Entrepreneurial Intentions: The Role of Entrepreneurial Education

Talat Islam¹, Ghulam Ali², Abdul Aziz Khan Niazi³

¹Assistant Professor, IBA, University of the Punjab, Lahore  
E-mail: talattislam@yahoo.com  
²Associate Professor, Department of Commerce, University of Gujrat, Gujrat  
E-mail: ghulamali_bhatti@uog.edu.pk  
³Assistant Professor, IBA, University of Engineering and Technology Lahore. E-mail: azizniazi@uet.edu.pk

Pakistan is facing the problem of high unemployment comparing its neighbour countries. One of the least focused aspects in reducing unemployment is promoting entrepreneurship. Therefore, this study focuses on entrepreneurial education, subjective norms, perceived control behaviours, learning satisfaction and learning efficacy towards entrepreneurial intentions. Data from 210 students were collected before and after the completion of the course of entrepreneurship. The study found better learning efficacy and satisfaction after entrepreneurial education, but entrepreneurial intentions did not improve. It was further noted that it is not the education, but subjective norms that reduce students’ entrepreneurial intention. The study has implications for the universities and mentors.

Key Word: Learning efficacy, learning satisfaction, subjective norms, perceived behavioural control, higher education

Introduction

Pakistan is a developing economy is faced with the problem of unemployment i.e. 6.0 percent (Economic Trading, 2015), which is on a higher side comparing its neighbour countries like India, Iran and Bangladesh. According to the statistics shown by Global Entrepreneurial Monitor (GEM) Pakistan (2011), 43 percent of the nation has the capacity to carry out entrepreneurship, which is much greater than the peer nations (i.e. Bangladesh (24%), Malaysia (31%) and Turkey (42%)). However, only 23 percent of Pakistani has entrepreneurial intentions as the majority of them have fear of failure i.e. 35%. It is widely acknowledged that entrepreneurship plays a vital role in the economic development of a country by increasing economic efficiency, creating new jobs and incubating technological innovations (Ghura, Li, & Harraf, 2017; Keat et al., 2011; Shane & Venkataraman, 2000). That is why, entrepreneurship has been given tremendous attention in the present decade, specifically in the educational sector to support business resources effectively (Belitski & Heron, 2017; Altinay et al., 2012). Most of the researchers have focused to identify those factors that motivate an individual to become entrepreneur i.e. entrepreneurial intentions (EI). At certain levels, EI is considered as the antecedent of entrepreneurial behaviours or commitment to start a business. To date, researchers have identified personalities and traits e.g. risk-taking propensity, exposure to entrepreneurial activities, big five and self-
efficacy as the determinants of EI (e.g. Kazumi & Kawai, 2017; Marlow & McAdam 2011; Wilson et al. 2007; Zhao et al. 2005). Amongst these, entrepreneurship education is another emerging antecedent of EI. Some of the recent literature identifies a link between entrepreneurship education and entrepreneurial activities (e.g. Chura et al., 2017; Zhang, Duysters & Cloodt, 2014; Chen et al. 2015). According to McIntyre and Roche (1999), entrepreneurship education is "a process of providing individuals with the concepts and skills to recognize opportunities that others have overlooked and to have the insight and self-esteem to act where others have hesitated" (P.33).

Literature has focused on the impact of general education on entrepreneurial activities. However, entrepreneurial education (at university level) has not been shed light frequently in this regard (Byabashaija & Katono, 2011, p.129) and is still going through the process of empirical testing (Zhang et al. 2014). Traditionally it has been believed that entrepreneurship education not only motivates students for entrepreneurial behaviours, but also enhances their EI's, but some of the studies have concluded that such courses or education has no impact on entrepreneurial activities (Hsiao et al., 2012b). Continuing the same debate, Auken (2013) noted that such courses or education improves the students' skills for entrepreneurship, but reduces their interest to be an entrepreneur. On the other hand, Harkema and Schout (2008) asserted that entrepreneurship can be taught to enhance students' EI, yet the key lies in the learning resources, teaching environment and teaching methods. This literature raised many questions in our mind such as; what is the basic objective of offering entrepreneurship education to either enhance students’ skills or improve their EI's. On the other side, this study also argues that it is not the entrepreneurial education that reduces students' EI but their family and friends, which Ajzen called as subjective norms. Student when share their ideas with their colleagues and friends change their intentions of being entrepreneurs because of discouragement. More specifically, this study aims to understand the actual caused of reduced entrepreneurial intentions.

**Literature Review**

The word 'entrepreneur' is derived from a French word 'entreprendre' means to undertake. From the economic perspective, an entrepreneur is a person who accumulates land, labour, capital and other assets to enhance its values. In general words, an entrepreneur combines the elements of production along with the technology and produces something innovative. Therefore, "entrepreneur, based on entrepreneurship, is a process of creating or evaluating opportunities, integrate or innovate new products, services or values" (Shane and Vankataraman, 2000).

There are different concepts about the categories of an entrepreneur. For instance, According to Hou and Wang (2009) entrepreneur can be classified into three types e.g. family, partnership and oneself, while as per the arguments of Liao and Weng (2008) entrepreneur can be of four types i.e. starting from the franchise, scratch, buying a business and family business. In
the present study, we adopted Chen and Sung's (2011) definition as, "as an individual who does not work for either the public sectors (military, government or educational institutions) or private organizations after graduation but starts his own businesses or works for their own family businesses".

Entrepreneurship contents and education Auken (2013) suggested that teaching entrepreneurship courses at university level not only motivate students but also encourage them for entrepreneurial careers. Moreover, entrepreneurship education should have been applied in the business field with some creativity to bring innovation (Chura et al., 2017). Moreover, the subject should be taught in such a way that it clears the basic business concepts so that students may formulate and develop their own business plans. Entrepreneurship education may also help in reducing students' perceptions about the "failure to pursue an entrepreneurial career" (Shepherd, 2000) and for this, critical thinking, creativity, innovation, managing an existing business, and complexities in starting a business should also include as the basic knowledge of entrepreneurial education (Raposo and Paco, 2011). In short, entrepreneurship education is important for the students to teach at the university level to enhance their creative thinking, entrepreneurial abilities and to pursue them to have an entrepreneurial career.

Entrepreneurship and Teaching Design The entrepreneurship education in the US can be understood by three models suggested by Mei (2008) i.e. radiant model, focused model and magnet model. Most of the business schools of US used the focused model as their main aim is to produce professionals. The magnet model is used by the non-business schools to give students basic entrepreneurial education, while the radiant model is used to teach entrepreneurship to general students so that they could enhance their entrepreneurial skills. Universities that offer entrepreneurship program should include skill-building subjects (i.e. leadership, new product development, technological innovation and creative thinking etc.) to produce professionals (McMullan and Long, 1987). On the other hand, Chang (2008) asserted that for a successful entrepreneur cultivator basic profession, general education, innovation and participation of well-known entrepreneurs (to encourage students to take risks) is a must.

According to Gurel et al., (2010) traditional methods are not enough to teach entrepreneurial education as traditional methods of teaching only taught students to duplicate and obey (Owusu-Ansah & Flemin, 2002), while entrepreneurship is all about taking risks, thinking creatively and bringing innovation in the products and services (Chen et al. 2015). Therefore, it is the mentor who turned the students for the entrepreneurial career (Birdthistle, Hynes and Fleming, 2007), as he/she not only encourage students for their own business but also develop their skills to plan and think differently using existing gaps of the markets (Fiet, 2000). Haftendorn and Salzano (2003) suggested universities hire the services of professional mentors (i.e. entrepreneurs) for entrepreneurial education.
The concept of teaching entrepreneurial education in Pakistani universities is new. That is why most of the Pakistani universities remained unable to provide students with sufficient entrepreneurial knowledge and skills. Moreover, the majority of the teachers in Pakistani universities focus more towards theories and contents of entrepreneurship instead of encouraging students to come up with some innovative business plans. According to Chang (2006), entrepreneurship mentors should teach practical entrepreneurship instead of content-based teaching. Such teaching will not only differ from traditional methods but also encourages students to start their entrepreneurial career.

**Entrepreneurship as an Intentional Activity**-- Entrepreneurship is considered as planned behaviours and can accurately be predicted by understanding intention-based models (Krueger, Reilly and Carsrud, 2000). Amongst many, two entrepreneurial intention models are of most importance i.e. Sokol and Shapero's entrepreneurial event (SEE) model and theory of planned behaviour (TPB) introduced by Ajzen (Shapero & Sokol, 1982; Ajzen, 1991). According to SEE model, entrepreneurial intentions can be predicted from perceived feasibility, desirability and propensity to act (Krueger et al. 2000). This model further suggests that it is the personal attractiveness, self-capabilities and tendency that encourages an individual to start a business (Krueger et al., 2000; Shapero & Sokol, 1982).

On the other hand, Ajzen's (2005) theory of planned behaviour is of the view that, executing a specific action or not entirely depends upon the individual's intention. The theory further suggests that high degree of accuracy from the subjective norms, attitude towards behaviour and perceived behavioural control determine entrepreneurial intentions. It is an individual's favourable or unfavourable evaluation, perceived social pressure and perceived personal abilities that make an individual's intentions to engage in entrepreneurial behaviours.

Krueger et al. (2000) compare both the models (i.e. SEE and TPB) and found perceived self- efficacy as the common conceptually associated element (i.e. Perceived feasibility in SEE model and perceived behavioural control in TPB model). Both these models SEE and TPB can be used to assess the impact of entrepreneurship education on entrepreneurial intentions (Fayolle et al. 2006).

**Entrepreneurship Courses and Entrepreneurial Intentions** -- In past, most of the entrepreneurial courses offered by the universities were to make students aware of the basics of this subject. Keat et al., (2011) suggested that entrepreneurial courses must be according to the demands of students and industries. Supporting this, Chen and Sung (2011) also suggested that, it is the responsibility of schools/universities to provide comprehensive entrepreneurial education to the students before entering into the practical life (i.e. workplaces), so that students could able to learn about market positioning, product development, talent recruitment, market analysis, capital management to reduce the risks of failure. In order to develop a comprehensive course,
universities should consult with the relevant institutions to have some sessions with the students. Entrepreneurial education impacts students' entrepreneurial intention and attitude and by providing quality entrepreneurial education the survival of the business could be enhanced (Chen et al., 2013). In Pakistan, universities are disconnected from the entrepreneurial firms, and because of this, we are unable to cultivate entrepreneurs.

The literature on the relationship between entrepreneurship education and entrepreneurial intentions is not clear. For instance, some of them have identified that such educational programs raise students' entrepreneurial intention (Souitaris et al. 2007; Hsiao et al. 2012b), while others have identified no impact of entrepreneurship education on students' entrepreneurial intention (Gurel, Altinay & Daniele, 2010). Gurel, Altinay and Daniele (2010) further added that entrepreneurship education should include risk sharing, innovation, creative thinking and search for the market gap which is not possible to teach using traditional methods. Therefore, the knowledge source of the students should not be limited to the books or teachers. Universities should aim to cultivate their students so that they could conduct self-management, develop autonomy and live their lives. Hence, the teaching methods in the universities should be different from traditional ones. Such approached will not only encourage students but also could enhance their entrepreneurial intention and this ultimately impact on their entrepreneurial self-efficacy (Ramayah & Harun 2005; Jones et al. 2008).

Research Methods

The population of this study was comprised of 210 senior students (MBA & M.Phil) of Hailey College of Banking & Finance, University of Punjab, Allama Iqbal Campus. Some of these students took entrepreneurship as an elective course, while others have to study it as a core course. The study conducted pre and post analysis and this period lasted for 16 weeks in a single semester. The course was designed in four parts i.e. in the first part students were given the knowledge about the subject, In the second part, an actual entrepreneur was requested to deliver some lectures so that students could get practical knowledge about the subject. The third part was related to enhancing students' entrepreneurial skills, marketing skills, negotiating skills and decision-making skills, while students were encouraged to present their business plan in the last part of the course.

Measuring Instruments-- This study used adapted questionnaires from the previous studies. Respondents were asked to record their responses regarding entrepreneurial intentions, learning satisfaction, learning efficacy, on the basis of a five point's Likert scale ranging from 1- strongly disagree to 5-strongly agree.

Entrepreneurial Intentions: Chen et al. (2015) used a three items scale to measure student's entrepreneurial intentions, originally developed by Lee et al. (2011) and reported 0.84 as its reliability. This study used the same scale and a sample item includes, "I would start my own firm at any time in the future".
**Learning Satisfaction:** This study used a five items scale of Okudan and Rzasa (2006) to measure the learning satisfaction (Cronbach's Alpha value was 0.73) of the students. A sample item includes, "This course improves my entrepreneurial competencies".

**Learning Efficacy:** This study used a six items scale of Okudan and Rzasa (2006) to measure the learning efficacy (Cronbach's Alpha value was 0.81) of the students. A sample item includes, "After this course, I better understand how to become an entrepreneur".

**Subjective Norms & Perceived Behavioral Control:** This study adapted six items regarding perceived behavioral control (refers to the supposition of facility/difficulty in performing this behavior) and modified four items scale regarding subjective norms (refers to the perceived social pressure to perform (or not) a certain behavior) from the Ajzen's (1991) Theory of Planned Behavior (also discussed in the literature).

**Results**

The results regarding student's entrepreneurial intentions before and after the completion of the subject are presented in table 1. The values of the table indicate that before starting the subject the mean value of the student's intention to be an entrepreneur was high (i.e. 4.08). However, at the completion of the subject, their intention to be entrepreneur turned to low (i.e. 3.82) with the insignificant value. The main reason behind this low intention and insignificant value might be the complexities in starting an entrepreneurial business, which they learnt during the semester. This may also have diverted their intentions regarding career development through self-business.

**Table 1**

**Pre and post test of entrepreneurial intentions**

<table>
<thead>
<tr>
<th></th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-test</td>
<td>210</td>
<td>4.09</td>
<td>0.707</td>
<td>1.44</td>
<td>0.09</td>
</tr>
<tr>
<td>Post-test</td>
<td>210</td>
<td>3.82</td>
<td>0.685</td>
<td>0.89</td>
<td>0.25</td>
</tr>
</tbody>
</table>

The study also conducted a test to differentiate the entrepreneurial intentions (pre and post) among male and female students. The results in table 2 indicate not much difference between male and female students' entrepreneurial intention before starting the subject (i.e. 4.18 & 4.00 respectively). However, the mean value of male students' entrepreneurial intention was slightly higher (i.e. 3.90) comparing female student (i.e. 3.75) after the completion of course.

**Table 2**

**Pre and post-test of entrepreneurial intentions between male and female**

<table>
<thead>
<tr>
<th></th>
<th>Gender</th>
<th>N</th>
<th>M</th>
<th>SD</th>
<th>t</th>
<th>p</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pre-test</td>
<td>Male</td>
<td>110</td>
<td>4.18</td>
<td>0.86</td>
<td>0.89</td>
<td>0.25</td>
</tr>
<tr>
<td>Post-test</td>
<td>Male</td>
<td>110</td>
<td>3.90</td>
<td>0.76</td>
<td>1.02</td>
<td>0.18</td>
</tr>
<tr>
<td>Pre-test</td>
<td>Female</td>
<td>100</td>
<td>4.00</td>
<td>0.57</td>
<td>0.73</td>
<td></td>
</tr>
<tr>
<td>Post-test</td>
<td>Female</td>
<td>100</td>
<td>3.75</td>
<td></td>
<td>1.02</td>
<td>0.18</td>
</tr>
</tbody>
</table>
The results regarding student's level of learning satisfaction and learning efficacy are presented in table 3 and table 4 respectively. The values of table 3 indicate that students are very much satisfied with their learning about entrepreneurship and the mean score of "I feel satisfied with the learning of this course" was found as highest. However, students are satisfied with the contents of the subjects, but still not confident enough to make their own business plans. This may be one of the reasons for less entrepreneurial intentions. After learning the course, students were not only in a position to learn about entrepreneurs but were also, in a 'better position to understand the challenges faced at the beginning of their entrepreneurial career'. However, they do not think that they can be an entrepreneur. This means that the course content helped them in understanding to be an entrepreneur and its challenges, but they still don't want to start their business. Such results are not new as few of previous studies have also found the same (Gurel et al., 2010; Chen et al. 2013). Therefore, to understand in detail, we evaluate them based on perceived behavioural norms and perceived subjective norms.

### Table 3

Responses about Student's Learning Satisfaction

<table>
<thead>
<tr>
<th>Items</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;The teaching method satisfies my learning style&quot;</td>
<td>4.20</td>
<td>0.98</td>
</tr>
<tr>
<td>&quot;I can easily complete a business plan&quot;</td>
<td>3.98</td>
<td>0.84</td>
</tr>
<tr>
<td>&quot;This course teaches me how to be an entrepreneur&quot;</td>
<td>4.26</td>
<td>0.68</td>
</tr>
<tr>
<td>&quot;This course improves my entrepreneurial competencies&quot;</td>
<td>4.09</td>
<td>0.74</td>
</tr>
<tr>
<td>&quot;I feel satisfied with the learning of this course&quot;</td>
<td>4.32</td>
<td>0.63</td>
</tr>
</tbody>
</table>

### Table 4

Responses about Student's Learning Efficacy

<table>
<thead>
<tr>
<th>Items</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>After this course,</td>
<td></td>
<td></td>
</tr>
<tr>
<td>&quot;I better understand how to become an entrepreneur&quot;</td>
<td>4.34</td>
<td>0.58</td>
</tr>
<tr>
<td>&quot;I better understand of the possible challenges faced at the beginning of their entrepreneurial career&quot;</td>
<td>4.42</td>
<td>0.59</td>
</tr>
<tr>
<td>&quot;I may become an entrepreneur&quot;</td>
<td>3.83</td>
<td>0.64</td>
</tr>
<tr>
<td>&quot;I am able to make independent decisions&quot;</td>
<td>3.76</td>
<td>0.89</td>
</tr>
<tr>
<td>&quot;I am more willing to take risks&quot;</td>
<td>3.77</td>
<td>0.76</td>
</tr>
<tr>
<td>&quot;I am able to tackle entrepreneurship challenges&quot;</td>
<td>4.10</td>
<td>0.55</td>
</tr>
</tbody>
</table>

The results regarding student's perception of behavioural control are presented in table 5. The results show that, after the course, students are well aware of the practical details to start their own entrepreneurial firm, but they do not want to prepare themselves to 'start and viable business'. The reasons for such perceptions may be understood from the values of table 6, where they recorded their perceptions of subjective norms. The students are not encouraged by their colleagues, friends or close family. This element of discouragement may affect their intention not to be an entrepreneur after knowing about it and its challenges.
Table 5

Perceived behavioural control

<table>
<thead>
<tr>
<th>Items</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>&quot;To start a firm and keep it working would be easy for me&quot;</td>
<td>3.92</td>
<td>0.69</td>
</tr>
<tr>
<td>&quot;I am prepared to start a viable firm&quot;</td>
<td>3.75</td>
<td>0.73</td>
</tr>
<tr>
<td>&quot;I can control the creation process of a new firm&quot;</td>
<td>4.10</td>
<td>0.58</td>
</tr>
<tr>
<td>&quot;I know the necessary practical details to start a firm&quot;</td>
<td>4.52</td>
<td>1.02</td>
</tr>
<tr>
<td>&quot;I know how to develop an entrepreneurial project&quot;</td>
<td>4.02</td>
<td>0.62</td>
</tr>
<tr>
<td>&quot;If I tried to start a firm, I would have a high probability of succeeding&quot;</td>
<td>3.98</td>
<td>0.78</td>
</tr>
</tbody>
</table>

Table 6

Perceived subjective Norms

<table>
<thead>
<tr>
<th>Items</th>
<th>M</th>
<th>SD</th>
</tr>
</thead>
<tbody>
<tr>
<td>If you decided to create a firm, would people in your close environment approve of that decision? Indicate from 1 (total disapproval) to 5 (total approval)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Your close family</td>
<td>3.24</td>
<td>0.85</td>
</tr>
<tr>
<td>Your friends</td>
<td>3.52</td>
<td>0.74</td>
</tr>
<tr>
<td>Your colleagues</td>
<td>3.31</td>
<td>0.76</td>
</tr>
</tbody>
</table>

Discussion and Conclusion

The present study found entrepreneurial education does not enhance students' entrepreneurial intention despite the fact that, after this course, they better understand about their own business and possible challenges in its start-up. The course instructor shall start with the possible working in managing and selecting a business from generating an idea through brainstorming and market research and then working in on executing that idea. Only managing business plan may require 12-16 hours a day. Especially, the mentor shall discuss his/her personal experiences about failure and challenges faced in starting the business to let them understand that no business venture is necessary to be successful. University teachers are the role models for their students, however, the majority of them are not entrepreneurs and because of this, they may teach the subject but not 'how to be an entrepreneur' (Keat et al. 2011). Because of this, the present study decided to have some sessions with entrepreneurs. The results of the post-study show that students were highly satisfied with this subject and the same was the result of a self-evaluated report by the mentor. One of the students wrote in an evaluation that, "... I am very much satisfied with this subject as now I am in a better position to identify opportunities and their execution". Another student wrote, "... I am happy with this subject, though the assignments were very challenging and we have to submit in time without any extension".

According to Chen and Sung (2011), universities should develop their courses as per the requirement of industries and the demand of the students so that they may survive and could decide their future career. The course of this subject was developed considering both the suggestions and as a result students' demonstrate better learning-efficacy in post analysis. The findings of
this study correspond Auken (2013) that this subject clears students' understanding about the subject and enable them to think whether this is their career or not, and major of the students remained unable to be an entrepreneur at the end. To make the results more interesting this study incorporates two aspects (i.e. perceived behavioural control and subjective norms) from the theory of planned behaviour. The study noted that it is not the entrepreneurial education that reduces student's intention of being entrepreneurs, but their friends, family and colleagues who discourage them to start their own business. Students used to share their knowledge (which they learn at university) and ideas with their colleagues, friends and family and change their intentions of being businessperson when discouraged. Therefore, this study suggests that subjective norms would be a great contribution towards entrepreneurial intention. The study also has some limitations. First, the study is conducted on a single college of the university that mainly focuses on producing bankers instead of entrepreneurs. Therefore, to generalize the results of the study, future researchers should focus on various departments and universities. Second, the study was conducted on the students from business studies in future students' from non-business studies should be focused.

References


