Impact of Prior Work Experience on Entrepreneurial Intention and Theory of Planned Behaviour in the Context of Pakistan

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Abstract
The present study aims to investigate the impact of prior work experience influence the entrepreneurial intention in the context of Pakistan. Where 58% population lies in the age of 20-30 years, 45-45% people hold Bachelor and Master degree. 58% people have experience in private firms. Theory of planned behaviour and Kobl’s experiential learning theory examined in the study. The sample of 438 represents the population of Pakistan. Study used the PLS-SEM 3.2.7, and the techniques used involves PLS algorithm, bootstrapping, scales used witnessed by using Fornell-Larcker validity and most sensitive techniques HTMT Ratio. The study constructed the four hypothesis in light of resents literature along with the theoretical support. Moreover, study founded the positive relationship between prior work experiences, with entrepreneurial intention. In addition, components of the theory of planned behaviour also played a significant role.

Keywords: Entrepreneurial intention; Prior work experience; Entrepreneurial self-efficacy; Perceived behavioural control; Perceived family support

Introduction
An economy of developing countries is facing tough time to boost GDP, Pakistan is one of them. Current situation states that the 58% literacy rate is still stagnant Alvi [1] inflation rate increased to 5.9%. Zaidi [2] 31.8% devaluation of rupees [3], the unemployment rate increased to 8.0% [4]. In addition, small and medium enterprise contributes 40% to GDP of Pakistan [5]. The time to play a role of role model to serve the country. Despite of dependence on the Government to produce jobs, decrease in taxes and an interest rate, young generation of Pakistan required to indulge in an entrepreneurial activity. The economy can get success by focusing on entrepreneurial activities, it’s vital to focus on the determinants which motivate entrepreneurial intentions [6]. EI is concerned with attitudes, subjective norms (support from family, siblings, environment, Government, etc.), and perceived behavioural control [7].

Most of the countries, their Governments, policy makers as well as scholars realized that entrepreneurship plays a vital role in economic growth and promote the employment, and act as catalyst for the betterment of society [8,9]. Entrepreneurship is considering a facilitator for the growth of the economy, and gives a competitive edge to the developed countries [10,11]. Furthermore, Parker [12] believes that it’s the main determinants which fight with societal hindrance and the term unemployment. Diaz-Garcia, et al. [13], Lindh and Thorgren [14] believe that E is the major element in the economies of developed and developing countries.

Basu and Virick [15] believe that the E creates huge openings for persons to attain freedom and provide assistance to the economy in the form of employment, improvement in productivity, modernization, and economic development. Goetz, et al. [16] investigated that E positive influence on the economy, not only in the form of salary, jobs, novelty, but it also have added in the growth of per capita income and help out to fight with poverty. Beeka and Rimmington [17], Buang [18] stated that E is one of the motivating factors for youngster and graduates. According to Mwasalibwa [19], graduates are facing tough time in having jobs, due to limited offerings, and tough criteria’s set by companies, which left graduates to have self-employment. Furthermore, Louренco, et al. [20] investigated that companies hire those applicants who have an entrepreneurial mind set, skills which make them cost effective. Hence, it’s vital to understand the determinants which influence individuals to indulge into starting a new venture. According to Ismail et al. [21], apart from individual qualities, there are numerous factors which playing role of boosting the E.

Lu and Millington, Zellweger et al. [23] states that it’s vital to investigate the factors which influence the graduates towards entrepreneurial intentions. McStay [24] stated that prior work experiences affect the decision-making and performance of firms. Peterman and Kennedy [25] explored the opulence results between PWE and attitude towards business. Kolvereid [26], stated that individuals having PWE have greater intentions towards business as compared to fresher’s. Mazzarol [27] also found that PWE has positive effects on EI. In addition, other findings relate to the sector, he investigated that individuals who have worked in private sector have greater influence towards the venture as compared to employees of government. Cholosta, et al. [28], Shook, et al. [29] also found the relationship between PWE with EI. As far as particular qualities, a contemporary research proposed that "although researchers have devoted considerable effort to identifying characteristics, traits, values, affective states, and cognitive styles that are associated with entrepreneurial success, there is less research about taking work experience as an independent variable it also support venture creation remain elusive" [25]. Shane [30] also believes that having past insights, information about problems, customers, competitors, also enable us have avail better opportunities, as well as influence our EI.

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Although there is a lot of research work on personality traits, social support, trainings, competencies, role model in order to know the entrepreneurship intention, but there is less literature on impact of prior work experience on entrepreneurship intension. Is there a relationship between past working experience, and the attitude toward start-up of business, subjective norms and perceived behavioural control? In the context of Pakistan. Present study involved the prior work experience as an independent variable which was slightly used in the literature along with the theory of planned behaviour and entrepreneurial intention as the dependent variable. The study was conducted in the context of Pakistan. The study has been conducted by using closed ended questionnaire, convenient method of sampling used, and partial least square techniques has been adapted to measure the scale.

**Literature Review**

**Theoretical background**

The Theory of Planned Behaviour (TPB) by Ajzen [31], lets us apprehend intensions keeping in view both factors social and personal. TPB states that behavioural achievement depends on both motivation (intention) and ability (behavioural control). According to the theory, there are three independent of intensions. Attitude, perceived support (subjective norms) and perceived behavioural control (Self efficacy) [32].

**Attitude:** Involve the degree to which a person has a positive or negative assessment of the conduct of attention. It requires a deliberate of the results of acting the conduct.

**Subjective norms:** Involve the acceptance of behaviour in the society. It entails the family, colleague, friends, siblings, and of those important to us support the behaviour or not.

**PBC:** Perceived behavioural control is the insight of the comfort or trouble required in acting particular behaviour. It diverges keeping the circumstances and movements, which outcomes, insights of interactive mechanism conditional on state. PBC was advanced, and shaped the swing after the Theory of Reasoned Action to the Theory of Planned Behaviour [33].

In the study of entrepreneurship, it’s vital to know about the attitude as because it results the insights of acceptability and also stimuli entrepreneurial intentions. While perceived behavioural control has also that much importance it declare the insights the person has of either the ability to control the situations which leads to entrepreneurial intention [34]. As per Becker’s theory, a human capital is the vital factor which supports the creation of intellectual abilities, counting attitudes and acuity of aptitudes [35], while, as per Coleman [36], societal capital, perceived support (SN) is consider a vital factor in the formation of human capital [37].

**Prior work experience (PWE)**

Kolb’s experiential learning theory define experiential learning as “the process whereby knowledge is created through the transformation of experience” [38]. Everyone has a story and a past. Some stories are worse than others. According to Gomes [39] we can’t change the things which happened in the past, but we can alter some of the portion in the future taking past as standards. Hence our prior experience will worse than others. According to Gomes [39] we can’t change the things “i.e. it is a disposition to respond favourably or unfavourably to an object, person, institution, or event.” In addition, Ajzen [31] hold that distinctive feature of an attitude is its evaluative (pro-con, pleasant-
unpleasant) nature. According to Usman and Yennita [56] findings, there is a greater influence of attitude along with the subjective norms of international student in Turkey. Furthermore, the greater the optimistic attitude towards an act greater level of EI will be to implement that act [57]. Zapkau et al. [58] found the positive mediation, relationship among PWE and EI.

According to Kautonen et al. [55], Parker [59] it was found that PWE influence attitude towards starting new venture. Dyer [60] also found that persons having PWE favour the entrepreneurial life. Furthermore PWE permits persons to analyse the individual significances of initiating a venture [61]. There are numerous factors which influence attitudes towards any behaviour [62]. Theory of career choice states that person’s views about a job is effect of prior work exposure, also the insights of the attitudes and estimation of perceived support (society, family, friends) toward the job. Such opinions and knowledge’s, exposure, effect attitudes to a specific occupation and finally the profession best that those persons mark.

According to Ryenes et al. [63] firms appoint individuals taking PWE as a basis, they use it as one of major parameter, they believe that people having prior experience perform better. According to Fragoso et al. [64] findings, ESE along with the personality trait as well as entrepreneurial attitude are the important determinants of EI. In addition, Kim-Soon et al. [65] indicated that attitude and subjective norms are rated at good level to influence EI, while PBC rated at a very good level to impact EI. Thus, 

**H3: Relationship between PWE and EI is mediated by ATBS.**

**PFS and its mediating role**

According to Ajzen [32], TPB states that perceived support of family, friends, society, siblings, offer the personal standards that entrepreneurs may practice to decide. If their EI to initiate to start new venture is recognized and supported by others believed important by them. Conferring to the contemplative assessment procedure, vital persons or group’s converse reviews of the person’s conduct, such reviews recycled by the individual to comprehend who they are, and how they act [66]. Essential analysis of replicated evaluation spreads this line of cognitive, and advocates that replicated considerations are clarified by the person’s personal self-insights. Therefore, persons having PWE, experiences are set out by themselves by using knowledge, skills, and uses the reviews and standard happens to others.

According to Douglas and Shepherd [67], PWE affects the perceived family support towards initiating the business. MacMillan [68] states that societal contacts provide assistance to those having prior work experience related to business. According to Purba [69], findings along with the personality factors subjective norms also have a vital influence on EI of students. Kautonen et al. [35] found that environment where people work played the role of norms in between PWE and EI.

Furthermore, Ajzen [34] reviewed methodology advises that only those individuals have greater chances of EI, those have strong beliefs about themselves and perceived support from family, friends, etc. Dyer [70] recommends that those who don’t have family support they become disheartened and eventually not continue to open new venture.

Miralles et al. [71] found that knowledge of entrepreneurship, which is part of work experience positively, affects the EI by having social norms as a mediator. In universal, greater the perceived support greater will be EI towards new venture/firm/business. Thus, 

**H3: Relationship between PWE and EI is mediated by PFS.**

**PBC and its mediating role**

PBC is the insight of the comfort or trouble required in acting particular behaviour [34]. As per Bandura [72], PBC is the insight of means, but this can’t be separate from the person’s insights of comfort/struggle in the accomplishment of an assignment. People entitled to indulge in those activities which they beliefs they can complete [72]. Self-efficacy consider as the brilliant degree of PBC, meanwhile the notch to which an individual passes self-assurance in their skill to open a venture is straight forwardly associated with their supposed control in implementing that conduct [32]. As it is broad term, it include self-efficacy is grounded on persons’ insight of own skills, talents, and capability to accomplish specific jobs, as well as its mirror individual’s self-reliance in his/her identifiable aptitude to flourish in such jobs [72]. As per Chen et al. [73], SE is the person’s self-assurance in his or her skill to thrive in entrepreneurial activities. 

Zapkau et al. [58] found the positive mediation, relationship among PWE and EI. PWE has positive effects on PBC which leads to starting a new business [61]. Brenner et al. [74] found that past experience gives permission to learn skills in order to start a new business. According to Boyd and Vozikis [75], ESE effects varieties, ambitions, and struggle, as well as determine when business persons look problems. As per Bell [76] findings, among six determinants, self-efficacy is an important predicator of EI. In addition Esfandiara et al. [77] beliefs ESE along with the attitude and feasibility have greater impact on EI, while holding that PFS don’t have influence on EI.

In addition Liguori et al. [44] used self-efficacy and found that it mediate between the individual’s input (PWE) and output (EI). Miralles et al. [71] explored the positive mediation, relationship among entrepreneurial knowledge and entrepreneurial intension. More interestingly, Wilson et al. [78] found that SE is an important factor to know why some persons are motivated and some are not. According to Kickul et al. [79] results persons having greater level of SE practice and disclose a greater level of EI. Carr and Sequeira [80] finally reveals that those who passes greater level of self-confidence they will enjoy greater success in the entrepreneurial activities, process, and intensions. Thus, 

**H3: Relationship between PWE and EI is mediated by PBC.**

The Figure 1 exhibits the conceptual framework of the study; it shows the linkages between variables. The red dotted line shows the direct link between PWE and EI (Figure 1).

**Research Methodology**

**Sample**

The convenience-based method of sampling has been used. In instrument closed ended questionnaire has been used. In sample overall 438 (n=438) respondents have filled the questionnaire. A questionnaire has been shared with friends and universities by using different channels including E-mail, We Chat, What’s App and Facebook. In order to foster a response rate, Google form has been generated for an ease of respondent. Meanwhile, respondents have all option, either to complete survey online, or fill and send back via E-mail. This study was conducted in the context of Pakistan.

The Table 1 states the demographic information on respondents, out of 438 respondents, 52% respondents were male, the rest of them female. 58% respondents lie in the age of 21-30 years; this figure exhibited the younger’s ratio is higher in the country of Pakistan. 45% respondents have jobs in the private sector, 20% students either have worked in the form of internships, part time, or continuing study after...
having 1 or 2 years of experience. Moreover, 45% respondents have Bachelor levels of education, and 45% have Master level; these figures show that literacy figure is going to be improved. Furthermore, 57.5% respondents have 1-5 years of experience, followed by 21.5% having 6-10 years.

Measures

Prior work experience: We adapted 4 items from the work of Miralles et al. [71] to measure the prior work experience. The scale was based on human capital theory [81]. This scale has been used in several studies such as Baron [82], Dimov [83]. The construct validity and reliability of the scales was measured by PLS-3.0 algorithm techniques. It has a value of Cronbach Alpha: 0.932, and Composite Reliability: 0.92.

Attitudes towards business start-up: In order to satisfy ATBS 4 point scale was used to measure this variable. The scale was developed by Linan and Chen [37] and used by Taun et al. [84], Tsai et al. [85] and Miralles et al. [71]. The construct validity and reliability of the scale was measured using PLS-3.0 algorithm techniques. The scale has a value of Cronbach Alpha: 0.947, and Composite Reliability: 0.959.

Entrepreneurial intentions: In total 4 items scale was used to measure this variable. The scale was developed by Linan and Chen [37] used by Taun et al. [84], Tsai et al. [85] and Miralles et al. [71]. The construct validity and reliability of the scale was measured Cronbach Alpha: 0.849, and Composite Reliability: 0.899.

Analytical techniques

In this study technique of bootstrapping, as well as PLS partial least square modelling method has been used. The reasons behind the use of PLS 3.0 and techniques involve 1st widely received application of modelling [86,87]. 2nd in order to get detailed information about variables 3rd partial least square method is encountered well established method [88-91]. Hence, keeping in view the importance the Partial Least Square Software 3.0 used.

Results

The Table 2 depicts that as per the standards set by Nunnally [92], the Cronbach alpha coefficient must be greater than 0.7 and Hinton et al [93] suggested 04 levels of reliability, Level-1: excellent reliability falls within range of 0.9 and >, Level-2: high reliability in 0.7 to 0.9, Level-3: moderate from 0.5 to 0.7 and Level-4: low but also acceptable <0.5. Furthermore, as per Bagozzi and Yi [90] the numbers of AVE must be higher than 0.5. Hence, the variables used in this study fall in region of excellent reliability and validity (Table 3).

In the Table 3 value highlighted shows that the square root of AVE which should be greater than 0.5 rule of thumb set by Fornell and Larcker [94], hence in Table 2, this thing has been proven with AVE>0.5. Furthermore, in order to examine the discriminant validity they recommended that AVE should be greater than the correlation
among latent variables as depicted in Table 3. The value of AVE is higher in the particular column and row. It's proven that all the measure used in this study has a satisfactory level of discriminant validity (Table 4).

The Table 4 shows the values of HTMT criterion used to measure multi-collinearity; according to Gold et al. [95], Teo et al. [96] it should not higher than 0.9. The results shown in the table fulfill criteria, which mean that there was no any multi-collinearity among the constructs used.

Correlation analysis

The Table 5 given states the relationship between variables. 0.559 values show the positive relationship among ATBS and EI. Likewise 0.534 shows a positive relationship between ATBS with PBC; 0.71 positive relationships among ATBS and PFS; and 0.601 positive relationships between ATB and PWE. Likewise, all variables have positive relationship among them. The maximum positive relationship 0.824 was found between prior work experience and perceived behavioural control and minimum 0.534 was found between attitude towards business start-up and perceived behavioural control (Table 6).

The Table 6 shows the hypothesis analysis, along with their coefficient, standard deviation, t-value as well as p value and their significance.

Initially, H1 constructed that PWE positively related to EI. The results provided in Table 6 have revealed a significant positive relationship among PWE and EI having positive coefficient 0.680, t=37.677, p value: 0.000 <0.01. Hence results supported the H1. The study supported the work conducted by Fatoki [45], Lee and Tsang [47], Liguori, et al. [44].

Secondly H2 developed for the mediating role played by ATBS between PWE and EI. The result also reported a positive relationship with positive coefficient 0.063, t value 2.175, and p value 0.007<0.01. Thus H2 was also supported the studies conducted by Fragoso et al. [64], Kim-Soon et al. [65] and Usman and Yennita [56].

Thirdly H3 was constructed that perceived family support mediate between PWE and EI. The results founded with positive coefficient 0.499, t value 20.158 and p value 0.000<0.01. Hence H3 was supported, the studies conducted by Kautonen et al. [55], Miralles et al. [71], Purba [69].

Finally H4 was about mediation of PBC among PWE and EI. The positive results and value of beta 0.119, t value 4, and p value 0.000<0.01 also supported the H4. Hence the hypothesis supported and the work conducted by Bell [76], Esfandiara et al. [77], Miralles et al. [71], Purba [69].

The Table 7 reveals the assessments of $R^2$ which is called the coefficient of determination [97]. It explains the variation in dependent variable which incurs because of one or more independent variable or the proportion defined by the independent variables [98]. The value of ATBS 0.362 (36.2%) states that 36.2% in ATBS were defined by the independent variables. The value of PWE 0.652 (65.2%) variation in dependent variable which incurs because of one or more independent variable or the proportion defined by the independent variables.

Structural model

The bootstrapping technique used for Figure 2, it shows the path coefficients along with their level of significance. All paths have positive coefficients, and were found significant with p value 0.000<0.01.

Discussion and Conclusion

The main aim of study was to investigate the impact of prior work experience on entrepreneurial intention in the light of the theory of planned behaviour. The results supported the positive relationship between prior work experience and entrepreneurial intention [15,21,
Table 6: Hypothesis analysis.

<table>
<thead>
<tr>
<th>Hypothesis</th>
<th>Beta</th>
<th>s. d</th>
<th>t-value</th>
<th>p value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>H₁: Prior work experience &gt; Entrepreneurial intentions</td>
<td>0.680</td>
<td>0.018</td>
<td>37.677</td>
<td>&lt;0.001**</td>
<td>Supported</td>
</tr>
<tr>
<td>H₂: Prior work experience &gt; Attitudes towards business start-up &gt;</td>
<td>0.063</td>
<td>0.023</td>
<td>2.715</td>
<td>&lt;0.007**</td>
<td>Supported</td>
</tr>
<tr>
<td>Entrepreneurial intentions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H₃: Prior work experience &gt; Perceived behavioural control &gt;</td>
<td>0.499</td>
<td>0.025</td>
<td>20.159</td>
<td>&lt;0.001**</td>
<td>Supported</td>
</tr>
<tr>
<td>Entrepreneurial intentions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>H₄: Prior work experience &gt; Perceived family support &gt;</td>
<td>0.119</td>
<td>0.03</td>
<td>4.000</td>
<td>&lt;0.001**</td>
<td>Supported</td>
</tr>
<tr>
<td>Entrepreneurial intentions</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: **p<0.01 (one-tailed test)

Table 7: Analysis of R².

<table>
<thead>
<tr>
<th>R Square</th>
<th>Adjusted R Square</th>
<th>Beta</th>
<th>s. d</th>
<th>t-value</th>
<th>p value</th>
<th>Decision</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude toward business start-up</td>
<td>0.362</td>
<td>0.36</td>
<td>0.362</td>
<td>0.04</td>
<td>9.062</td>
<td>&lt;0.001**</td>
</tr>
<tr>
<td>Entrepreneurial intentions</td>
<td>0.652</td>
<td>0.649</td>
<td>0.652</td>
<td>0.021</td>
<td>30.812</td>
<td>&lt;0.001**</td>
</tr>
<tr>
<td>Perceived family support</td>
<td>0.679</td>
<td>0.678</td>
<td>0.679</td>
<td>0.026</td>
<td>28.525</td>
<td>&lt;0.001**</td>
</tr>
<tr>
<td>Perceived behavioural control</td>
<td>0.411</td>
<td>0.41</td>
<td>0.411</td>
<td>0.027</td>
<td>15.41</td>
<td>&lt;0.001**</td>
</tr>
</tbody>
</table>

Note: *In PLS-SEM R² with values of 0.67 considered substantial, 0.33 considered moderate and 0.19 as weak [97].

Figure 2: Structural model.
22,42,44,45,64,76,77,99]. In addition the components of TPB attitude towards business start-up, perceived family support, and perceived behavioural control also positively acts as mediator between PWE and EI [17,28,53,58,65,67,71,100].

This study has numerous applications which can support both theory and practice. Firstly, study conducted in Pakistan, results reveals that 58% respondent’s lies in the age of 21-30 years, a country having a more youth population can have greater chances of growth in the economy [101]. Hence it helps Government as well as Government institutions like small and medium enterprise development authority, perform the task of registration and to develop policies for new firms and allocate resources among them. Secondly, study filled the gap of the weak mediation effect of perceived family support between PWE and EI [100]. Thirdly, study provides insights to financial institutions to develop policies for providing loans, to individuals for starting a new venture. Fourthly, it provides insights to institutions to offer entrepreneurship related trainings, as well as workshops. Fifthly, study indicates the wide gap between the young generation and Government policies; there should be an incubation centre in different provinces throughout the Pakistan so that the potential of youth will be utilized. Finally, Universities offer entrepreneurship degree courses, so that youth will get wider knowledge, entrepreneurial activities, and start-up of business.

Limitations and Future Directions

This study was conducted in the context of Pakistan. Study can be generalized into other countries and culture. Cross sectional study can be conducted, to investigate the further, directions and influence of individuals having experiences. Study can be conducted in other developing and less developed countries. This study can be explored further with various variables, including family business exposures, entrepreneurial education, quality of experience, chances of conversion of experience into business. Moderating role of gender can be assessed through the study to investigate the ratio of female vs male in to context of Pakistan. Entrepreneurial intension does not mean start-up of business. Moderating role of gender can be assessed further with various variables, including family business exposures, entrepreneurial education, quality of experience, chances of conversion of experience into business. Moderating role of gender can be assessed

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