43	.07
ent_edu	.05	.02	.09	1.21	.24
Sub_N	-.012	.08	-.01	-.22	.87
Pbc	.006	.03	.01	.19	.83

a Dependent Variable: Ent\_int

### Conclusion

This study finds out that persons' previous experience of entrepreneurship in practice, both directly and indirectly through their family background in business, is significantly associated to their attitudes and perceived behavioral control regarding entrepreneurial mind set. Further specially, having an own business parents are significantly linked to the learner's favorable attitude, norm, and confidence with regards to entrepreneurship. This agrees with the conclusion of Krueger (1993) and proposes that learners with own business parents expand exposure to and implicit understanding of entrepreneurship from an premature age, which in response have an impact on their attitude and insight of self efficacy toward entrepreneurship. Previous experience of starting a business is significantly associated with a positive attitude toward entrepreneurship. This means that learners who have a direct practice of developing their own employment have a more positive attitude toward an entrepreneurship and self efficacy in their own skills to do again that behaviour. The result on the subject of subjective norms proposes that learners who are more self-assured in their skill based on practice are less inclined by perceived social norms about entrepreneurial career. Our findings verify the results of preceding researches in terms of the significant association between entrepreneurial inclinations and its background and thus provide further support to the application of Ajzen's theory of planned behavior to predict and understand entrepreneurial mind set. While the findings for differences by gender among learners shows, the results suggest that female students have the less favorable attitude toward entrepreneurship.

This research has numerous limitations that arise from having a small sample size of 300 students. The study was conducted on student so the results are not generalized able for professionals. In spite of these limitations, our research adds up to the literature on the antecedents of entrepreneurial mind set and the variables that have an impact on attitude, social norm, and perceived behavioral control of the learners. The implication for entrepreneurial education is encouraging, since the results propose that taking a course in entrepreneurship enhances students' confidence regarding their skills to become entrepreneurs. This has implications for teachers look to increase a better understanding of their learners' attitude and perception of social norms as well behavioral control, and provide suitable guidance.

Future research should study these topics with a large sample size. Future research should also address the impact of entrepreneurship education on entrepreneurial leadership development among students.

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