



APPLICATION OF THEORY OF PLANNED BEHAVIOR FOR UNDERSTANDING ENTREPRENEURSHIP INTENTION AMONG FEMALE UNIVERSITY STUDENTS IN PAKISTAN

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Abstract

Promoting entrepreneurship among female can improve the socio-economic position of the female in the country. The current study was focused on understanding the relationship between the components of theory of Planned Behavior (TBP) and entrepreneurship intentions among the female students in the universities of Pakistan. Survey based on previously developed measure is used for data collection. The data is collected from 15 selected universities in Pakistan from female students enrolled at various degree programs in different disciplines (n=180). Findings of the study indicate that female student's attitude towards entrepreneurship and perceived social norms are having positive and significant effects on female entrepreneurship intentions.

1. Introduction

Entrepreneurship is defined as the person who organizes and develops their own business and may involve in gaining different knowledge areas and hand on experiences, creates visions and insights, builds network of support, and takes risk (Lope-Pihie, 2008). Several other definitions of entrepreneurship exist which also cover different aspects but mostly revolves around setting up own business or startups, small and medium enterprises, and innovation. In last couple of decades, importance of entrepreneurship is signified several times as it is turned out to be the most potential economic force of the world (Kuratko & Hodgetts, 2007). Both developed as well as developing world recognizing the importance of entrepreneurship as an engine of economic progress, solution to the problems of poverty, and unemployment (Mohar, Singh & Kamal, 2007; Levenburg, Lane, & Schwarz, 2006). Entrepreneurship among female is becoming more important for their socio-economic progress. Recently, there are several

examples of successful female entrepreneurs especially in the fashion and hospitality industry. The current study is an investigation in to the concept of entrepreneurship intentions among the female students. The selection of this particular segment is that better understanding about the predictor of entrepreneurship intention among the female students at university level can lead to better designing of policies and practices for promoting entrepreneurship among female.

1.1 Significance of the Study

The significance of the study is that it tests the theory of Planned Behavior (TPB) in Pakistani higher educational context among the female students. The findings of the study are expected to increase the understanding about the entrepreneurship intention and promotion among the female especially among students. The findings can be used by the management of universities, development agencies, government organizations, academics and so on.

1.2 Research Question

Keeping in view the broad research idea, the study put forward the following three research question.

What are the effects of attitude towards entrepreneurship, social norms, and perceived behavior control on entrepreneurship intentions among the female students in Pakistan?

1.3 Theory of Planned Behavior and Entrepreneur Intention

Initially researchers used factors including personality variations, demographic characteristics, personal history, and social context as predictors of individual's preferences towards entrepreneurial status (Rauch & Frese, 2000). However, due to broad and ambiguous nature and weak explanatory power, these factors helped little to researchers and policy makers (Rauch & Frese, 2000). Later on researchers searched for more social psychological models which involves more proximal variables and better in predicting entrepreneurship intentions. Examples of such models include entrepreneurial event model of Shapero (1982); the model of implementing entrepreneurial ideas by Bird (1988); maximization of the expected utility model by Douglas & Shepherd (2002); and theory of planned behavior by Ajzen (1991). The last model is turned out to be the most influential as it take account of both personal and social factors and tested in wide varieties of settings (Autio, Keeley, Klofsten, Parker, & Hay, 2001; Krueger, Reilly, & Carsrud, 2000; Van Gelderen, Brand, Van Praag, Bodewes, Poutsma, & Van Gils, 2008). The theory of planned behavior is a general model of planned behavior and is based on intentions which are depending on three key factors namely perceptions of personal attractiveness, social norms, and perceived behavior control. Attitude towards behavior is defined as an individual's overall evaluation of a behavior or attitude towards specific behavior which in this case is student's attitude towards entrepreneurship (Ajzen, 1991). Subjective norm is the second factor and described as individual's perception of the social pressure to engage (or not to engage) in particular behavior which in this case is societal stress from environment on students to engage in entrepreneurship (Ajzen, 1991). The subjective norm thus creates pressure to either engage or not to engage in entrepreneurial process. For example, students

may face barrier towards involving in entrepreneurial process in case their parents have unfavorable experiences of entrepreneurship. Perceived behavior control is the third component and refers to individual's belief about their capacity to perform a particular behavior which in this case is entrepreneurship (Ajzen, 1991).

Entrepreneurship intention (EI) which is focus of this study is based on theory of planned behavior and predicted by its components. Intentions can be defined as individual's motivation to make an effort to act upon a conscious plan or decision (Armitage & Conner, 2001). Despite some controversies and measurement issues, the concept (intention) is found to be a good predictor of actual behavior (Armitage & Conner, 2001). In entrepreneurship literature, entrepreneurship intention is frequently used instead of actual behavior and the approach make sense since new business cannot be started in shorter period time, therefore, justifies the use of intention as an alternative measure (Nabi, Holden, & Walmsley, 2006; Krueger, et al., 2000).

Together theory of planned behavior and its relationship with entrepreneurship intention is studied and mostly the elements of theory of planned behavior found to be positively predicting the entrepreneurship intention (Autio et al., 2001; Luthje & Franke, 2003; Shook & Bratianu, 2008). In several International studies, theory of planned behavior successfully explained the entrepreneurship intention mostly among students for example in USA and Sweeden by Autio, et al., 2001; in Netherland by van Gelderen et al., (2008); in Spain and Taiwan by Linan & Chen (2009); and in South Africa by Gird & Bagraim, (2008). Based on the empirical support from these various contexts, it can be argued that theory of planned behavior and entrepreneurship intention is a theoretically valid model. The current study is also expected to enhance the validity of the model by testing it in the Pakistani context.

2. Materials and Methods

2.1 Research Method

To answer a research question and achieving research objective, normally researcher opts between quantitative and qualitative methods. Quantitative methodology is suitable in situations when objective is to measure the degree of a phenomenon exists already or measuring the

association between different variables of interest (Marczyk, DeMatteo, & Festinger, 2005). Qualitative methodology is suitable when objective is to understand a phenomenon in depth. The current study is also about relationship between certain variables; therefore, quantitative methodology is suitable for it specially keeping in view its topic and research question.

2.2 Instrument and Data Collection Procedure

Data was collected through a survey which was divided in to two parts. First part of the survey was designed to collect demographic and institutional details of the participants. Second part of the survey was related to the elements of theory of planned behavior and entrepreneurship intention adopted from Moriano (2005). Components of the TBP were measured by 13 items and entrepreneurship intention was measured by 4 items. Responses for each statement were measured by Likert scale mostly ranging from 1 as strongly disagree to 5 as strongly agree.

2.3 Population and Participants

There are almost 180 universities in the Pakistan producing almost 45000 graduates each year. For sampling, we used the convenience sampling and collect data from 15 universities consisted of public as well as private. Total of 180 female from the selected universities participated in the survey.

The demographic information of the survey participants are given in table 1. There were total of 180 participants. In terms of age, 32 (17.77%) belonged to the 18 to 22 years old age category; 91 (50.55%) to 22 to 25 years of age category; 43 (23.88%) belonged to the 25 to 30 years of age category; and 14 (7.77%) belonged to the above 30 years of age category. In terms of degree programs, 117 (65%) were enrolled in bachelor program; 53 (29.44%) in master program; and 10 (5.55%) were in MS/MPhil program. Based on nature of program, 63 (35%) were studying in business administration related program; 59 (32.77%) were studying science related program; 33 (18.33%) were studying computer science related program; 23 (12.77%) were studying social sciences related program; and 2 (1.11%) were studying in some other program.

2.4 Data Analysis

Data was analyzed using the descriptive statistics and the regression framework. Before conducting the regression analysis, its assumptions of normality of error term, no multicollinearity, homoscedasticity, and no autocorrelation were also checked.

3. Results

Descriptive statistics on the dimensions of theory of planned behavior and entrepreneur intention is given in the table 2. Descriptive statistics on the elements of theory of planned behavior suggests that attitude towards entrepreneurship is just average (Mean=3.03, S.D=.43); perceived social norms towards entrepreneurship is high (Mean=3.93, S.D=.45); and perceived behavior control in terms of entrepreneurship is also high (Mean=3.86, S.D=.59). The entrepreneurship intention among the participant was also slightly above average (Mean=3.23, S.D=.69).

Regression analysis findings indicate that attitude towards entrepreneurship is having positive and significant effects on entrepreneurship intentions ($\beta=.491$, $P<.05$); perceived social norm is having positive and significant effects on entrepreneurship intentions ($\beta=.596$, $P<.05$); while, perceived behavioral control is having negative and insignificant effects on entrepreneurship intention ($\beta=-.083$, $P>.05$). The Rsquare shows that together the three componenof theory of planned behavior explains up to 20% change in the dependent variable of entrepreneurship intention. The model is fit and significant ($F_{stat}=32.61$, $P<.05$).

4. Discussion

The theory is also studied in several different context and found valid thus in line with our findings (Autio et al., 2001; Luthje & Franke, 2003; Shook & Bratianu, 2008). Our findings further establishes that theory of planned behavior can be used for understanding entrepreneurship intention among students in this particular context. The reason for having insignificant effects for the behavioral control can be the cultural one as mostly Pakistani culture is a male dominated culture giving less importance and is in less favor of giving control to the female.

Table 1: Demographic Profile of the Respondents

	Frequency	Percentage
<i>Age Group</i>		
18-22	32	17.77%
22.1-25	91	50.55%
25.1-30	43	23.88%
Above 30	14	7.77%
<i>Degree Program</i>		
Bachelor	117	65.00%
Master	53	29.44%
MS/MPhil	10	5.55%
<i>Program Nature</i>		
Business Administration/Management	63	35.00%
Science Related	59	32.77%
Computer Science	33	18.33%
Social Science Related	23	12.77%
Others	2	1.11%

Table 2: Descriptive Statistics

	Minimum	Maximum	Mean	Std. Deviation	Cronbach Alpha
Attitude towards Entrepreneurship	2.87	5.00	3.03	.431	.710
Perceived Social Norms	2.31	4.67	3.93	.459	.634
Perceived Behavior Control	2.43	4.53	3.86	.591	.759
Entrepreneur Intention	2.87	4.37	3.34	.323	.691

Table 3: Effects of Three Components of Theory of Planned Behavior on Entrepreneurship Intentions

Variables	Model 1
(Constant)	3.065***
Attitude towards Entrepreneurship	.491**
Perceived Social Norms	.596**
Perceived Behavior Control	-.083
R	.45
Rsquare	.20
FStat	32.61**
DWStatistics	1.89

Independent Variable: Attitude towards entrepreneurship, Perceived Social Norms, Perceived Behavior Control

Dependent Variable: Entrepreneurship Intentions

n=180, *P < 0.05; **p < 0.01; ***p < 0.00

5. Conclusion

Based on the literature it can be concluded that promoting entrepreneurship among students is vital as it can help the economy to boost, create jobs, and reduces poverty. Findings of the current study indicate that theory of planned behavior can be adequately used for studying the entrepreneurship intentions among the female students in higher education context of Pakistan. Further, their attitude towards entrepreneurship intention and perceived social norms towards entrepreneurship is important contributor in enhancing female students' entrepreneurship intentions.

6. Recommendations

The study put forward the following recommendations.

- Entrepreneurship among female students at university level should be encouraged.
- Female students should be encouraged to be involved in entrepreneurship activity through different means such as counseling.
- Family of female students should also support female in pursuing entrepreneurship based careers.
- Steps should be taken to make female student's attitude favorable towards entrepreneurship.

7. Limitations

Limitations of the study are its small sample size, cross-sectional data, and scope which only limited to the three components of theory of planned behavior and intentions. A future researcher should use more diverse sample from diverse educational setups.

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