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The Effect of Perceived Support on Entrepreneurship Intentions

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Abstract: This study is about examining the association between perceived supports with entrepreneurship intensions. The dependent variables include perceived educational support, perceived relational support and perceived structural support. Data were gathered via the adopted questionnaire. A total of 300 questionnaires were distributed from which only 250 questionnaires were returned. The population of this study was the students of tourism and hospitality departments of two public universities of Khyber Pakhtunkhwa. The study concluded that perceived relational support, perceived educational support and perceived structural support have significant positive impact on entrepreneurial intentions.

Keywords: Perceived educational Support, Perceived relational support, Perceived structural support, Entrepreneurial intentions

1. Introduction

Entrepreneurship is the idea of supporting the organization for innovative and workable planes to create and undertake activities intended to make wealth [1]. Entrepreneurship has been given an incredible importance since 1980s. It has been taken as a source of financial development by giving openings for work [2] and solution for the issue, for example, high joblessness and recession [3]. It is believed that business operations are important elements to transform economic environment. Even then understanding of the relationship between entrepreneurship and economic development still need to be explored [4]. The traditional analysis of economic growth and competitiveness ignores the role of small and new companies in the economy [5]. Governments and NGOs have remained proposing provisions for the possible and real business visionaries through assortment of trainings and asset. A healthy entrepreneurship economy needs the support of various stakeholders. These stakeholders build and maintain a strong economic environment where business can prosper. These stakeholders include bankers, investors, customers, suppliers, family members and service providers. Therefore, behavior at the societal level is important because business people depend on many people in their societies [6]. It is important to acknowledge that entrepreneurship reflect images of the average business. People who have no other way to work can actively search for ways to start a business. Also, they can find companies that have the ability to start [7]. With a few other job options, they may feel threatened with a little effort. By contrast, innovation-based economies focus on highly competitive environments and

knowledge-based companies. Similarly, they have a large share of the commercial and business-oriented opportunities that compete in the business services sector [8].

1.2. Research Objectives

To inquire the effect of perceived support in development of the intentions of students to turn into an entrepreneur.

2. Literature Review

2.1. Entrepreneurship Intentions

Previous studies have shown the role and importance of intentions as predictor of planned behavior [9], initiating a business is an intentional activity and entrepreneurship is characterized as planned behavior [10]. Intentions show the motivational factors that effect behavior and are important notions of how hard a person is willing to try and how much struggle she puts to accomplish a behavior [11]. As per Schumpetar (1948) [12] entrepreneurship gets from the disclosure of the presence of beneficial errors, information that others don't know about. Schumpeterian entrepreneurship enterprise shows new experiences and innovativeness though his point of view underlines the significance of solidness, consistency and ready arranging [13]. Shani (2004) [14] gives an overall meaning of entrepreneurship which is "a movement that includes the disclosure of chances to present new business and ventures, methods of managements, markets, procedures, and creating new materials that were not present before". An alternative entrepreneurship program is to solve the unemployment problem in a country. Business is currently a major concern in driving economic growth [15]. Entrepreneurs are expected to be able to promote employment opportunities, different customer needs, service delivery and prosperity [16].

2.2. Educational Support

Lothje & Franki (2004) [17] suggested that public-policy and institutions of higher education would strengthen their role in acting for implementation of educational, researches and resource programs on entrepreneurship. Türkar & Salçuk (2008) [18] discussed that education of universities is a proficient means for receiving essential knowledge regarding entrepreneurship; university education maintains a progressive effect on entrepreneurial intent. [17] made comparison of MIT with two German universities i.e. the University of Munich and the Vienna University of Economics and Business Administration. They have established quite distinctive designs of entrepreneurial temperament in these institutions. In comparison with MIT the learners of the German institutions were less in their entrepreneurial intents. According to Franki & Lothje (2004) [17] despite the fact that education is repeatedly criticized because of its emphasis on theory and detached from practicality, educators can still encourage the choice of entrepreneurial profession.

2.3. Interpersonal Support

Interpersonal support which specifies the emotional and financial support of family and friends, might inspire individuals to participate in entrepreneurship activities. As stated by Türkar & Salçuk (2008) [18] a profession deciding perspectives of a youth can be affected by familial relations and friends. Nevertheless, they discovered no substantial influence of familial supports on entrepreneurship intent. By description, interpersonal support is parallel to personal value, as it shows consent of friends and family. As shown by the outcomes of many experimental studies, subjective norm is set up to be unimportant in explanation of entrepreneurship intents in TPD model.

2.4. Organizational Support

Worldwide Entrepreneurship Monitor Report (2013) shows significance of a strong social and institutional condition for the advancement of entrepreneurial movement. As per Daves (2003) [19] numerous legislatures appear to elevate entrepreneurship while neglecting to offer a steady domain to business visionaries. Strategy suggestions are improving the adaptability of work, interchanges and market receptiveness while killing administration and formality so as to support entrepreneurs' rate in a general public [20]. It is contended that societies that reward difficult work and imagination, instead of political associations; and governments that will in general supplant monetary concerns as opposed to political interests additionally energize pioneering improvement. As per aftereffects of Türkar&Salçuk (2008) [18] study, the private, open and non-administrative associations' may urge

individuals to take part in enterprising exercises since auxiliary help was found to have positive effect on entrepreneurial intention.

2.5. Hypotheses

H1: There is a positive relationship between perceived education support (PES) and entrepreneurship intention (EI).
H2: There is a positive relationship between perceived structural support (PSS) and entrepreneurship intention (EI).
H3: There is a positive relationship between perceived relational support (PRS) and entrepreneurship intention (EI).

3. Research Methodology

3.1. Population of Study

Population is characterized as "all the individuals of the study through whom the information to be collected" Barron & Kenny (1987) [21]. The Population for current investigation is the graduates enlisted under the program of the tourism and mass communication in two public universities of the Khyber Pakhtunkhwa that are University of Peshawar and Abdul Wali Khan University Mardan.

3.2. Data Collection and Sample Size

In this research study primary sources of data were used for collecting data which means that primary data were collected for achieving the research objectives and answering the research questions.

3.3. Questionnaire Design

Table 1. Data Collection Tools

Variables	Source	Items
Perceived Education Support (PES)	Türkar & Salçuk (2008)	3
Perceived Relational Support (PRS)	Türkar & Salçuk (2008)	2
Perceived Structural Support (PSS)	Türkar & Salçuk (2008)	4
Entrepreneurship Intentions (EI)	Hoskison et al.(2012)	3

4. Results and Discussion

4.1. Sample Characteristics

A total of 400 questionnaires were distributed among the respondents in which 311 questionnaires were returned. 200 questionnaires were given in two different departments. When the 311 questionnaire were returned where 61 questionnaire were inappropriate which were extracted from the total count. Consequently, 250 questionnaires were left that were accurate and filled accordingly and forwarded for further data analysis.

4.1.1. Gender

Table 2: *Gender*

		Frequency	Percent
Valid	Male	229.00	91.60
	Female	21.00	8.40
	Total	250.00	100.0

The above table shows that male and female ratio is 91.6% and 8.4%, this means that the study comprises 229 male and 21 female in total. Form this, one thing is confirmed that male to female ratio in KP public universities is too high.

4.1.2. Age

Table 3: *Age*

		Frequency	%
Valid	19-24	167.0	66.80
	25-30	82.00	32.80
	31-36	1.00	0.40
	Total	250.0	100.00

Age was measured through different intervals. The age of 176 respondents were lying between 18-23 years interval, 82 were lying 24-29 interval, 1 was laying in 30-35 interval. The first interval that is 18-23 contains the highest response rate in the all groups.

4.1.3. Experience

Table 4: *Experience*

		Frequency	Percent
Valid	Yes	35.00	14.00
	No	215.00	86.00
	Total	250.00	100.00

Out of 250 students 35 students were having experience while the rest that is 215 were having no experience. The reason behind the highest rate of no experience is that they are the students and that's why in the early age they are just doing their study.

4.1.4. Own Family Business

Table 5: *Own Family business*

		Frequency	Percent
Valid	Yes	165.00	66.00
	No	85.00	34.00
	Total	250.00	100.0.00

Out of 250 respondents 165 with 66% were having their own family business. The purpose of adding this question in the questionnaire is that in the second chapter the researcher clearly mentioned that most of the students who having their own family business are more attractive to start their own business. While 85 students were having no business concerned.

4.2. Descriptive Statistics

Table 6: *Descriptive Statistics*

	N	Mean	Std. Deviation
PES	250	4.1960	.62399
PRS	250	4.2160	.74536
PSS	250	4.2150	.63414
EI	250	4.1680	.64576
Valid N	250		

The entire variables that are perceived education support (PES), perceived relational support (PRS), perceived structural support (PSS) and the Entrepreneurial intentions (EI) were determined through a 5 point Likert Scale. The detail interpretation is given as under;

All the mean values of the variables are greater than 4, which conclude that the respondents are agreeing that perceived support has inclination towards the EI.

4.3. Reliability

4.4. Table 7: *Reliability*

Variable	Cronbach's Alpha	No. of items
PES	0.830	03
PRS	0.780	02
PSS	0.910	04
EI	0.870	04

Reliability is actually used to check the internal consistency of the instrument. It is denoted by Alpha and its values must be greater than .70. By this way, all the variables have attained the satisfactory values that are .83 (ES), .78 (ES), .91 (OS) and .87 (EI).

4.5. Correlation Analysis

Table 8: *Correlation Analysis*

	PES	PRS	PSS	EI
PES	1			
PRS	0.87	1		
PSS	0.80	0.75	1	
EI	0.798	0.711	0.864	1

The PES is positively associated with EI with its value of .798 where this was significant via $\alpha = 0.05$. The results display that PES has positive associated with EI.

The PRS is also positively related to EI with its value of ($r = 0.711$) where this was significant via $\alpha = 0.05$. The results therefore display that social support has positive associated with EI. Likewise, the PSS remains the same result and significantly with EI through the value of correlation coefficient ($r = 0.864$).

4.6. Regression Analysis

Table 9: Regression between PES and EI

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	.798[a]	. .637	.636	.38965

a. Predictors: (Constant), PES
b. Dependent Variable: EI

The value of "Adjusted R Square" that is 63% of variation is explained in the dependent variable by PES whereas, the value of PES displays that the model contains slight change up to +0.38965 or -0.38965.

Table 10: *ANOVA*

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	66. 180	1	66.180	435.88	.000[b]
Residual	37.653	248	.152		
Total	103.833	249			

a. DV: EI
b. Predictors: (Constant), PES

The values in the ANOVA displays that the model show that the model is statistically significant. PES contains the variation that is 103.833 and EI contains 66.180 variations.

Table 11: *Coefficient*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.701	.168		4.178	.000
PES	.826	.040	.798	20.878	.000

a. Dependent Variable: EI

The association between PES and EI is established by the standardized beta coefficient (0.798) which is not zero which was also confirmed further by t-value which is more than 2.
H1: there is a positive relationship between PES and EI. Accepted

Table 12: Regression between PRS and EI
Model summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	. 711[a]	.506	.504	. .45474

a. Predictors: (Constant), PRS
b. Dependent Variable: EI

The value of "Adjusted R Square" that is 50% of variation is explained in the dependent variable by PIS whereas, the value of SE displays that the model contains slight change up to +0.45474 or -0.45474.

Table 13: *ANOVA*

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regression	52.550	1	52.550	254.1	.000[b]
Residual	51.283	248	.207		
Total	103.833	249			

a. Dependent Variable: EI
b. Predictors: (Constant), PRS

The values in the ANOVA displays that the model show that the model is statistically significant. PRS contains the variation that is 103.833 and EI contains 52.550 variations.
Table 14: *Coefficient*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Consta)	1.570	.166		9.482	000
PRS	.616	.039	.711	15.941	000

a. Dependent Variable: EI

The association between PRS and EI is established by the standardized beta coefficient (0.711) which is not zero which was also confirmed further by t-value which is more than 2.
H2: there is a positive relationship between PRS and EI. Accepted

Table 15: Regression between PSS and EI

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
2	.864[a]	.747	.746	.32537

a. Predictors: (Constant), PSS

b. Dependent Variable: EI

The value of "Adjusted R Square" that is 74.6% of variation is explained in the dependent variable by PSS whereas, the value of SE displays that the model contains slight change up to +0.32537 or -0.32537.

Table 16: *ANOVA*

Model	Sum of Squares	Df	Mean Square	F	Sig.
Regressio	77.579	1	77.579	732.824	.000[b]
Residual	26.254	248	.106		
Total	103.833	4 9			

a. Dependent Variable: EI

b. Predictors: (Constant), PSS

The values in the ANOVA displays that the model show that the model is statistically significant. PSS contains the variation that is 103.833 and EI contains 77.579 variations.

Table 17: *Coefficient*

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Consta)	.458	.139		3.304	.001
PSS	.880	.033	.864	27.071	000

a. Dependent Variable: EI

The association between PSS and EI is established by the standardized beta coefficient (0.864) which is not zero which was also confirmed further by t-value which is more than 2.

H3: There is a positive relationship between PSS and EI. Accepted.

4.7. Discussion and Recommendations

Current research adapted TPB (Theory of Planned Behavior) design in explanation of entrepreneurship intentions through eradicating subjective norm as a straight impact on entrepreneurship intents. In our findings, individual's perspective and conceived behavioral control projected the entrepreneurship intents; though perspective (i.e., attitude) had a larger impact. Luthji & Franki (2004) concluded the same findings in their study on entrepreneurship intents of MIT students.

This research centered on the back ground aspects that were expected to hold an effect on entrepreneurship intents by individual attitude and conceived behavioral grip. Hence, as maintained by current model, individual viewpoint and conceived behavioral command conciliate the relation among contextual supportive aspects and entrepreneurship intents. Amongst further supportive aspects (structural and educational), relational support was established as important in demonstrating both individual attitude and conceived behavioral command. This finding opposes to the earlier research of Turkar & Salcuk (2008), according to which relational support was established as unimportant. Since their results were shocking for the reason that help and backup from the family and friends was deemed to be important in a collectivistic state like Turkey, writers had suggested other investigators to investigate this relation once more. Consequently, findings are corresponding with the theoretical framework and expectancy.

Educational backup and help were merely found important in relationship with conceived behavioral command. Educational backup and help are reflected significant in the recent literature, as empirical data displays its significance on entrepreneurship improvement. In this research, straight relations amongst learning support and entrepreneurship intents were not found. Educational aid and helps how overall helpful entrepreneurship atmosphere in the institutions. Thus, it may be reasoned that learners in our model did not consider institutions as much supporting as their families or friends. Nevertheless, recent universities atmosphere aid them enough to recognize their selves to poses command over their entrepreneurship intents. Entrepreneurial curriculum presented by the institutions might be supportive in that regard. In opposition to our discoveries, Turkar & Salçuk (2008) found an immediate relation among education's assistance and entrepreneurship intents. Thus, there is necessity for additional researches to study the relation amongst education and entrepreneurship.

According to our study no structural assistance was concluded to be of importance in any relation. In current times the government has established incentive and schemes for education to encourage entrepreneurial spirit, nevertheless, such plans primarily remain with minor enterprises lacking innovation. For a second time, Türkar & Salçuk (2008) conclude affirmative relation among structural assistance and entrepreneurship intents in distinction to our work. More work is essential to be done in this area of study.

This research contains implications to policy makers and regulators of educational sector. Despite the fact that institutions offer entrepreneurial curriculum, it might still not be enough to encourage the entrepreneurial spirit amongst undergraduates. So, educational officials should emphasize on creating a further supportive atmosphere for entrepreneurship. Curriculum in the institutions should be reviewed to nurture creativity rather than imposition of hypothetical and operative information. For the policymakers, it is proposed to establish particular entrepreneurship programs to target innovative and energetic undergraduates or graduates that should encourage them to act-out their creative entrepreneurial ideas. Moreover, arranging funds is a primal hurdle alongside being entrepreneurs, for the university students, Romerio et al. (2012) recommends that institutions must update studens regarding economic opportunities.

Current work contains a few limitations as well. First one is related with our example. Our example is comprised of undergraduate university students. Indeed opinion of people may change after they have proficient experience or innovative endeavors. In this way, future investigations can be carried out on businessmen or experts in practical life as well. Additionally, comparable investigations ought to be applied on college students throughout the country. Second, present investigation has concentrated uniquely on relevant components. Different factors, for example, character can be investigated to discover the significant determinants of individual mentality toward business enterprise. Also, diverse examinations can be led to recognize the significance of various relevant and character factors for various nations. Last, there is a requirement for subjective examinations also for investigating the effect of relevant variables on entrepreneurial intention.

5. Conclusion

This study suggests that educational, interpersonal and organizational support is very important for entrepreneurship intentions. There are also practical implications of this study where it is suggested that policy makers and decision makers focus on social enterprises, recognize the links between different beliefs and perceptions, and form entrepreneurial intentions according to research conducted in this study. First, entrepreneurial intentions, which apply to the domains of educational, interpersonal, and organizational support were experimentally examined and tested from cognitive and belief perspectives which are supported in context of Pakistan. Second, the factors in this study were validated in a nonwestern context. Pakistan, where understanding entrepreneurial intentions requires considering the need for an empirical understanding of a variety of issues that are educational, interpersonal and organizational support for every business.

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