



**THE ROLE OF CULTURE IN MANAGING ENTREPRENEURIAL INTENTION
INFLUENCED BY ENTREPRENEURIAL ORIENTATION AND EDUCATION
AMONG GRADUATES OF PUBLIC SECTOR UNIVERSITIES OF SOUTH PUNJAB**

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ABSTRACT:

The study intends to investigate the entrepreneurial intention among women population of south Punjab that assist to overcome poverty elevation predicted by different variables. The research intends to examine the relationship of entrepreneurship related orientation, entrepreneurship education and women entrepreneurial mindset to become self employed entrepreneurs that must reduce poverty level in south Punjab region of Pakistan. The study also contributed to determine that culture moderate relation of independent and dependent variable as proposed in this research. The data was collected from students and was analyzed through Partial Least Square by utilizing PLS algorithm measurement model and bootstrapping method structural equation model. The results of present research examined that entrepreneurial orientation; entrepreneurial education and entrepreneurial mindset influence the entrepreneurial intention of female population by validating the findings of previous studies which further leads to reduce the poverty level. The results therefore shows that all direct hypotheses were accepted as they were significantly explain relationship. Moderating role was also examined among independent variables and dependent variable due to cultural aspect, the results showed that relationship between variables was moderated by culture significantly. The study contributed to empirically investigate the relation between entrepreneurial predictors to shape the entrepreneurial intention to become entrepreneur with moderator construct as culture in private education sector of South Punjab.

Key Words: Culture, Entrapreneurial Intention, Entrepreneurial Orientation, Education, University Level

Introduction

The interest of someone towards initiation of independent business ventures instead of selecting job as common employment referred as entrepreneurial intentions. The intention believed to be strong predictor of behavior and there are various factors that affect entrepreneurial intention (De Clercq, Honig, & Martin, 2013). The research scholars have argued that various external factors including uncertain economic situation, lack of employment opportunities and job alternative chances instigates entrepreneurial intentions as majority of population may develop same phenomenon to avoid uncertain conditions (Ghatak, Morelli, & Sjöström, 2007). The other variables have also identified that influences entrepreneurial intention including education level, personality, experience, mental capabilities and demographic characteristics such as age, gender and region (Karimi, 2020). Entrepreneurship has been recognized at academic research and policy making level as important driver for economic growth and stability. The policy makers and educational services providers focus on entrepreneurial education that further leads towards entrepreneurial activities. It has been argued that entrepreneurial education influences the entrepreneurial activities (Stamboulis & Barlas, 2014).

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It has been stated that entrepreneurial education contribute towards entrepreneurship but results remain inconclusive (Haddoud, 2017). However, large number of studies found positive association both variables that entrepreneurial education influences the entrepreneurial activities due to higher level of entrepreneurial intention based on related business education (Rauch & Hulsink, 2015), on the other hand, there are few studies reported contradictory results such as the study of (Oosterbeek, Van Praag, & Ijsselstein, 2010). The topic of entrepreneurship has been studied widely in western countries but there is need to conduct studies in developing countries such as Pakistan and specifically in south Punjab region.

The study extends the understanding and contributes to the body of knowledge about entrepreneurial intention among fresh graduates of public sector universities. It has been seen that fresh graduates are less likely to initiate business as they have lack of interest in initiating business after their graduation. The university graduates believed to be equipped with business and entrepreneurial education during their tertiary level learning which is based on entrepreneurial orientation and the courses they have taken during their education; however culture plays crucial role in shaping the behavior and intention of an individual. The present research investigates the influence of entrepreneurial orientation to shape their intention towards initiating new business and the role of entrepreneurial education given to them during tertiary level studies that can influence their intentions. Furthermore, culture has its standalone significant position that culture of education institute and surroundings support the businesses initiations and does it moderate the relationship by strengthening the relation between instigating factors and shaping intentions towards entrepreneurship. The researcher intends to conduct study on entrepreneurial phenomenon in South Punjab of Pakistan region influenced by entrepreneurial education and entrepreneurial orientation with moderating role of entrepreneurial passion.

Literature Review

The research studies have explained association between entrepreneurial education and entrepreneurial intention, similarly entrepreneurship education also found to be influential towards developing intention of an individual towards setup business (Pittaway & Cope, 2007). Further the study conducted in Poland to explain relation between intention to become entrepreneur and to conduct entrepreneurial actions and activities (Gaweł & Pietrzykowski, 2015). The study found that increase in entrepreneurial intention instigates the entrepreneurship with statistical significance. Similar findings have been shared by other studies that entrepreneurial education has positive influence on entrepreneurial attitude among university students. The research scholars have conducted studies on multi country sample to determine the relationship between entrepreneurial education and self-employment intentions (van der Zwan, Zuurhout, & Hessels, 2013). The meta-analysis has explained relationship between entrepreneurship education and entrepreneurial intention and found positive relationship between under discussed constructs.

The universities are focusing on entrepreneurship education to instigate the business activity as it considered as one stronger predictor of economic growth. It has been observed that interest has increased among students to gain knowledge, diploma, undergraduate and graduation for entrepreneurship development (Zegeye, 2013). The highly competitive working environment requires graduates to adopt entrepreneurial mindset instead of job hunting due to limited

opportunities. The people do not get job they remain unemployed for longer time period, hence therefore, students at higher education level must develop entrepreneurial mindset in order to setup own business in order to survive. Alternative of jobs students initiate their own businesses after gaining education related to entrepreneurship knowledge and skills in order to succeed. Recent studied have been conducted to test the relationship between entrepreneurial education and intention and found positive significant relationship (Bae, Qian, Miao, & Fiet, 2014). The interesting findings have been shared that strength of relationship between entrepreneurial education and intention depends upon entrepreneurial friendly environment (Walter & Block, 2016). The relationship found to be weakening among less entrepreneurial friendly environment towards economic development.

Entrepreneurial activities are based on newly started business initiatives, business environment, creativity and competitiveness (Dirks & Ferrin, 2002). Entrepreneurship focused by research studies to encourage increasing the participation towards startup of new innovative business (Kacmar & Carlson, 1997). Research scholars have supported the belief that entrepreneurship significantly influence and enhance economic figures for nations through creating job opportunities and eliminate poverty. The studies focused various entrepreneurial actions that instigate innovative activities that contribute for growth and wealth creation (Castro- González, Bande, & Kimura, 2019; Huo, Han, & Prajogo, 2016). Conceptual explanation of entrepreneurial orientation has been given by various research scholars and defined at firm level. In literature of entrepreneurship it is observed that there are various factors and predictors that influence the intention of individuals towards starting own businesses. Research scholars have stated that entrepreneurial orientation found to be influential on performance of firm, profitability gets boost from entrepreneurial actions, innovation takes place due to entrepreneurial activities, growth in nation and industry also associated with entrepreneurial actions of firm (Esper & Crook, 2014; Leuschner, Rogers, & Charvet, 2013; Yu, Luo, Feng, & Liu, 2018). The present research is an attempt to find the intention of students towards initiate independent businesses influenced by predictors.

The one of most important factor that influences the behaviors is known as culture that plays important role in organizational studies. The literature has focused on role of culture in shaping behaviors of individuals to determine any problems or intentions of individuals (Dangelico & Pujari, 2010; Liu, Kasturiratne, & Moizer, 2012). The values, norms, symbols and shared behaviors of participants are shaped by cultural aspect. The research scholars have focused that it is necessary to understand the role of culture in any organizational studies for determining the individual's intention. The current research also intends to examine moderation effect of culture among entrepreneurial orientation and education to determine the intention of students to initiate business. Culture is considered as curial and important factor for understanding and development of entrepreneurial intention among firms (Godfrey, Merrill, & Hansen, 2009; Kotler, 2011).

Hypotheses of Study and Research Framework

H1: Entrepreneurial Orientation predict entrepreneurial intentions among students of private sector in South Punjab region

H2: Entrepreneurial Education predict the Entrepreneurial Intention among students of private sector in South Punjab region

H3: The relationship between entrepreneurial orientation and intention moderator by Culture
H4: The relationship between entrepreneurial education and intention moderator by Culture

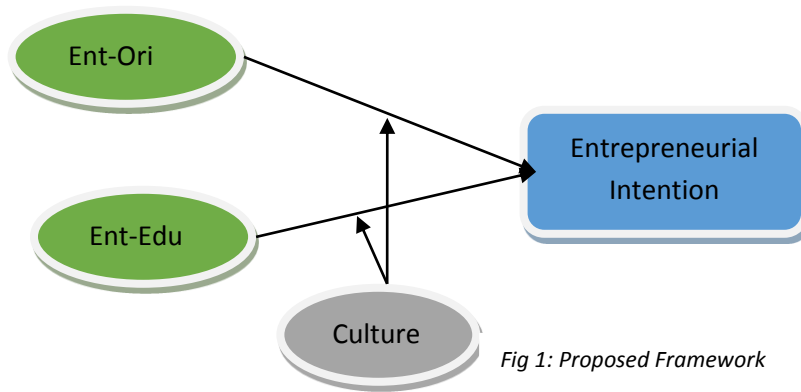


Fig 1: Proposed Framework

Methodology

Research Instrument

The dependent variable ‘Entrepreneurial Intention’ 06 items measurement scale developed by Shang, Lu, and Li (2010). ‘Entrepreneurial orientation’ was 03 item scale adopted from the study of (Han, Lin, Wang, Wang, & Jiang, 2019). The 03 items measurement scale for ‘entrepreneurial education’ taken from (De Clercq et al., 2013). The ten items scale for measuring ‘culture’ as moderating variable taken from (Ghatak et al., 2007).

Population and Sampling

It refers as plan of research to collect data and analysis (Ke, Cui, Govindan, & Zavadskas, 2015). The data was collected as cross sectional one time. The 250 questionnaires were delivered among undergraduate students from private sector colleges providing business education and entrepreneurial education. Total 140 responses were received for analysis.

Analysis and Discussion

The data was analyzed through PLS algorithm by measurement model method and relationship investigation through utilization of bootstrapping method.

Measurement Model assessment

This section of the study presents the analysis of collected data, the study incorporated Smart-PLs for data analysis through PLS-algorithm for assessing construct’s validity and reliability, bootstrapping method was utilized for relationship testing.

The measurement model assessment relates to the reliability and validity of the constructs of proposed framework. The reliability of the constructs is determined by the composite reliability the value must remain higher than the 0.70 for acceptability, if higher than 0.80 is considered as good and if found to be higher than 0.90 is considered as excellent (Joseph F Hair Jr & Lukas, 2014).

The following table 1 demonstrates the reliability of constructs based on statistical test.

Table 1: Measurement model

Sr.	Constructs	CR	AVE	Results
1	Entrepreneurship Intention	0.881	0.506	Accepted

2	Entrepreneurship Education	0.813	0.511	Accepted
3	Entrepreneurship Orientation	0.781	0.601	Accepted
4	Culture	0.845	0.591	Accepted

Interpretation

The above table 1 presents the values of CR and AVE for construct reliability and validity, the independent variables entrepreneurial orientation and entrepreneurial education found to be statistically accepted based on composite reliability that it observed the value of 0.0.781 and 0.813, so therefore it satisfies the threshold value for acceptable composite reliability. The dependent variable entrepreneurial intention observed composite reliability as 0.881 that also satisfies the condition for acceptable reliability. Moreover, the moderating variable culture has 0.845 composite reliability; hence all constructs satisfy the threshold values of composite reliability and fulfill the criteria for measurement model assessment. Similarly, convergent validity is examined through the average variance extracted (AVE). The convergent validity is determined on the base of AVE that must remain higher than 0.50 for acceptable convergent validity (Joe F Hair Jr, Sarstedt, Hopkins, & G. Kuppelwieser, 2014), the vales for Ave found to be 0.506, 0.511, 0.601 and 0.591 for entrepreneurial intentions, entrepreneurial education, entrepreneurial orientation and culture, that also fulfills the cutoff point and satisfy the AVE conditions for convergent validity.

Table 2: Discriminant Validity

The discriminant validity determined by comparing the square root of AVE and correlation with other latent variables of same framework, the square root of AVE must remain higher than other values of same column for acceptable discriminant validity (Fornell & Larcker, 1981). The table 2 below presents the discriminant validity in diagonal matrix

Sr#	Constructs	1	2	3	4
1	Entrepreneurship Intention	0.778			
2	Entrepreneurship Education	0.652	0.832		
3	Entrepreneurship Orientation	0.522	0.611	0.862	
4	Culture	0.652	0.701	0.333	0.699

Interpretation

The above table 2 demonstrated the discriminant validity in diagonal by comparing the square root of AVE and correlation, the values of each construct satisfies the condition for acceptable discriminant validity.

Structural Equation Model (SEM)

Structural equation modeling (SEM) is determined through the bootstrapping method of PLs and assessed on the base of t-value and p-value. The t-value of relationship must remain higher than 1.96 with 5% error margin, that shows p value must remain lower than 0.05 for significance of relationship (Joe F Hair Jr et al., 2014). The table 3 below demonstrates the direct hypotheses results of the study.

Table 3: Hypotheses Results

Sr.	Relation	t-value	p-value	Results
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H1	EO→EI	2.256	0.001	Accepted
H2	EE→EI	4.567	0.030	Accepted
H3	EO*c→EI	4.531	0.000	Accepted
H4	EE*c→EI	2.101	0.001	Accepted

Interpretation and discussion

The above table shows the results of direct relationship between constructs, the first hypothesis H1 investigates the relationship between Entrepreneurial orientation and entrepreneurial intention; the relationship is assessed based on t-value and p-value, the results of H1 show that (t-value = 2.256, p-value = 0.001), the t-value found to be higher than cutoff point and p-value remained lower than 0.05, so therefore, the hypothesis H1 is accepted statistically. The results of the study show that entrepreneurial orientation is necessary among students for becoming business owners and to initiate entrepreneurial activities. The entrepreneurial orientation motivates an individual for business start-up; the results of the study verify the findings of previous studies and found to be in-line with the study of (Gaweł & Pietrzykowski, 2015), that established that entrepreneurial orientation plays important role in developing entrepreneurial intention among potential business owners. The study also found to be similar with the findings of (Walter & Block, 2016) that entrepreneurial orientation leads people to initiate their own businesses.

The hypothesis H2 presents the relationship between entrepreneurial education and entrepreneurial intention, the results of H2 show that (t-value = 4.567, p-value = 0.030), the t-value found to be higher than cutoff point and p-value remained lower than 0.05, so therefore, the hypothesis H2 is accepted statistically. The results of the hypothesis verifies the finding of previous studies and establish the link that entrepreneurial education is important and has significant influence and role in developing the intention to initiate businesses. The study of Zegeye (2013) also reported that education related to businesses motivate and encourage people to initiate business activities. Similarly, the current study found that education related to business encourage individuals to participate in business initiatives and develop their intention to become entrepreneurs.

Moderating Role

Moderation role of culture was also found and investigated between independent and dependent variables of the study. The result shows that direct relationship was significant between constructs of study; the statistical analysis shows that culture moderates relationship between constructs as based on t-value and p value, the results of H3 show that (t-value = 4.531, p-value = 0.030), the t-value found to be higher than cutoff point and p-value remained lower than 0.05, so therefore, the hypothesis H3 is accepted statistically. The relation between EE and EI is moderated by culture that observed as statistically significant. Similarly, the moderation role of culture in hypothesis H4 found to be significant based on the results of H4 show that (t-value = 2.101, p-value = 0.001), the t-value found to be higher than cutoff point and p-value remained lower than 0.05, so therefore, the hypothesis H4 is accepted statistically.

The culture plays moderating role in strengthening the relationship between entrepreneurial orientation and entrepreneurial intention, the previous study also reported that culture plays

important moderating role in strengthening or weakening the relationship between constructs (Liu et al., 2012). The culture was argued in the present study as moderating effect by strengthening the relationship; the culture of the country and culture of education institutes encourage graduates to startup for business by influencing their intentions.

Conclusion

The prime concern of study entails investigation of EI that predicted by predictors including EO (entrepreneurial orientation) and EE (Entrepreneurial Education) on EI (Entrepreneurial Intention). The second objective of research entails to assess the moderation role of culture among educational institutes of South Punjab at higher education sector graduates in private sector. The results depicted that entrepreneurial orientation found to be positively linked and influence the intention of individuals' intention among fresh business qualified students, the education related to entrepreneurship and orientation towards entrepreneurial actions influences students to setup their own businesses that further contribute to the economic situation of country and eliminate poverty. The present research investigated the moderation effect of culture between independent variables and dependent variables, the culture observed to act as moderator between entrepreneurial orientation and entrepreneurial intention among students. Further, the relationship between entrepreneurial education and intention was also moderated by culture, as it plays vital role in establishing the entrepreneurial mindset among students of business studies. The universities should develop linkages with business societies to foster newly established ideas.

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