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Effect of Entrepreneurial Passion and Entrepreneurial Knowledge on Entrepreneurial Intention: The Moderating Role of Social Support

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ABSTRACT

This study extends the investigation on the direct association between entrepreneurial knowledge, entrepreneurial passion, social support, and entrepreneurial intention through development of a moderated mediation model. This study examined if entrepreneurial knowledge mediates this relationship between entrepreneurial passion and entrepreneurial intention. Drawing on social cognition theory using a sample of 350 valid responses collected from university undergrad students, study has established that firstly, entrepreneurial passion has a direct positive affect on entrepreneurial intention. Secondly, the indirect effect of entrepreneurial passion on entrepreneurial intention through the lens of entrepreneurial knowledge was significant and positive. Thirdly, social support had a positive and significant moderation on entrepreneurial intention. The study has practical implications for practitioners and policymakers in Pakistan.



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Introduction

Businesses stand backbone of an economy as underpinning feature. The whole cycle of a business's success relies on entrepreneurship skills, capabilities, and awareness. A growing trend of business program focuses on course study of entrepreneurship supporting business venturing and risk-taking behaviors. There is an increasing inclination on motivating students to be their own boss and start own businesses (Tang, Yang, Baskaran & Tan, 2020). Business incubation centers built on campus provide an initial startup support to students having idea and passion to become an entrepreneur (Kiran & Bose, 2020).

This seems to be an enigma that factors triggering new ventures in the industry are at large unknown, though, the entrepreneurial intentions (EI) of individuals are a source that one can measure and promote in long run. Nevertheless, no attention has been paid on the antecedents of entrepreneurial intentions until recently (Neneh, 2020), particularly the role of the background knowledge of the entrepreneurial field (Kautonen, Tornikoski, Kibler, 2011). Exception to these claims are some of the cross-sectional and exploratory studies which provide minimum support to claim the causal linkages between the entrepreneurial knowledge and the entrepreneurial intentions of the individual, particularly, the students who are undertaking the entrepreneurship courses. Earlier studies also ignored the contextual factors while studying the relationships between the entrepreneurial knowledge and entrepreneurial intentions (Roxas, 2014).

Current study is an endeavor to explore how entrepreneurial passion (EP) in a person can build an urge to gain entrepreneurial knowledge resulting into entrepreneurial intention. People start their own business to earn living and make their passion as their job becoming their own bosses.

Entrepreneurial knowledge (EK) is the important factor of the human skills, which is necessary condition for the initiatives one take in professional capacity and ultimately contributes towards the entrepreneurial venture which augment the economic performance of a country (Widding, 2005). This knowledge encompasses the conceptual understanding of the different functions and processes involved in the entrepreneurship (Johannisson, 1991). It also enables the individual to recognize and anticipate the opportunities available for them to pursue, but in accordance with the needs of the society. How this construct is measured in individuals has multi-faceted approaches.

Entrepreneurial Intentions (EI) is the subtle factor which could not be easily gauged in individuals and can be described as the willingness and desirability of the individuals to take up the endeavors to start their own businesses (Souitaris, Zerbinati, and Al-Laham 2007). It is subtle as this is the internal state of the mind which exhibit the intentions and can only be gauged once it is implemented in the concrete form, i.e., the implementation of a suitable business idea (Boyd and Vozikis 1994).

Data, Variable and Methodology

We have collected data from 200 undergraduate business school students in a reputed university of Pakistan. Students in business schools are taught a course on entrepreneurship with industry visits and seminars with entrepreneurs, motivational speakers on entrepreneurship. Students are also familiarized with practical experience through internship after 6th semester of the degree program and last but not the least BIC's are always there. BIC not only keeps on providing awareness, but also entrepreneurial summits and business idea expo type activities encourage initiatives.

Analysis and Results

Confirmatory factor analysis was carried out to see the validity of the constructs used in this study. The data fit well to the model, that is the goodness of fit shows these results, (CFI = 0.90, GFI = 0.97, RMSEA =0.45, RMR =0.40). Further details about the loadings are provide in the table -1 below. The convergent validities of all the constructs are established as the AVEs for all the constructs are greater than 0.50 (Hair et al., 2011). In addition to that for the discriminant validity,

three criteria are used i.e., the cross-loadings, the AVEs and inter-correlations comparison as suggested by Fornell and Larcker (1991), and the HTMT (HeterotraitMonoTrait) ratio of the correlations between the variables (Henseler et al., 2016).

Table-1: Constructs Items and their Relevant Loadings

<i>Constructs with the items</i>	Items Loadings	Factors
	<i>AVE</i>	0.62
<i>Entrepreneurial Knowledge (EK)</i>	<i>Cronbach's Alpha</i>	0.72
'I have sufficient knowledge of the legal requirements to start a business'		0.70
'I know how to find the resources (e.g. financial) to set up a business'		0.69
'I have sufficient knowledge to organise a business'		0.80
'I have sufficient knowledge in marketing a product/service'		0.90
'I have sufficient knowledge in commercialising a business idea'		0.88
'I have sufficient knowledge in managing a business'		0.76

Table-2. Fornell and Larcker and HTMT Ratio of Correlations Criteria for Discriminant Validity

	Entrepreneurial Knowledge	Entrepreneurial Intention
Entrepreneurial Knowledge	0.787 (0.453)	
Social Support	0.420 (0.473)	
Entrepreneurial Intention	0.244 (0.357)	0.784 (0.434)

In the moderation analysis, we first checked the main effects of the moderating variables on the dependent variable, which are elaborated above. In the next step, we developed the standardized variables for those moderator variables and created the interaction terms with the EK i.e., (SS * EK) and (EP * EK) to see their moderating effect on the entrepreneurial intention.

This study extends the investigation on the direct relationship between entrepreneurial knowledge, entrepreneurial passion, social support, and entrepreneurial intention through development of a moderated mediation model. This study examined if entrepreneurial knowledge mediates this relationship between entrepreneurial passion and entrepreneurial intention. Drawing on Theory of Planned Behavior and social cognition theory using a sample of 200 valid responses collected from university undergrad students, study has established that firstly, entrepreneurial passion has a direct positively effect on entrepreneurial intention. Secondly, the indirect effect of entrepreneurial passion on entrepreneurial intention through the lens of entrepreneurial knowledge was significantly and positive. Thirdly, social support had a positive and significant moderation on

entrepreneurial intention. The study has practical implications for practitioners and policymakers in Pakistan.

Limitations and Future Research

In addition to the contribution of the study, it has also some limitations, i.e., the study could have employed a longitudinal type of the study to explore the effect of the entrepreneurial knowledge on the entrepreneurial intentions as well as what are they doing after completion of their studies. Such study could be conducted after tracking the current pool of students through alumni registration process and data could be collected in later stage to see the true causal relationship between the variables of the study. Since the data was collected from a single university, all the universities and other programs should also be considered for data collection to gain the fruits of the generalization of the study. In addition, in other fields of the studies, these intentions should be gauged and studied in the context of the theory of planned behavior.

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