

**FACTORS LEAD TO ENTREPRENEURSHIP INTENTION  
AMONG YOUNG GRADUATES, (A CASE STUDY OF FAISALABAD)**

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**ABSTRACT**

The research investigates various factors which encourage the young graduates towards starting new entrepreneurship. The researchers investigate the functions of higher education and the effects of personal attraction, support networking, entrepreneurial capabilities, self-independence, self-reliance, personal capabilities, risk taking attitude and economical potential towards entrepreneurial intention. For this purpose, research instrument based survey was conducted from final semester students of local universities from Faisalabad. A sample of 200 respondents had taken out of which 189 students filled the questionnaires properly. Well known software SPSS used for analyzing the data. Results discover that all variables have significant effects on entrepreneurial intention. This research includes only the business and IT students as respondents during the survey. Further studies may examine other courses, students for research for same dependent variable in other areas. This study may helpful for universities and educational institutes, especially for the institutional administrations to make polices according to recommended findings and prepare the young graduates for the upcoming challenges of business in this global world.

**KEYWORDS**

Entrepreneurship Intention, Planned Behavior, Young Business Graduates, New Venture Creation.

**INTRODUCTION**

Business is the lifeline for a consistent economy and entrepreneurship is more effective practice in the business world. The youth of the country has potential with innovative skills and can play their role with contemporary aspects of business instead of the traditional way of doing job/business. The entrepreneurship is a way of doing the business activities with unique and innovative mindset. The young graduates have the ability to prove themselves as a good leader in the organizations because they have good leadership skills as well as their professional degrees that are needed to become a part of an entrepreneurial environment. This study focuses on the functions of culture that encourage the youth those are planning to initiate their own multi-national business setups. Additionally, researcher explore these variables play their roles for professional

attraction and the ways that effect on attraction, support networking, entrepreneurial abilities, self-independence and self-reliance. These factors work as driving force to encouraging the young/next coming generation to initiate their own innovative business. Since, allot of the studies has proven that the science of entrepreneurship is an output of planned mindset for a particular aspect of business. Bird (1988) predicted that intentionality is a condition of human brain that directs a person's thought towards a defined destination or made a direction in order to attain like a purpose/goal that ultimately have some objectives.

Bagozzi (1989) defined that an entrepreneur's planned behavior can predicts more efficiently instead of observing intention for a specific behavior, neither for an attitudes nor personality, beliefs and demographics factors. So, according to these social researchers, the single and foremost excellent forecaster of planned behavior is intention. Ajzen (1991) explore that especially it holds when the targeted behavior is unusual or informal which is difficult to examine. The targeted behavior bears complete control of a person during behavioral performance and intentions alone must be enough for forecasting the behavior, as it is explained in planned behavioral study. Generally, the psychological theories mostly useful for clarifying and forecast the human's behavior named as Theory of Planned Behavior (TPB). This type of research can be utilize in selection of careers, forecast their job search behavior, and contribution young graduate after completion of degree, their class attendance percentage, corruption in university life, predicted by Ajzen & Fishbein (1980).

Krueger (1993) also argued upcoming entrepreneurial movements in the business community can work as role models for next coming generation and influence entrepreneurial intentions among themselves, other than only if they have variation in their attitudes. The past research of entrepreneurial behavior have important for prediction of human behavior and down with their attitude, their social norm. Theories do not include planned behavioral variables which forecast the behavior in society. Planned behavioral theories proved that the test of capability, demographics study of families, their sexual category, and self-employment skills should not add significant impact on forecasting the intentions.

## LITERATURE REVIEW

Youth's entrepreneurial attitude for an innovative business develops after long professional coaching and can develop by consultation from broader business experts or may consultants. Their success stories may create intention among the young generation for doing their own business. Azzztio & Keeley (1997) had resulted that entrepreneurship formation is a planned mindset. In simple words, internal organized behavior for a specific aspect of business. Krueger (1993) stated that the intentional perception supposed that new entrepreneurship creates planned and designed behaviors. The significance level and efficiency of education that anticipating one's behaviors and a new entrepreneurial feeling. Ajzen (1991) designed behavioral concept that utilized in the 1990s decade that made possible new approaches for the planned perception.

Kolvareid & Moen (1997) predicted that in entrepreneurial business schooling and behavioral intentions have direct pressure on students. There are significant difference can be observed among students of entrepreneurship professional education and for those who don't have any professional business study. New venturing formation for

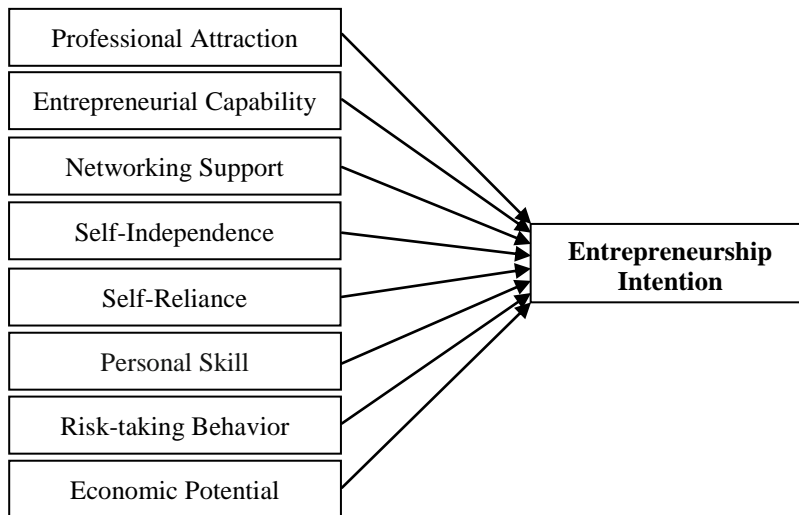
entrepreneurs depends on support of networking, their norms, perception of society and entrepreneurial experience.

Pakistan's national universities offer management sciences degrees with entrepreneurship professional courses at both, graduation as well as master. It is the time in their life to set their brains towards launching a new venture. Ajzen (2002) observed that education at higher level for different entrepreneurial features have unquestionably added extra realistic things to see about entrepreneurial actions among young generation by this way intention will persuade.

Another researcher Krueger & Reilly (2000) concluded that the decision for an entrepreneur may be well thinking as planned and need care of full mind set, this decision ultimately influenced by education and exposure. Mosey & Wright (2007) maintain the idea in general context that entrepreneurial skills increase the social networks that useful for an innovative type of businesses growth as well as to enhance their personal ability. Gwartney & Lawson (2008) expressed that the economic indicators inquire the factors to guideline and therefore the organizational structure push the entrepreneurs in the modern Society.

Brett (1988) proved that the self-reliance has middle level stuff, however academic and intellectual's duty to provide it a chosen definition. In-fact, it might the only suggestion that the term for most defining is self-reliance. Supplies of local substitutes and the self-reliance detected in an ambiguous, that was explained by the various scholars.

### THEORETICAL FRAMEWORK



### METHODOLOGY

The analysis planned from 200 correspondents through research instrument which circulate to a targeted group of the final semester students in various universities of Faisalabad (Punjab) Pakistan. However 195 questionnaires were filled properly. From these 195 questionnaires 6 filled improper ways with non-serious behave therefore excluded from analyzing phase and finally 189 were taken into account for final analysis.

For data collection questionnaires prepared and use as a research instrument to fill from three hundred students of different universities located in Faisalabad, where focused group is of last semester students as discussed above lines. In order to avoid complications and misleading by the data the questionnaire and its contents are briefed to students. Forms were filled by each student individual. Within the form the respondent was raise regarding their gender status, age level, intention about business enterprise creation, supposed attraction, support network and feasibility perception?

### Sampling Design

S.No.	Agencies	Nos.
1	University of Agriculture Faisalabad	120
2	G.C University Faisalabad	40
3	UET, Faisalabad Campus	40
	<b>Total</b>	<b>200</b>

Well known software for social science SPSS (Special Package for Social Science) help regarding analyzing the data. First all terms analyzed in sequence and then evaluate their relationship with each other. A scaling technique was used for evaluating the quantitative type of questions that was divided separately into nine parts according to the variables which were Entrepreneurship Intention, Professional Attraction, Entrepreneurial Capabilities, Networking Support, Self-independence, self-reliance, Personal skills, Risk taking Behavior and Economical potential.

Reliability analysis table showed variable's reliability outcomes that were focused in research, the Entrepreneurship Intention with its reliability that shows 0.729 (72 percent) and the other's variable professional attraction had reliability 65 percent, and the Cronbach Alpha for the next variable Entrepreneurial capabilities was 0.597, Network Support had reliability of 0.734. The Self Independency has the 0.674 its reliability, and the reliability of another variable self-reliance Cronbach Alpha is 0.604. Economic potential had reliability of 0.668, Risk-taking behavior had reliability of 0.654, and Personal Skills had reliability of 0.723.

**Table 1**  
**Reliability Analysis (N=189)**

Variables	Items	Cronbach Alpha
Entrepreneurship Intention	6	0.729
Professional attraction	4	0.659
Entrepreneurial Capability	4	0.597
Networking support	4	0.734
Self-independence	4	0.674
Self-reliance	4	0.604
Economic potential	3	0.668
Risk-taking behavior	2	0.654
Personal Skills	4	0.723

## RESULTS AND DISCUSSION

The researchers get the objective of this study by different tests were performed to examine and analysis by using SPSS the results shown in the below table. The respondent ratio was 70% and female 30%. Out of 189 respondents 132 or 70% are male with age group 18- 28 years and their subject majority age group 22 years to 27 years old. The possible respondents are from different courses and approximately 2/3 fraction of which have their major subjects, finance and economics.

The above table displays Mean (A.M), Standard Deviation (S.D), t-statistics and p-value analysis also their implication among all other variables that measured in research. The mean outcomes from each variable confirms that most of students are willing due to the average value is close at agreement level (agree = 2) as majority of the respondents i.e. Students are in this favor that means they want to take initiate to setup their personal business companies. Their graduation degree holding students have positively response about all variables. Moreover the significance level of variables can be observed in the table and from these results it can be view that all results are significant. The outcomes of Pearson correlations for all variables table expose the all variable's correlation.

**Table 2**

<b>Variables</b>	<b>Mean</b>	<b>S.D</b>	<b>t-statistics</b>	<b>p-value</b>
Entrepreneurship Intention	2.1552	.68934	1.905	.058
Professional attraction	2.1481	.74947	5.128	.000
Entrepreneurial Capability	2.4511	.69949	3.019	.003
Networking support	2.3175	.85778	1.107	.270
Self-independence	2.0608	.79116	1.243	.215
Self-reliance	2.3029	.74143	-2.082	.039
Economic potential	2.1693	.78536	2.821	.005
Risk-taking behavior	2.3201	.92651	.931	.353
Personal Skills	2.2134	.81270	1.930	.055

The Pearson correlations for all variables table summarizes the values of Pearson's correlation coefficient and its importance for significance level. It is fairly clear from all the outcomes that Entrepreneurship Intention confidently correlated to professional attraction while value of correlation coefficient is 0.555 and the relation finally is considerable with 95% confidence level with ( $p < 0.05$ ). The relationship among support networking and entrepreneurship intentions has positively significance impact with Pearson's Correlation of Networking Support with 0.362. Entrepreneurship Intentions and entrepreneurial capability are positively correlated to each other with 0.442 correlation coefficient of Pearson Approach. The results forwardly predict that Entrepreneurship Intention and self-independency have positive relationship at good significant level with correlation coefficient of Pearson Approach is 0.448. The relationship of p-value is less than 0.05 which shows positive significant level among these variables, Entrepreneurship Intention and the self-reliance have significant level as correlation coefficient of Pearson Approach is 0.278.

**Table 3: Pearson Correlations for all Variables: (N=189)**

<b>Entrepreneurship Intention</b>								
Pearson Correlation								
Sig. (2-tailed)								
N	189							
<b>Professional Attraction</b>								
Pearson Correlation	0.555**							
Sig. (2-tailed)	.000							
N	189 189							
<b>Entrepreneurial Capability</b>								
Pearson Correlation	.442** .297**							
Sig. (2-tailed)	.000 .000							
N	189 189 189							
<b>Networking Support</b>								
Pearson Correlation	.362** .316** .322**							
Sig. (2-tailed)	.000 .000 .000							
N	189 189 189 189							
<b>Self-Independence</b>								
Pearson Correlation	.448** .415** .316** .375**							
Sig. (2-tailed)	.000 .000 .000 .000							
N	189 189 189 189 189							
<b>Self-reliance</b>								
Pearson Correlation	.278** .339** .354** .300** .441**							
Sig. (2-tailed)	.000 .000 .000 .000 .000							
N	189 189 189 189 189 189							
<b>Personal Skills</b>								
Pearson Correlation	.504** .442** .378** .308** .521** .494**							
Sig. (2-tailed)	.000 .000 .000 .000 .000 .000							
N	189 189 189 189 189 189 189							
<b>Risk-Taking Behavior</b>								
Pearson Correlation	.365** .298** .393** .378** .339** .422** .408**							
Sig. (2-tailed)	.000 .000 .000 .000 .000 .000 .000							
N	189 189 189 189 189 189 189 189							
<b>Economic Potential</b>								
Pearson Correlation	.480** .403** .400** .382** .547** .400** .467** .388**							
Sig. (2-tailed)	.000 .000 .000 .000 .000 .000 .000 .000							
N	189 189 189 189 189 189 189 189 189							

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

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

All independent variables have positive trend and significantly correlated with Entrepreneurship Intention level. The students of national institutions are more passionate for starting their own business instead job concerned. Entrepreneurship Intention quite effectively can be attached to the self-independency also accompany from entrepreneurial capability, networking support, professional attraction and self-reliance. The current study concludes that professional attraction & self-independence regarding entrepreneurship and Entrepreneurship Intention among youth graduates have positive trend and heaving extremely significance effects and ultimately it's highly correlated to each other. Further,

the study explored that higher level of education influences the Entrepreneurship Intention among business graduates. It's clear that presented results validate the significant role of education for the development of entrepreneurial mind set intention. Research findings conclusion agrees with the past researches of higher level educational institutions support intentionally to create own set ups of business, predicted by Krueger (1993).

It had confirmed that by acquiring confidence level of learning or set of knowledge, Personal skills, expertise of doing business activities a person is more passionate is to become an Entrepreneur in the practical life. Research explores that high level of education is a smooth way to attracts young degree holders/graduates for new venture creation/planned as they skillful in required professional skills. The results of the research are different with previous studies and had proved already by Baruch (2006) and Birch & Clements (2006). The study confirmed that higher the learning the greater will self-reliance has impact on Entrepreneurship Intention among young graduates.

### **CONCLUSIONS**

The major search purpose was to find out the intention of entrepreneurial trend between youth degree holding student and studied a courses management. Intentional getting the main objectives of the research. Business doing abilities among students consist on their schooling method that are really effected the surroundings of an individual like (personalities traits, personality it-self, attitudes or may called mind set of a person, social role in the society and self-image like intro-wards/extra-wards) and at the same time these personal skills, practices and professional abilities can also be gained virtue of consistent training and education Man & Lau (2005).

The presented research work shows that networking as well as new venture creation is significantly and positively correlated. The support networking helps to professional the business graduates/degree holders to access the required information timely for themselves to initiate a multinational type company. The support networking among the students are better to enhance the chances of new business startups creation because they need it for better future whatever is will be necessary to initiate their own organization or join an existing. The results show that advanced education and business self-independence have positive trend each other and significantly correlated to each other.

### **IMPLICATIONS**

Doing business in an innovative way may calls as entrepreneurship; generally it's a developing trend in all over the global world which includes at all levels of business activities during universities education. The creation of an entrepreneurial mindset is the function of planned behavioral entrepreneurship. Current research will represent judgments for the new researchers/policy makers and professional courses contents planners to think for up-coming young generation's challenges to enhance their professional abilities, expertise, exposure and personal skills. They can develop effective strategy which will provide them a platform to improve their innovative ideas. Competitions are increasing day by day in each field of their lives and same is the case with employment of public and private sector. It is becoming approximately not possible for the state governments or it's institutions to create jobs for professional degree holder's workforce generally and especially for young illiterate manpower. The potential of youth can use only if there is a well-planned entrepreneurial strategy is crafted. The entrepreneurship will be last option in

the face of unemployment and young graduates will use this golden opportunity to be successful entrepreneur or motivators for others. The study will help out and make possibilities of all educational institutions to recognize their role for entrepreneurial environment in the future. The policy makers and university administrations must think what will deliver and reorganize the young generation for the upcoming challenges. The research explores space for further researchers to identify new ways and to support upcoming scholar and must encourage the new generation's entrepreneurs generally and mainly youth of the country that will prove them as excel of consistent economy.

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