Role of Universities in Fostering Entrepreneurial Mindset through Education and Training: Evidence from Pakistan

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Abstract
A powerful emergence of entrepreneurial research has been witnessed worldwide in the last decade. Nowadays both scholars and policy makers are becoming aware of the importance of entrepreneurship education and its role in fostering entrepreneurial behaviour and mindset for the economic development of the country. In spite of such global recognition, entrepreneurship remains limited in Pakistan. Such attitude towards entrepreneurship has affected the entrepreneurial behaviour and intentions of people in Pakistan. The contribution of this work is to propose an entrepreneurial intention model that is capable of generating insights into the understanding and practices of entrepreneurship education and training in the context of developing countries and the resulting overall impact on addressing the challenges of economic development and youth unemployment in the perspective of...
developing economies like Pakistan. This research will be helpful to understand the value of entrepreneurship education and its current provision at the universities in Pakistan. This study will be helpful for students to know the impact & importance of universities in fostering entrepreneurial mindset through education and training.

1. Introduction

Entrepreneurship education has different short term and long term results in the society (Hannon et al. 2006). Most of the emerging theories and literature reviews about entrepreneurship education are derived from the growing body of knowledge comprising studies conducted in developed countries. It has been widely recognized that the economies and societies of most nations are driven by entrepreneurship (Alberti et al. 2004).

There is a scarcity of research conducted on entrepreneurship in the context of developing countries like Pakistan. Even in most of the developing countries, the researches on entrepreneurship have been focused more on the field of entrepreneurship in general; the success factors of actual entrepreneurs; the characteristics of entrepreneurs and to some extent on the drivers and inhibitors of the entrepreneurial growth (Yousaf et al. 2007).

Nowadays, most of the developing countries consider entrepreneurship imperative for enhancing employment opportunities. Such impact of entrepreneurship is also evident from certain countries which papered decline in the unemployment rate due
to higher level of increase in entrepreneurial initiative indexes (Audretsch, 2002). In Pakistan, every year thousands of school leavers, university graduates and graduates from vocational education and training institutes’ enter the job market searching for their first jobs. For this large youthful population, the formal job creation opportunities are not sufficient to absorb the growth in labour force. This happens due to limited attention of policy makers and government toward entrepreneurship in the past and lower level of growth in key indicators for starting new business and the country’s limited ability to absorb economic shocks (Haque, 2007). For many, entrepreneurship can be an alternative career choice, provided that prior intention exists. This requires a gradual shift from the existing model to a new model in which entrepreneurship, innovation and creativity are emphasized.

In this context, this work presents a novel entrepreneurial intention model which can be used to generating insights into the understanding and practices of entrepreneurship education and training in the context of developing countries. Rest of this work has been organised as follows. In section 2, literature review is presented. The proposed entrepreneurial intention model is detailed in section 3. Analyses and discussion is covered in section 4 whilst conclusion and future work are presented in section 5.

2. Literature Review

Literature suggests that the basic meaning of the French term ‘entreprendre’ and ‘entrepreneur’ refers to undertaking an initiative. The term has got several contextual
meanings and is mixed together with almost every field of social sciences. Different authors and researchers have contributed their distinct concepts and definitions to entrepreneurship. While Schumpeter (1942) portrays entrepreneurship as a process of 'creative destruction', Kirzner, nevertheless emphasizes a different entrepreneurial function i.e. pushing the economy towards equilibrium (Grilo & Thurik, 2005). According to Kuratko (2005) entrepreneurship "is a dynamic process of vision, change and creation" that requires an application of energy and passion towards the creation and implementation of new ideas and creative solutions. Essential factors include the willingness to take calculated risks in terms of time, equity and career; the ability to formulate an effective venture team; the creative skills to organize needed resources, and fundamental skills of building solid business plan and finally the vision to recognize opportunity where others see chaos, contradiction, and confusion. It is more than the mere creation of business (Kuratko, 2005). Thus it can be concluded that much of entrepreneurship research is conceptualized in developed economies which are characterised by groundbreaking discoveries. Entrepreneurship has emerged as the most effective economic force the world has ever witnessed. According to Kuratko (2005) the entrepreneurial interest has acquired its intensive level almost everywhere in the world. The developed economies consider it as a revitalizing socioeconomic agent, a way of coping with unemployment problems, a potential catalyst and incubator for technological progress, product and market innovation. While
in most of the developing countries, entrepreneurship is seen as an engine of economic progress, job creation and social adjustment (Mohar et al. 2007). Most recent socioeconomic crises like rapid increase in fuel and food prices, serious threats to social peace and security etc. added to the need of entrepreneurial expansion everywhere in the world particularly in developing countries (Levenburg, 2008). In the developed economies, most universities strive to develop and expand entrepreneurship education by designing unique and challenging curricula specifically designed for entrepreneurship students (Sajjad 2007). This shows the educational development in research and teaching in the field of entrepreneurship which spans over decades. Over a period of time, the legitimacy of entrepreneurship as a discipline has been debated by the researcher. It is widely accepted now that entrepreneurship can be taught. Peter Drucker (1985) while defining entrepreneurship cited, “The entrepreneurial mystique? It’s not magic; it’s not mysterious; and it has nothing to do with genes. It’s a discipline. And, like any discipline, it can be learned.” Kuratko (2005) added to this argument by stating that an “entrepreneurial perspective” can be developed in individuals. “This perspective can be exhibited inside or outside an organization, in profit or not-for-profit enterprises, and in business or non-business activities for the purpose of bringing forth creative ideas”. Many authors (e.g. Drucker 1985; Gartner 1989; Pribadi 2005) agreed that entrepreneurship education is helpful in minimizing the risk of failure in establishing new business ventures.
Similarly, Rushing (1990 cited by Hattab 2014) argued that entrepreneurship education can enhance and develop traits that are associated with entrepreneurship and provide skills needed to start businesses. Therefore educational initiatives at universities have been considered as an important tool for increasing awareness and interest on entrepreneurial career option and starting new ventures.

According to Peterman & Kennedy (2013) though the importance of entrepreneurship education has been recognized in the literature, but limited empirical studies have been carried out to analyze the impact on entrepreneurship education separated from general education. Byabashaija and Katono (2011, while cited by Hussain & Norasidah 2015) argued that the effect of general education has been explored but only a few studies have looked at entrepreneurship education, particularly at university and tertiary institutions level.

For sustaining innovation-driven competitive advantage in a global economy, the development of entrepreneurial talent is essential (Ali et al. 2011). Empirical evidence confirms that entrepreneurial programs run by universities have successfully imparted relatively higher confidence among the potential entrepreneurs to pursue their own line of entrepreneurial activities. According to Lope Pihie (2008), "academic experience of entrepreneurs at universities significantly predicts their entrepreneurial attributes and motivation".

Universities enhance entrepreneurial potential of the potential entrepreneurs. Chrisman et al. (1995)
are of the view that the common perception of universities as mere institutions of higher learning is giving way to one where universities are viewed as engines of economic growth and development. Fitzkowitiz (2004) identified entrepreneurship has become a primary university function. According to Van Burg et al. (2008) universities equip the potential entrepreneurs with those attitudes that help them to take responsibility of their own actions, be creative and innovative, and also to develop creativity in their lives.

3. Entrepreneurial Intention Model
Entrepreneurial intention is a determinant element to perform entrepreneurial behaviour (Pribadi, 2005). It is a state of mind which directs and guides the actions of individuals towards the development and implementation of new business concepts (Bird, 1998 cited by Haatttab 2014)
Past research indicates that one of the key instruments to increase entrepreneurial attitudes of both potential and nascent entrepreneurs is entrepreneurship education which is strongly related to intention and inculcation of a range of skills and attributes aimed at leveraging the entrepreneurial behaviour among recipients (Linan et al. 2010).
Further researchers (Fayolle et al., 2005, Lüthje and Franke, 2003) have confirmed the positive role of entrepreneurship education in the development of entrepreneurial intention and the existence of important factors that influence students' entrepreneurial behaviour. Entrepreneurship education has been recognized as one of the important determinant of entrepreneurial
intentions. Various scholars [like Henderson & Robertson, 2000; Galloway and Brown, 2002; Fayolle \textit{et al.} 2006); Potter 2008) and Zhang \textit{et al.} 2013) have empirically demonstrated that entrepreneurial education is an important determinant of entrepreneurial intentions. According to Krueger \textit{et al.} (2000) intentions have been proved to be the best predictors of individual behaviours when the behaviour is rare, hard to observe or involves unpredictable time lags. Packham \textit{et al.} (2010) identified that several predictors including entrepreneurship education are radically related to intention to create new venture. According to Wu and Wu (2008) the potential impacts of entrepreneurship education on students include three aspects:

1) Personal development of Students, including changes in attitudes and values;
2) Changes in student’s abilities; and
3) Possible social impacts.

Zhang \textit{et al.} (2013) concluded that despite the importance of entrepreneurship education, it’s unusual to observe that few studies have been conducted to see the impact of entrepreneurship education on entrepreneurial intention. Thus, the research on the effect of entrepreneurship education on entrepreneurial intention is limited.

According to Mares \textit{et al.} (2016) there is a consensual that entrepreneurship is the result of a cognitive process, however the decision to become an entrepreneur is very complex as it results from an elaborate mental process. Cognitive approaches have involved considerable interest in this regard. Baron (2004)
while citing the importance of the entrepreneurial intentions concerning the decision to start a new venture identified cognitive variables as crucial for the understanding of personal decisions related with the creation of enterprises. According to Baron (2004) this cognitive focus offers further insights that can help understanding the complex process of entrepreneurship.

The main purpose of this study is to understand the entrepreneurship education and students’ entrepreneurial intentions, by undertaking the influence of social and skills perceptions in determining these intentions through the application of an entrepreneurial intention model of Linan (2004). Thus the study will follow the cognitive approach through the application of an entrepreneurial intention model.

Linan (2004) proposed that entrepreneurship education should be based on strengthening the participant’s intention of becoming an entrepreneur. He presented an Intention Model of Entrepreneurial Education by integrating the two theories of Shapero and Sokol’s Theory of the Entrepreneurial Event (1982) and Ajzen’s Planned Behaviour Theory (1991) by adding the additional element of entrepreneurial knowledge acquired through education.

Linan (2004) argued that greater knowledge will contribute more realistic perceptions of an entrepreneurial activity and will make the intention to become an entrepreneur more realistic. He also argued that entrepreneurial education is different from conventional management training which is mainly concerned with developing technical skills. He also found that educators
should concentrate on strengthening participant’s intention of developing those entrepreneurial behaviours (Linan, 2004).

Figure 1: Entrepreneurial Intention Model by Linan (2004)

Adopting Linan’s Intention Model for the study of entrepreneurial education in context of developing economies like Pakistan, this research study will need to follow some defined research methodology. Literature suggests that there is substantial gap of knowledge in terms of the role of universities towards fostering entrepreneurial mindset and entrepreneurship intentions in case of developing economies like Pakistan and specifically Khyber Pakhtunkhwa in relation to economic development and youth unemployment. This issue is the focus of this research study which is expected to contribute manifold. First, it will try to address a knowledge gap by generating insights into an under-studied area i.e. the fostering of entrepreneurial mindset through education and training in a developing country. Secondly, it will provide rich empirical evidence on the subject, drawing on semi-structured interviews with the managers of business schools and training institutes. Also, it will help in identifying the pivotal role of entrepreneurial education and training in the development of entrepreneurial behaviour/mindset which will further prove valuable for policy makers, practitioners, public and private business support agencies, business schools and technical institutes in
shaping policies for the economic development and reducing youth unemployment in developing countries. In this way, the research is expected to contribute to the existing knowledge of entrepreneurial education and training in context of developing countries. We believe that Linan theory has been investigated intensively in the western context, the question of its generalisability to other country specifically in the developing countries context still needs to be answered.

4. Analysis and Discussion

Almost everywhere in the world, entrepreneurship is focused by universities now a day as they consider their students as future pool of potential entrepreneurs. Therefore, academic researchers have tried to explore the entrepreneurial interests and behaviour of potential entrepreneurs by identifying the determinants of entrepreneurial intentions. Rodermund (2004) generalized that in Germany an entrepreneurial personality and authoritative parenting styles were linked to entrepreneurial competence of future entrepreneurs. Similarly, Linan (2004) found that the intention to become an entrepreneur mainly depends on personal attraction towards entrepreneurship, perceived social norms and perceived feasibility (self-efficacy). Gurol & Aston (2006) put more importance on demographic variables like parental profession, academic qualification of parents, their attitude towards entrepreneurship and the university environment in this regard. Pillis and Reardon (2007) have identified achievement, motivation and self-image as major contributory factors.
In relation to Entrepreneurship, there is limited research available in developing countries particularly in Pakistan due to the fact that even a lack of government’s support for entrepreneurship development has also been identified as one of the factor that restrain entrepreneurial growth (Ullah, et al. 2013). The Global Entrepreneurship Monitor put Pakistan amongst the regional states with not so impressive entrepreneurship ecosystem in its report (GEM, 2012).

This work further identified that the number of people in Pakistan with an aptitude for entrepreneurship is less than the average of its factor driven peer countries. The new business ownership rate in Pakistan remained 3.42%, which is far less than the average of its factor driven peer countries. While citing the top factors which restrain the growth of entrepreneurial culture in Pakistan, the paper identified lack of government support, fear of failure, lack of entrepreneurial training programs, cultural and social norms and the ignorance of academia towards contributing to entrepreneurship education as the major factors (GEM 2012). The two factors which this paper points out i.e., lack of training programs and ignorance of academia towards entrepreneurship education, requires to have a look at the entrepreneurship education in the country.

5. Conclusion and Future Work

This work has presented an initial Entrepreneurial Intention Model which can be used to generate insights into the understanding and practices of entrepreneurship education and training. This investigation will provide important
implications for researchers, policy makers and entrepreneurship educators. Future research will investigate the Linan theory in a developing economy context to explore to what extent it is relevant to the current state of entrepreneurial education and intentions in the context of KP region of Pakistan.

References


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