

THE ROLE OF EDUCATIONAL EXPERIENCE, BUSINESS CLIMATE, AND SUPPORT KNOWLEDGE IN SHAPING ENTREPRENEURIAL INTENTIONS AMONG BUSINESS STUDENTS IN PAKISTAN

Nadia Hanif

*UE Business School, Division of Management and Administrative Sciences,
University of Education, Lahore, Pakistan.*

*Email ID: nadia.hanif@ue.edu.pk**

Muhammad Bilal Ahmad

Hailey College of Banking & Finance, University of the Punjab, Lahore.

Email ID: bilalahmad@puhcbf.edu.pk

Amna Niazi

*Humanities and Social Science Department, University of Engineering and
Technology, Lahore, Pakistan.*

Email ID: amna.niazi@uet.edu.pk

Corresponding Author*

Email: nadia.hanif@ue.edu.pk

Abstract

This study aims to pinpoint the elements that stimulus entrepreneurial intentions among Lahore business students. To model equations, the SPSS software was used. The findings show the importance of entrepreneurship education experience, entrepreneurial support knowledge and an encouraging business climate upsurges entrepreneurial intentions among the business students. This study guide leaders of higher education institutions by offering insights that could aid in developing strategies focused on enhancing the quality of the learning process and fostering an academic environment that meets students' entrepreneurial intentions requirements.

Keywords- *Entrepreneurship, Entrepreneur, Entrepreneurial Intentions, Experience, Support, Climate.*

1 Introduction

In the absence of entrepreneurial support entrepreneurs will be unable to convert their intentions to start new companies (Henley, 2005). Although other terminology may denote help for entrepreneurs, such as small business assistance and business support (SMMEs), Hanlon and Saunders (2007) describe entrepreneurial support as “the actions to provide an entrepreneur with access of needed resources.” In this study, entrepreneurial assistance refers to the availability of information and financial resources, training and educational programs, provision of infrastructure, and business counsel and mentoring essential for entrepreneurs to capitalize on opportunities and operate their firms efficiently. Thompson (2009) characterizes entrepreneurial intents (EI) as "self-recognized beliefs by individuals that they aim to establish new business ventures and deliberately intend to do so at a future time." EI are regarded as the cornerstone for comprehending the new venture formation process (Liñán, Nabi, & Krueger, 2013). This is mostly due to their precedence over entrepreneurial action (Schlaegel & Koenig, 2014). The necessity to assist SMMEs is acknowledged by both the government and the business sector (Boter & Lundström, 2005). Entrepreneurs assume an expanding array of critical roles in the wealth creation of contemporary society. Investigating EI can augment our understanding of the potential for entrepreneurial behavior. EI denotes a cognitive state that guides people’s awareness towards

achieving a specific goal or objective (Bird, 1988). Individuals intending to initiate a commercial firm are highly likely to execute it (Ajzen & Madden, 1986), therefore, it is reasonable to propose that studying EI is a crucial approach to examining actual entrepreneurial behavior. Bird's interpretation of entrepreneurial intentionality is based on a cognitive psychological framework that seeks to elucidate or predict human behavior (Bird, 1988). Intentions were defined as a trait of ideals that create a connection between ideals and subsequent behavior (Fishbein & Ajzen, 1977).

The business climate is the multifaceted social environment constituted by a complex network of social and psychological interactions among members of an academic community, within which the operations of educational institutions occur. The influence of students' perceptions of the academic atmosphere on their learning quality Entwistle (1987) is the primary focus of our research. Numerous institutional, structural and behavioral factors influence and propel economic growth. The essential factors that jointly constitute the business climate, or investment climate, are access to finance, infrastructure, security (defined as the lack of corruption and crime), and regulatory framework, encompassing competition rules and safeguarding property rights. The primary hypothesis posits that the business climate impacts economic activity across the economy, particularly by shaping investment incentives. An enhancement in the business environment elevates profits from existing operations, hence augmenting investment in these areas. It also generates new opportunities, such as through commerce or access to advanced technologies. It impacts the mentality of entrepreneurs, influencing their evaluation of the potential profitability of innovation. It exerts competitive pressure on businesses that have benefited from advantageous positions due to import restrictions, other forms of protection, or preferential access to government officials.

Boud (1993) study contextualizes the learning process within a wider framework of educational experience (Weil & McGill, 1989). Despite being regarded as the most primitive kind of learning for humans, the significance and efficacy of experiential, or experience-based learning have only been acknowledged in recent times. The significance of educational experience lies in the pivotal role that experience plays in the process. Rogers (2004) has been vocal regarding the mastering process, particularly the role of an instructor within that framework. He contends that no individual acquires significant knowledge from another individual. Mastery occurs when a learner is inherently motivated to explore and engages in independent inquiry. This notion is reiterated by Einstein, who is quoted as stating: "I never teach my pupils; I merely provide the situations in which they can learn."

Our primary study purpose is to influence the perspectives of educational institutions, governments, startup centers, and households towards initiatives that enhance EI among business students. Basu and Virick (2008) stated that there is a robust weight of entrepreneurial objectives through educational and applied manifestations of entrepreneurship progressions. The objective of this research is to determine the correlation between different variables such as support knowledge, business climate, education experience which are independent variables with dependent variable EI (measured through subjective norm, perceived behavioral control and attitude). The following are the research objectives of the present study.

- RQ1: Does entrepreneurial support knowledge impact entrepreneurial business intentions?
- RQ2: Does education experience impact entrepreneurial business intentions?
- RQ3: Does the business climate impact entrepreneurial business intentions?

2 Literature Review

2.1 *Entrepreneurial knowledge support and Entrepreneurial Intentions*

Two theoretical views have been discovered in the literature that assert a positive correlation between entrepreneurship education and EI such as human capital theory (Becker, 1975) and entrepreneurial self-efficiency (Chen, Greene, & Crick, 1998). Initially, entrepreneurship researchers have regarded human capital as a factor influencing entrepreneurial inclinations (Davidsson & Honig, 2003). It is defined as "the knowledge and skills that individuals acquire by doing investments in education and job trainings." Douglas and Shepherd (2002) asserted that genuine entrepreneurship cannot transpire without enough prospects and necessary resources, regardless of the strength of entrepreneurial objectives. Jamieson (1984) identified three categories of entrepreneurship education including education for awareness and knowledge, preparation for potential entrepreneurs, and training of management for current entrepreneurs. Liñán (2004) delineated four distinct categories of entrepreneurship education for start-up, education for awareness, entrepreneurial agility, and continuous education for established entrepreneurs.

A positive correlation may exist between investment in human capital and their performance particularly when it is effectively utilized to execute tasks (Becker, 1975). Education can foster a student's approaches and aspirations, as well as the establishment of a new enterprise (Liñán, 2004). Martin, McNally and Kay (2013) identified entrepreneurship education including entrepreneurship-related knowledge and skills increases human capital output. Secondly, entrepreneurship education correlates with self-confidence as a potentially enhancing entrepreneurial ambitions (Wilson, Kickul, & Marlino, 2007). Entrepreneurial self-efficacy denotes the conviction in one's capacity to effectively execute the diverse duties and responsibilities associated with entrepreneurship (McGee et al., 2009). It is widely recognized as a catalyst for entrepreneurial intents (Douglas, Fitzsimmons, & Bendell, 2011). Students participating in entrepreneurship education encounter instances of effective business planning and proactive engagement with accomplished practitioners (Honig, 2004). These instructional components promote coping strategies that sustain motivation and engagement, resulting in heightened success expectations and enhanced entrepreneurial self-efficacy (Stumpf, Brief, & Hartman, 1987). The preceding reasons culminate in the subsequent hypothesis,

H1: Entrepreneurial support knowledge positively influences EI.

2.2 *Education experience and entrepreneurial intentions*

A multitude of studies have been conducted regarding college students' aspirations to pursue entrepreneurship. Christian (2000) examined the entrepreneurial goals of Batakese undergraduates and found that 65 percent of participants aspired to become entrepreneurs. Entrepreneurial personalities and objectives ought to be cultivated through entrepreneurship education, which imparts essential skills. Relevant knowledge and competencies for initiating and sustaining enterprises (Gatewood et al., 2002). Higher education in Malaysia provides a diverse array of entrepreneurial education opportunities and frameworks. Entrepreneurship is improbable to be beneficial until it is acquired and applied (Hisrich, Langan-Fox, & Grant, 2007). University professional education is an efficient method for obtaining essential academic support. Ibrahim and Soufani (2002) assert that the educational system is instrumental in identifying and cultivating entrepreneurial attributes. Additional research indicates that entrepreneurship education, especially in technological training, is essential for improving entrepreneurs' inventive capabilities

in a competitive landscape.in a more challenging context (Menzie & Paradi, 2003). A notable discovery is that increased collaboration between a university and various institutions and organizations at local, state, and federal levels correlates with diminished excitement among undergraduate students for pursuing entrepreneurship (Vanevenhoven & Liguori, 2013). Simultaneously, across all examined locations, the quantity of entrepreneurship course offerings shown a substantial positive correlation with all essential entrepreneurial institutional structures (Vanevenhoven & Liguori, 2013). Following H2 hypothesis is proposed as follows

H2: Education experience positively influences EI.

2.3 *Business Climate and Entrepreneurial Intentions*

Numerous prior studies have examined business theory pertaining to corporate strategy, especially in developing nations (Zhang, Peng, & Li, 2008). Oxley (1999) contends that the business environment comprises a collection of political, social, economic, and legal practices that influence career circumstances. The business climate comprises three primary components: regulatory, normative, and cognitive "pillars" (Urban & Kujinga, 2017). Two primary elements of the business environment are crucial in shaping corporate strategy and performance (Wu & Chen, 2014). The institutional climate

encompasses direct measures to uphold a framework that fosters a more favorable business environment for entrepreneurship, the creation of social norms and perceptions regarding business as an experience, and access to various rationales essential for initiating a business (Ivy, 2013). Simultaneously, the institutional environment constitutes an entrepreneurial landscape characterized by social conventions and concepts pertaining to commerce, facilitating access to diverse knowledge sources essential for firm initiation. The business climate influences perceptions of desirability and feasibility, as well as the social and cultural domains, including moralities, values, attitudes, situational behaviors, and individual results. Thus, the following hypothesis H3 is formed

H3: Business climate positively influences EI.

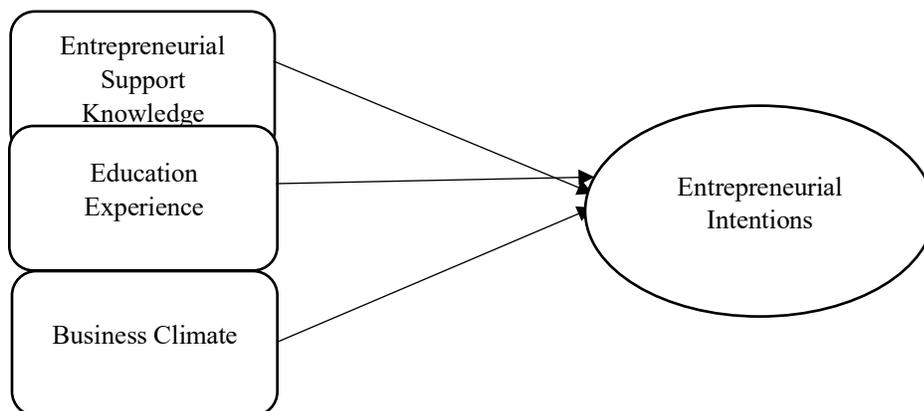


Figure 1 Theoretical Framework

4 Methodology

4.1 Study variables

The goal of this study is to discover the characteristics that influence business students' entrepreneurial inclinations. Ordinary least square modelling was used for the analysis of the study. The independent variables entrepreneurs support knowledge, business climate and education experience have an association with EI. This study employs exclusively quantitative research methodology and adapted questionnaire from (Misoska, Dimitrova, & Mrsik, 2016).

4.2 Research design and sample

This research examined the determinants affecting university students' EI. This research utilizes data obtained from last year's University students pursuing business management degrees to examine the factors encouraging to undertake entrepreneurship opportunities. The data was collected from the Universities located in Lahore city while using random sampling technique.

4 Results

Table 1 shows the descriptive statistics of the study. The mean value of EI is 2.514, standard deviation is 0.409.

Table 1 Descriptive statistics

	Entrepreneurial intentions	Business climate	Education experience	Entrepreneurial support knowledge
Mean	2.514	2.931	2.452	2.393
Standard deviation	0.409	0.734	0.771	0.737
Min	1.37	1.29	1.00	1.00
Max	3.89	5.00	5.00	5.00
Observation	200	200	200	200

The business climate mean value is 2.931 and the standard deviation is 0.734. whereas the mean and standard deviation of education experience and entrepreneurial support knowledge are 2.452, 2.393 and 0.771 and 0.737, respectively.

Table 2 Correlation analysis

	1	2	3	4
Entrepreneurial intentions	1.000			
Business climate	0.196	1.000		
Education experience	0.525**	0.355**	1.000	
Entrepreneurial support knowledge	0.526**	0.312**	0.675**	1.000

** p < 0.01, * p < 0.05; N= 200.

Table 2 shows the correlation analysis of the study variables. Entrepreneurs' education experience and entrepreneurial support knowledge are positively significantly correlated with EI.

Table 3 Regression results entrepreneurial intentions

	t	Coefficients	Significance
Business Climate	0.163	0.015*	0.05
Education Experience	2.721	0.315**	0.008
Entrepreneurial Support Knowledge	2.787	0.318**	0.006
F STATS	15.728***		
R SQUARE	0.750		

** p < 0.01, * p < 0.05; N= 200.

The business climate is significantly related to the entrepreneurial intentions of the students since it is significant at p<0.05 level of significance. Education experience is positively influencing entrepreneurial intentions since it is significant at p<0.01 level of significance. Support knowledge is positively related to the entrepreneurial intentions since it is significant at p<0.01 level of significance.

5 Conclusion

This study aims to guide leaders of higher education institutions by offering insights that could aid in developing strategies focused on enhancing the quality of the learning process and fostering an academic environment that meets students' requirements.

The study's significant conclusions about the determinants of students' entrepreneurial inclinations. The educational system needs to serve as the principal support framework for pupils about their understanding of entrepreneurship. This is essential as it may foster more entrepreneurship-friendly attitudes, an enhanced sense of control, and more public acceptance. Our endeavor impacts the perceptions of universities, governments, start-up incubators, and families regarding efforts aimed at enhancing entrepreneurial ambitions among business students. We conclude that entrepreneurial goals are significantly reinforced by education and direct engagement in entrepreneurial activity.

Future research in this domain should concentrate on students pursuing academic programs outside of business to establish a robust basis for forthcoming policy initiatives and enhanced self-employment in Lahore.

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