Do Entrepreneurship Education Programs Affect Entrepreneurial Intention?

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Abstract

Entrepreneurship is regarded as one of the main ways of creating financial value and thus planning for entrepreneurship education in universities, organizations and institutes has been given a great deal of attention all around the world. The present essay, also, seeks to examine the effect of entrepreneurship education on the entrepreneurial intention of 190 participants in entrepreneurship education courses of Labor Institute in Tehran. The results show that entrepreneurship education has a meaningful effect on the entrepreneurial intention of the participants in general and specially the participants' perceived feasibility of entrepreneurial behavior.

Keywords: entrepreneurial intention, attitude toward behavior, social norms, perceived feasibility, entrepreneurship education

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Introduction

Entrepreneurship has been recognised as being of fundamental importance for the economy. It is maintained to be essential in giving birth to new ideas, creating new enterprises and jobs, and nurturing the economy as a whole (Heinonen and Poikkijoki 2006). So promoting entrepreneurship is viewed as a national priority by governments (Fairlie and Holleran 2011). Entrepreneurship training may remove barriers for risk tolerant entrepreneurs to create hi-risk, but potentially hi-growth. (Fairlie and Holleran 2011). Entrepreneurship education could be one of the most effective ways to facilitate the transition of a growing graduate population from

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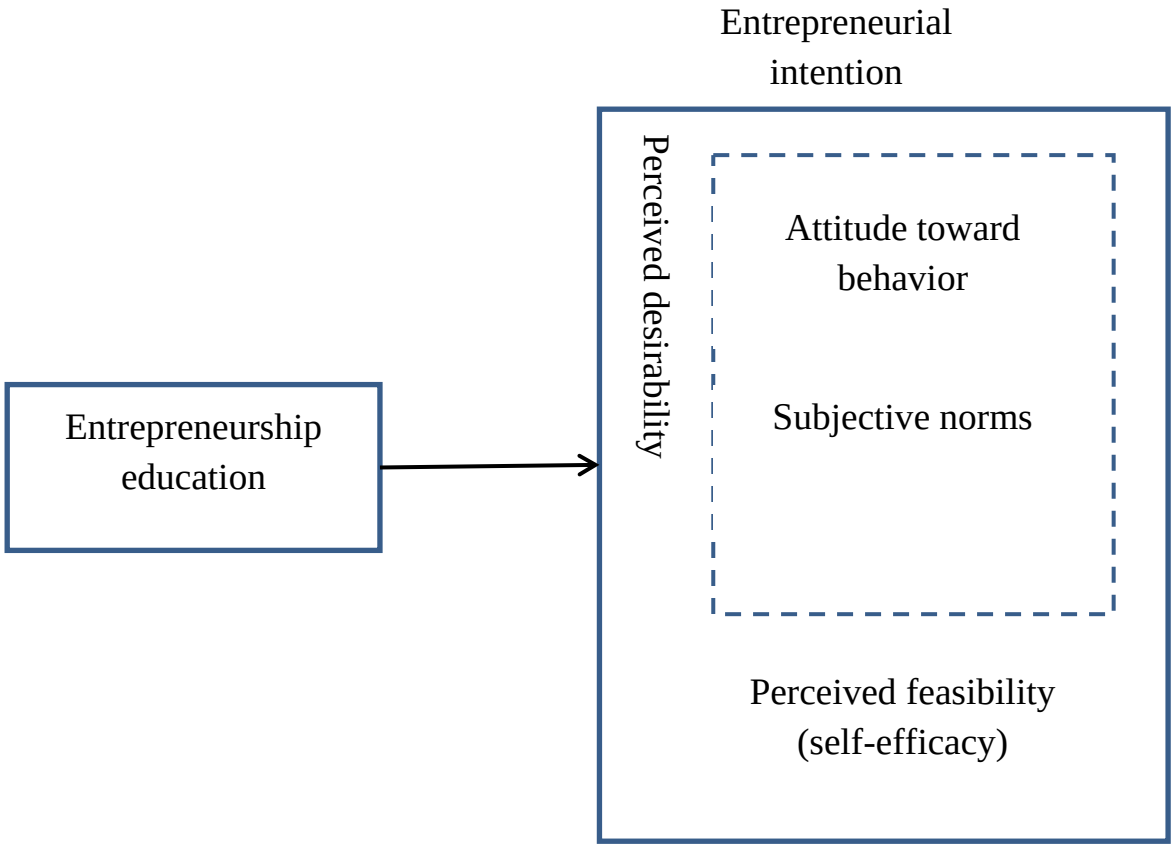
education to work. It could prepare people to be more responsible, to become entrepreneurs, or entrepreneurial thinkers. Consequently, a lower unemployment rate and fewer failures of existing businesses could be achieved (Urbano, Aponte and Toledano 2008). Bundura (1986) discusses that entrepreneurship training is an introductory activity to prepare people for starting a new business and by giving the knowledge of entrepreneurship to potential entrepreneurs and developing their skills, their self-efficacy and the effectiveness of their activities are improved. Nabi and Holden (2008) state that some students relate entrepreneurial learning to individual life experiences and gradually translate entrepreneurial intentions into entrepreneurial. Entrepreneurial intent has proven to be a primary predictor of future entrepreneurial behavior (Schwarz et al. 2009). The intention to found and manage one's own business is widely recognized as the first critical step in the process of becoming an entrepreneur (Zhao, Seibent and Lumpkin 2009). Hence regarding the critical role of entrepreneurship education and entrepreneurial intention in the formation of entrepreneurial behavior, this paper seeks to examine the effect of entrepreneurship education on entrepreneurial intention of participants in an entrepreneurship course.

Although many authors offer different definitions of entrepreneurship education, for example (Shepherd and Douglas 1997 ; Holmgren et al 2004 ; Solomon 2007 ; Entrepreneurship Consortium 2008) Francisco Linan's definition (2004) seems the most comprehensive of all. He defines entrepreneurship education as "*the whole set of education and training activities -within the educational system or not- that try to develop in the participants the intention to perform entrepreneurial behaviours, or some of the elements that affect that intention, such as entrepreneurial knowledge, desirability of the entrepreneurial activity, or its feasibility*".

Intentions represent a person's motivation to make an effort to act upon a conscious plan or decision. Meta-analyses show that intentions are strong predictors of actual behaviour in other applied settings. (Van Gelderen et al 2009). Entrepreneurial intent represents an individual's intent to start a new business (Shook and Bratianu 2008). Entrepreneurial intentions are a state of mind, which directs and guides the actions of the individual toward the development and the implementation of new business concepts (Nasurdin, Ahmad and Lin 2009). It can be viewed as the intention of a person to perform new venture creation behavior or action (Grundsten 2004). Within the entrepreneurial intentions literature, there have been two models that have received the most paper attention: Ajzen's (1991) Theory of Planned Behavior and Shapero and Sokol's (1982) Entrepreneurial Event Model (Kuehn, 2008). Many paperers like Noel (2002), Souitaris, Zerbinati and Al-Laham (2007), McStay (2008), Müller (2008) have used either one of the mentined models or a combination of them to examine the relationship between entrepreneurship education and entrepreneurial intention.Considering our goal in this paper, we have used the conceptual model presented below in Figure 1.

Figure 1

Conceptual Model



In this model, the two variables “attitude toward behavior” and “social norms” are the two predictive factors of entrepreneurial intention in Ajzen’s model which are equivalent to the factor “perceived desirability” in Shapero and Sokol’s model. The third variable “Perceived feasibility” is also another factor of entrepreneurial intention in Shapero and Sokol’s model.

The attitude toward behavior within the TPB is defined as an individual’s overall evaluation of a behavior (Moriano et al 2011). It’s defined as the degree to which a person has a favorable or unfavorable evaluation or appraisal of the behavior in question (Kuehn 2008). “Subjective norms” refers to the perceived social pressure to perform or not perform the behavior

(Kuehn, 2008). Perceived desirability refers to the degree to which a person feels attraction for a given behavior (to become an entrepreneur) (Linan, Rodriguez- Cohard and Rueda- Cantuche 2005). Perceived feasibility is defined as the degree to which people consider themselves personally able to carry out certain behavior (Linan, et al 2005). This variable is recognized as most impacted by and closely related to Bandura's (1986) perceived self-efficacy, a person's belief they can execute a particular action (that is to start a new venture) (Kuehn 2008).

According to the model, the hypotheses of the paper are:

- ✓ Entrepreneurship education has a meaningful effect on the entrepreneurial intention of the participants in entrepreneurship education course.
- ✓ Entrepreneurship education has a meaningful effect on the participants' attitude toward entrepreneurial behavior (their perceived desirability of entrepreneurial behavior).
- ✓ Entrepreneurship education has a meaningful effect on the participants' Subjective norms toward entrepreneurial behavior.
- ✓ Entrepreneurship education has a meaningful effect on the participants' perceived feasibility of entrepreneurial behavior (their self-efficacy).

Method

This study was a cross sectional study which was conducted via *pre-test* and *post test* method. In this study, 190 people participating in an entrepreneurship education course held by Tehran Labor Institute in Iran were enrolled in the study. The study was conducted in Tehran, Iran, in 2012. At the time of this study, over 5000 people were taking this course, thus to select the sample size we used *Cochran formula* to determine the sample size. Sampling was done via convenience sampling method. In order to gather the data needed for this paper, a researcher

made questionnaire[4] was designed based on the developed model, which included 37 questions. To examine the effect of entrepreneurship education on entrepreneurial intention, the questioners were distributed twice among the participants, once before they took the entrepreneurship course (*pre-test*), and once after they finished a 50-hour entrepreneurship course (*post-test*).

The questionnaire was consisted of four parts. The first part was to examine the participants' entrepreneurial intention. The second part examined the participants' perceived desirability of entrepreneurial behavior, the third part aimed to examine the participants' perceived subjective norms and the last part examineed the participants' self-efficacy.

First of all, *Cronbach Alpha* of the questioner was calculated, using SPSS. Having a *Cronbach Alpha* equal to 0/78 proved that the questioner was reliable.

To test the hypotheses and to determine relationships and compare the mean scores *t-tests* was performed in this study. The collected data were statistically tested using SPSS software version 15. The results for the four variables of the study are given in the tables below.

[4] The questionnaire is available online at: (click here)

Table 1

Paired T-test for Variables in Pre-test and Post-test

Pairs difference				*Significance level of a test*	*T-statistic*	*Paired variables in pre-test and post-test*
Mean	*Standard deviation*	*Confidence interval of 95 percent*				
		Lower limit	*Upper limit*			
0.010	0.782	-0.102	0.121	0.0068	0.16	V2B-V2A
0.000	0.968	-0.148	0.129	0.88	-0.14	V3B-V3A
0.01	0.80	0.06	-0.11	0.02	0.10	V4B-V4A
0.004	0.976	-0.136	0.144	0.005	0.056	V1B-V1A

Table 2

Correlation Between Variables in Pre-test and Post-test

Variables	*Correlation*	*Sample*
V2B & V2A	0.46	V2B & V2A
V3B & V3A	0.09	V3B & V3A
V4B & V4A	0.9	V4B & V4A
V1B & V1A	0.6	V1B & V1A

The results of the paired t-test for the second hypothesis show that entrepreneurship education has affected the participants' attitude toward entrepreneurial behavior (their perceived desirability of entrepreneurial behavior) up to a level of 46 percent, considering the correlation acquired for this variable. The acquired correlation of 0.09 percent for the third hypothesis proves that entrepreneurship education couldn't affect the participants' Subjective norms toward entrepreneurial behavior. The correlation for the fourth variable show that entrepreneurship

education has affected the participants' perceived feasibility of entrepreneurial behavior (their self-efficacy) up to 90 percent. Finally we conclude that this entrepreneurship education program has been successful to affect the entrepreneurial intention of the participants up to 60 percent.

Overall, according to the results acquired from the t-test and the correlation test all of the hypotheses are accepted except for the second one. Among all variables, entrepreneurship education has the greatest effect on the participants' perceived feasibility of entrepreneurial behavior.

Discussion and Conclusion

The key objective of this research was to examine whether entrepreneurship education affects the intention of participants in entrepreneurship courses to start businesses and how. We tried to discover what variables of entrepreneurship intention are affected by entrepreneurship education and whether the effects are for good or not.

In spite of the great effort made for the planning and implementing the examined entrepreneurship program, the results show that the program did not have the intended effect on the participants' subjective norms toward entrepreneurial behavior and participants' subjective norms toward entrepreneurial behavior did not significantly differ after they finished the course. A possible explanation would be the fact that people form their subjective norms gradually during their lives, over a length of time, so they can't be changed easily during just a 50-hour entrepreneurship education program.

The dominant result of the research is that the entrepreneurship education program had its greatest effect on the participants' perceived feasibility of entrepreneurial behavior or self-efficacy among all of the factors . Considering the key role of self-efficacy in determining

entrepreneurial intention, as emphasized by Bandura (1986) and Kuehn (2008), it was a significant outcome for the examined entrepreneurship education course. It should be, however, noted that as self-efficacy is determined by other factors such as role models and work-related experience (Kuehn 2008), further research is needed to examine the effects of those factors, as well.

The final promising result of this paper is that the examined entrepreneurship education program was successful to affect the participants' attitude toward entrepreneurial behavior and their entrepreneurial intentions. This may possibly be due to the lectures given by successful entrepreneurs during the course and the opportunities provided for them to join entrepreneurial networks.

The contribution of our study is that it is the first solid impact evaluation of the entrepreneurship education on entrepreneurial intention. However, as in this paper all participants were different ages, from both sexes and with different levels of education, we suggest that in future studies participants be classified into different groups based on age, gender, education levels to make it possible to examine the role of these factors, too. It's also recommended that in future studies models and questioners be developed to take factors like role models, work-related experience and determining traits like risk taking into account.

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