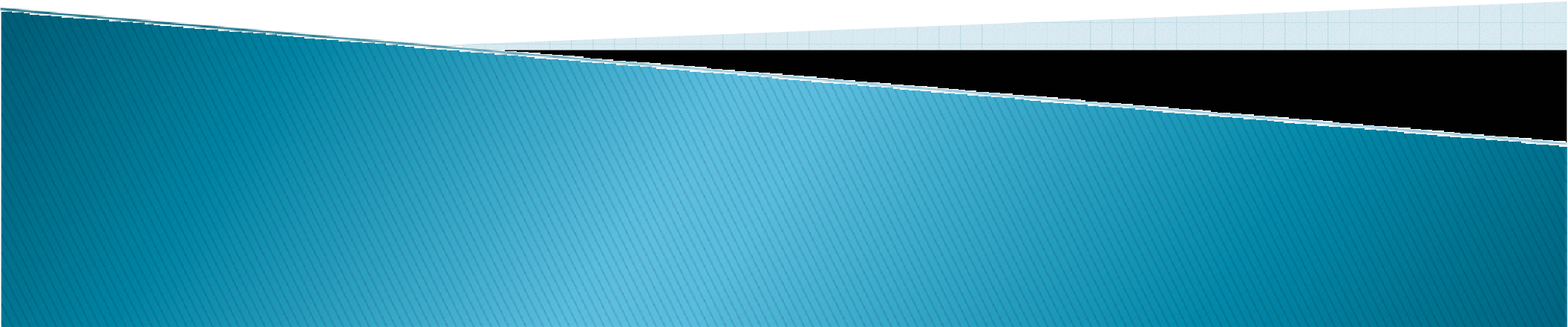


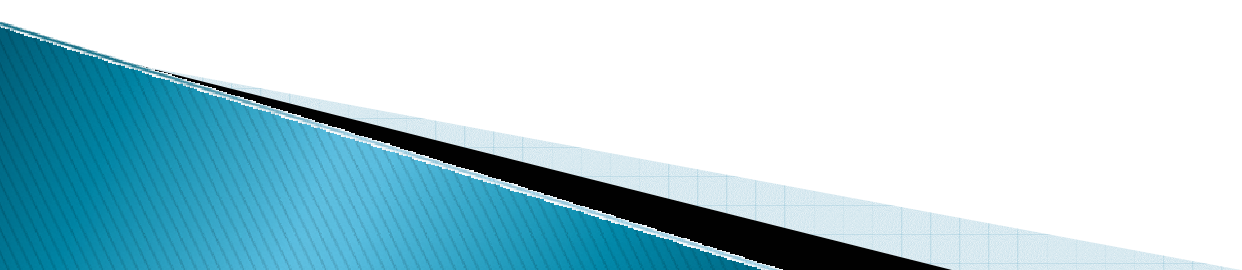
# Entrepreneurship and entrepreneurial intentions: The education effect

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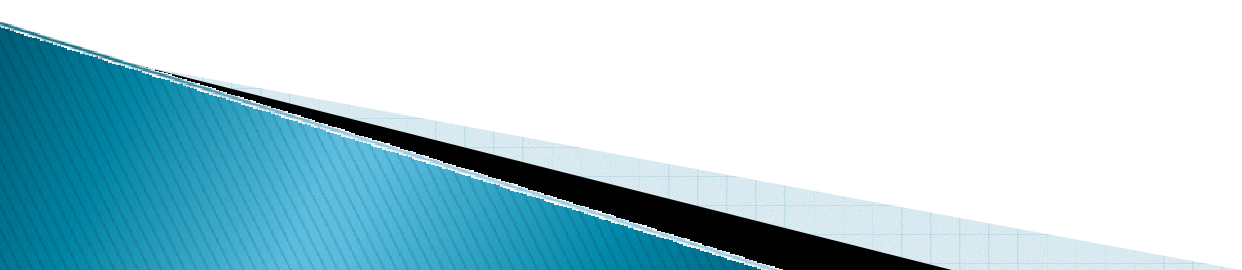
# Why intentions?

- ▶ To establish an enterprise we need:
  - An idea
  - Friendly environment
  - Money
  - Entrepreneur(s)
  - .....
  - **Intentions to start**



# Introduction

- ▶ Entrepreneurial intentions are the decision – commitment of an individual to begin entrepreneurial activity, while in cognitive psychology it is the cognitive state that precedes the adoption of specific behaviour [Krueger, 2005].
- ▶ Intentions constitute the better predicting factor for a future behaviour of the individual, such as the enterprise development or business start up [Krueger, 2003].

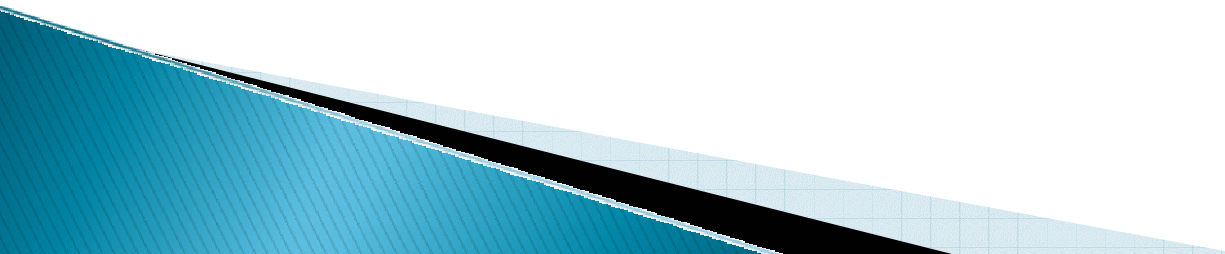


# Entrepreneurial intention models

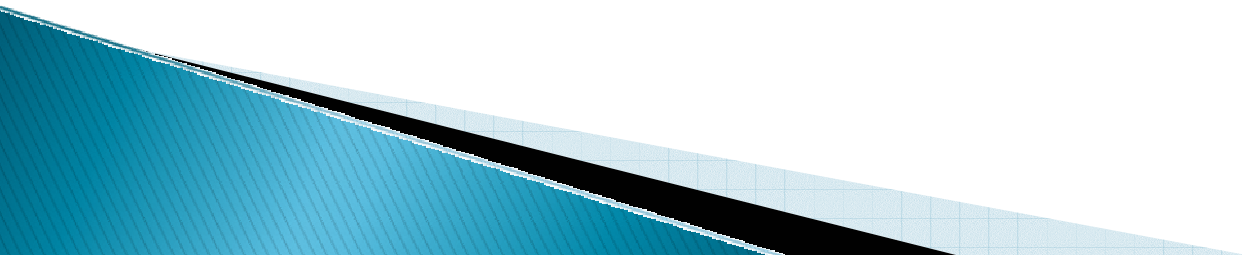
- ▶ According to the Theory of Planned Behaviour [Ajzen, 1991] intentions of individuals are defined in relation to their attitudes towards the behaviour, the subjective norms and the perceived behavioural control.
- ▶ Shapero and Sokol [1982] and the model of entrepreneurial event, includes the perceived desire of an individual to become an entrepreneur, the degree of desirability towards taking action, and the degree of perceived feasibility.
- ▶ Krueger and Brazeal [1994], imported the variables of reliability of an individual and the potential that he/she develops for entrepreneurship.
- ▶ Davidsson [1995] added the variable of convictions as a prediction of entrepreneurial action. He also contributed to the examination of the personal profile of an individual in his/her attitudes towards entrepreneurship
- ▶ Grundsten [2004], distinguished the importance that social norms have on perceived desirability, but also on the technological environment and economic expectations in perceived feasibility.
- ▶ Krueger [2005] introduced the individual desire and social norms as defining variables of perceived desirability and self-efficacy and collective efficacy as defining variables of perceived feasibility.
- ▶ Linan [2005], supports that entrepreneurial knowledge, may contribute positively to entrepreneurial intentions, used a more holistic approach.

**As it can be realised from the above, the development of the concept of entrepreneurial intentions, despite the fact that it has been examined for many decades, is still in an initial stage.**

# The educational level and the entrepreneurial intentions

- ▶ The relevant theoretical models that have been supported during the previous decades did not consider the level of education as a specific predicting variable of entrepreneurial intentions.
  - ▶ Davidsson [1995] strived to examine the effect of education on intention, but was not able to make safe conclusions, just as recent theoretical models have not been able to sufficiently support their claims that refer to the effect of education on entrepreneurial intentions and suggest the further examination of the subject matter.
  - ▶ Moreover, even though a large part of research supports that education can influence the development of entrepreneurship, it has not concentrated on entrepreneurial intentions and the effect that the educational level of an individual may have on them [Vasiliadis, 2007].
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# HYPOTHESES

- ▶ The research question that arises is *to what extent individuals with a different educational level demonstrate different entrepreneurial intentions* and the research hypotheses are:
    - H1: People with different educational levels differ to the degree of **perceived desirability** for starting a new business
    - H2: People with different educational levels differ to the degree of **social norms**
    - H3: People with different educational levels differ to the degree of **perceived feasibility** for starting a new business
    - H4: People with different educational levels differ to the degree of **perceived self efficacy** for starting a new business.
    - H5: People with different educational levels differ to the degree of **entrepreneurial intentions**.
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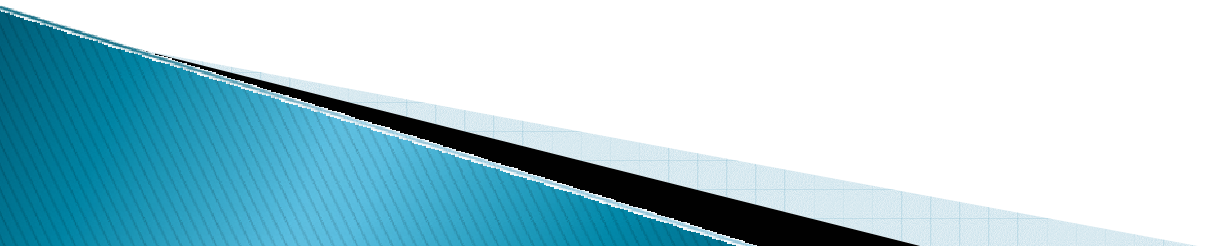
# Research Methodology

- ▶ The research population constituted of individuals between 18 – 65 years old which had or did not have the intention to be entrepreneurs, establishing their own enterprise in Greece. More specifically the research elements are those groups that belong to the economic active population, including a) employees in organizations of the private sector, b) unemployed persons with an unemployed registration card, and c) students in Universities, Technological Educational Institutes and Institutes of Vocational Training.
- ▶ The research population led the researchers to adapt multistage sampling as for each population group different techniques were used. The final sample consisted of 638 persons and it was stratified according to employment status (employees 39,3%, unemployed 25,5%, students 35,1%) gender (male 48,9%, female 51,1%), and geographical area.
  - *Research instrument*
- ▶ The research instrument was a structured questionnaire. It was based on a review of international literature, for the questions and for the measurement scale of each variable, and was consisted of 26 questions investigating the variables of intention and seven questions concerning the demographic characteristics (gender, age, place of living, educational level, present occupation) of the researched person.
- ▶ Cronbach Alpha indicator of each variable was very high, ranking between 0,68 and 0,88.



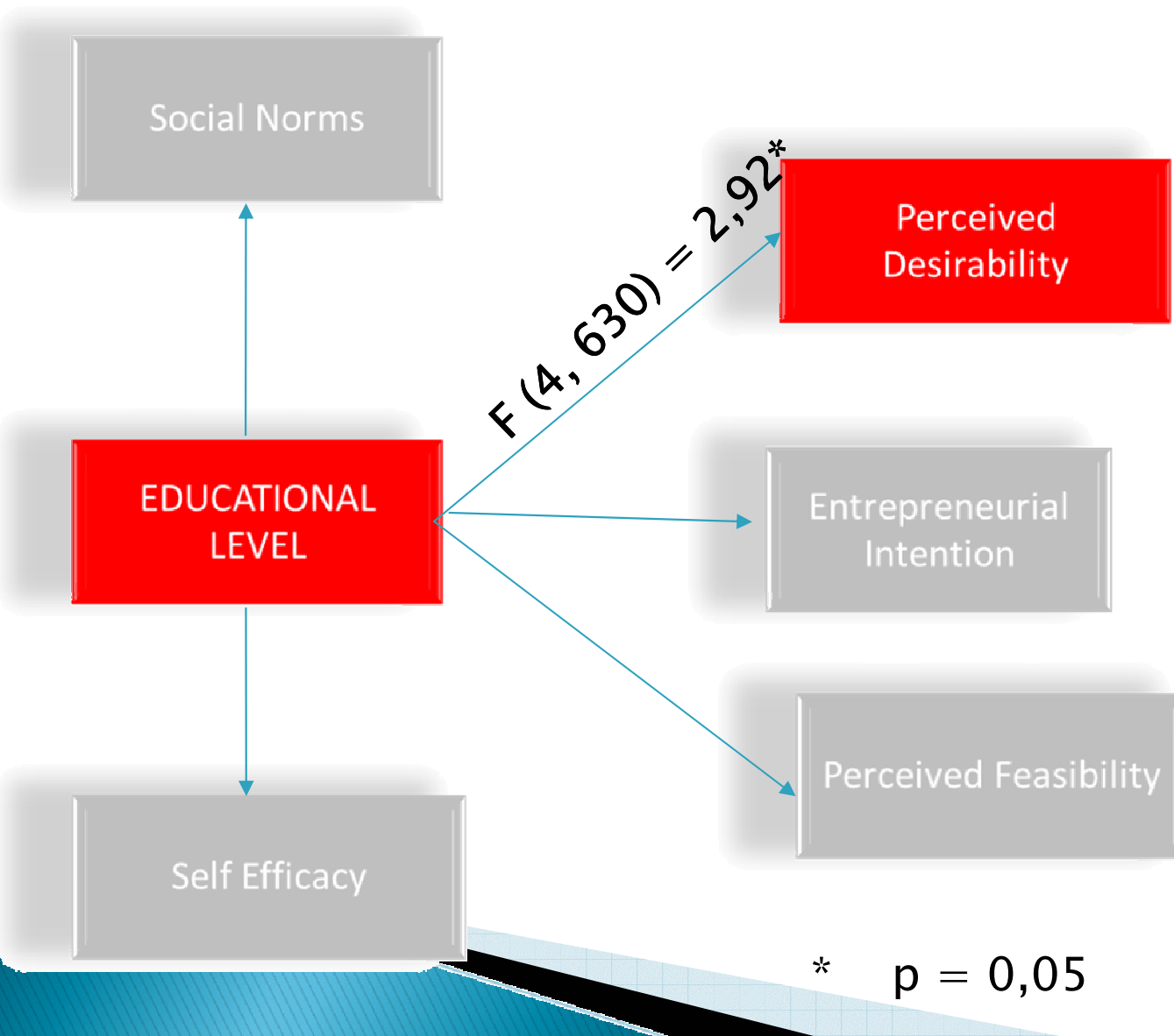
# Results

## *Analysis Technique*

- ▶ One Way Anova was used for the examination of the effect of education on entrepreneurial intentions and their predicted variables, while the LSD and Scheffe post hoc test was applied for the subgroups differences control.
  - ▶ Multiple regression was also used for testing the interaction between the educational level and the entrepreneurial intentions using five dummy variables in order to avoid the multicollinearity problem.
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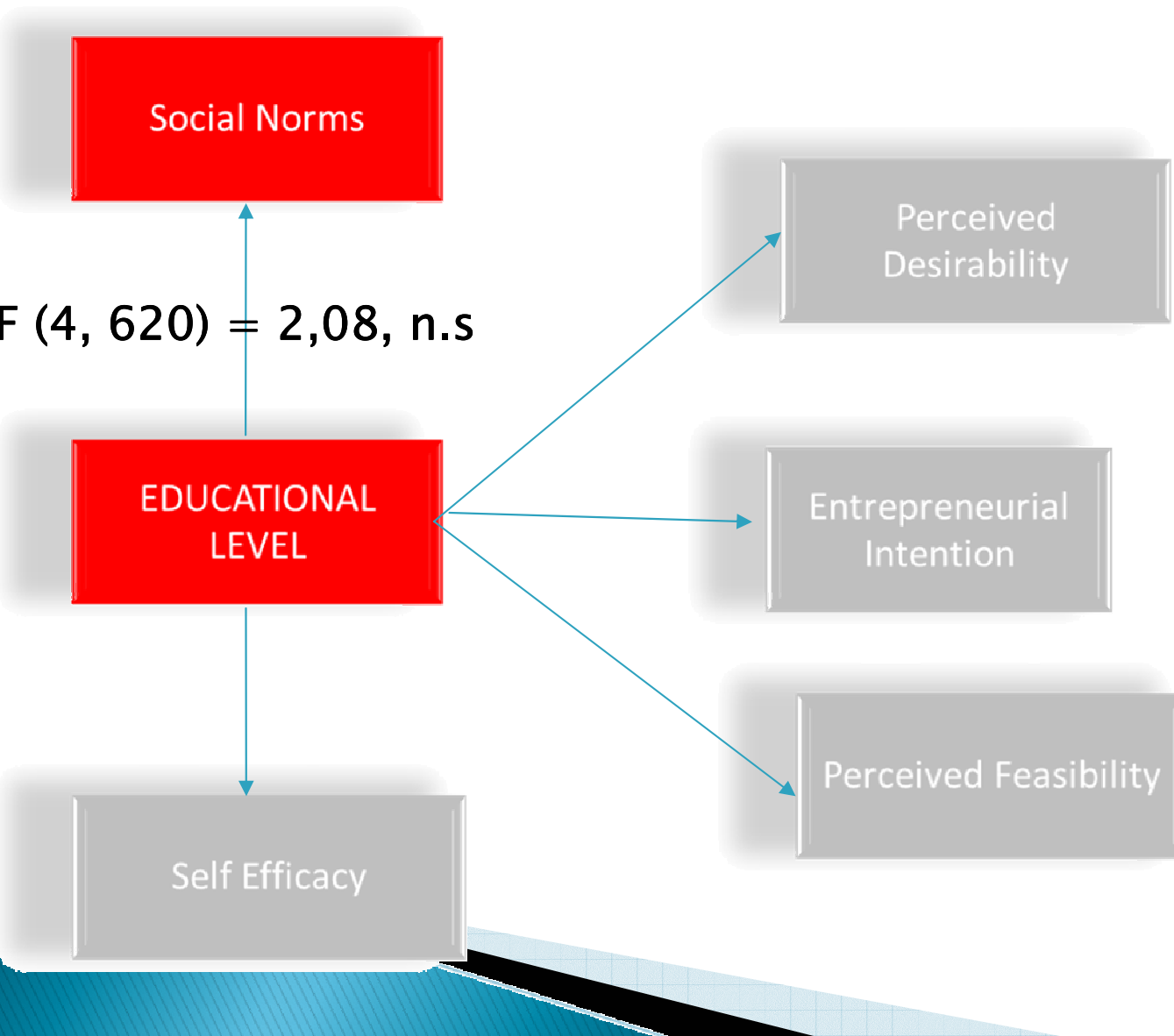
# Educational Level and Perceived Desirability



H1 : people with different educational levels differ to the degree of *perceived desirability*.

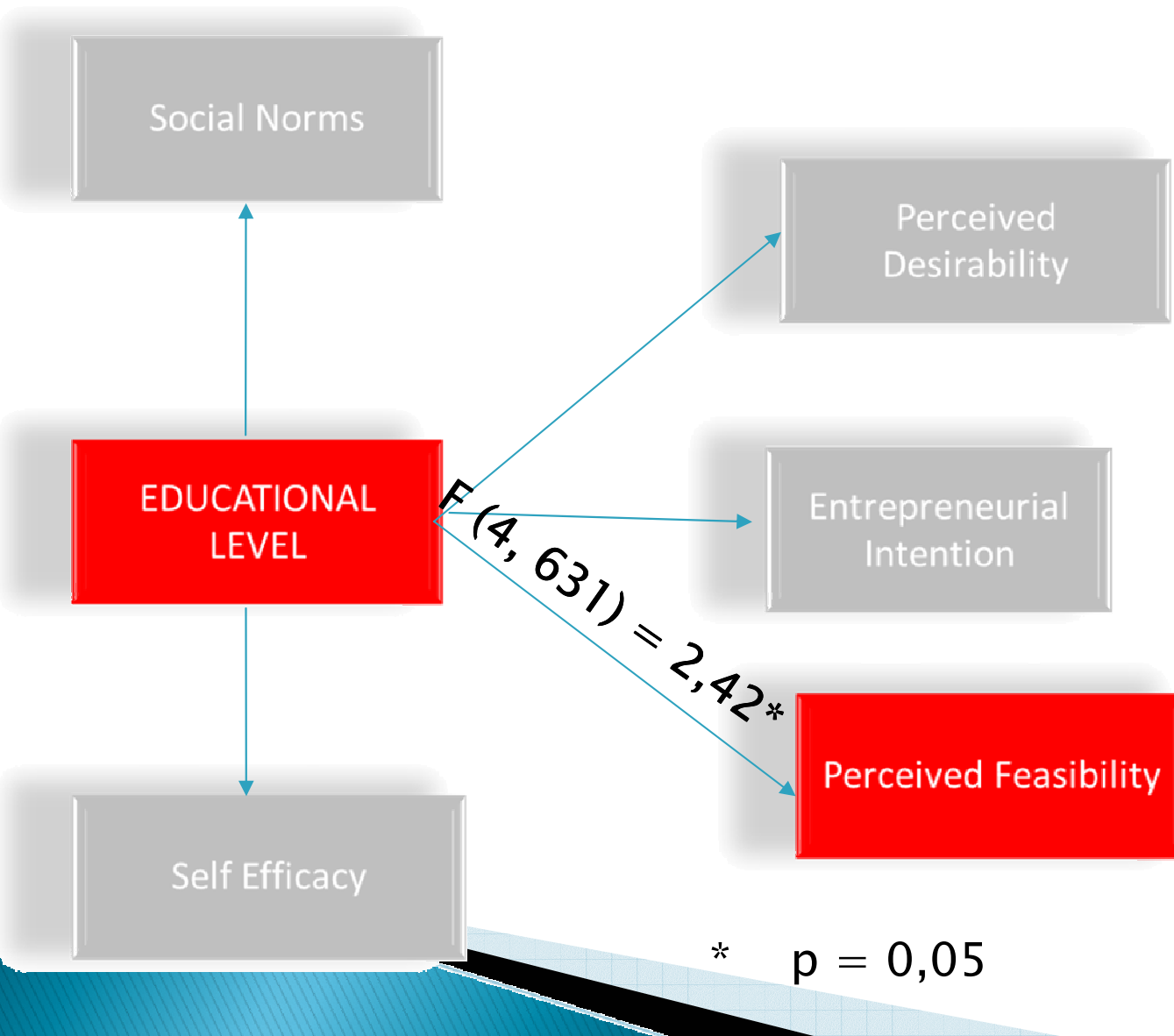
Secondary education graduates (Mean = 13.34) express a higher level of desirability than tertiary education graduates (Mean = 12.39) and primary education graduates (Mean = 11.39) as well.

# Educational Level and Social Norms



H02 people with different educational levels *do not* differ as far as the degree of *social norms'* influence on their intentions to do business.

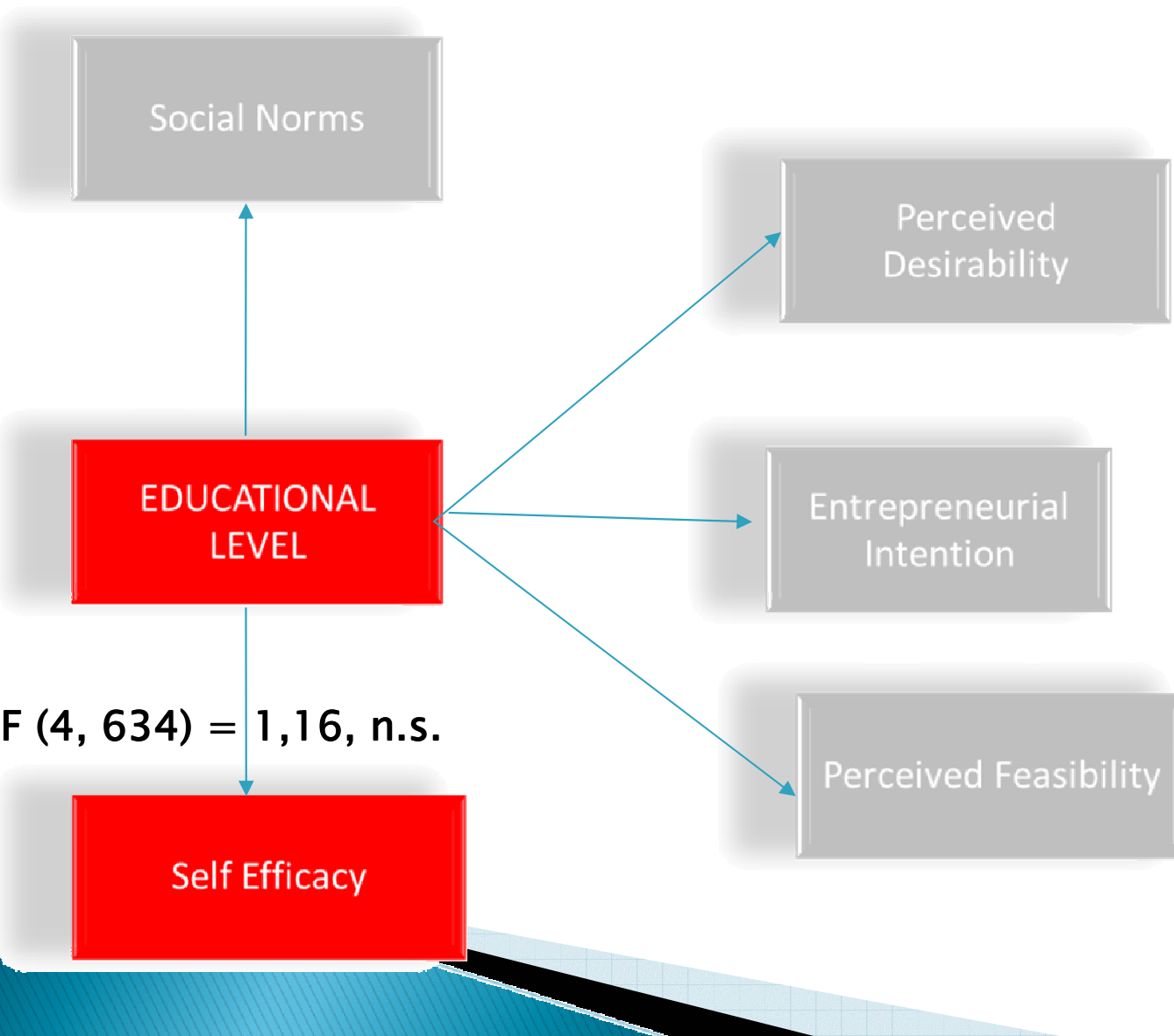
# Educational Level and perceived Feasibility



H3: persons with different educational levels express different degree of perceived feasibility to engage in entrepreneurial activity.

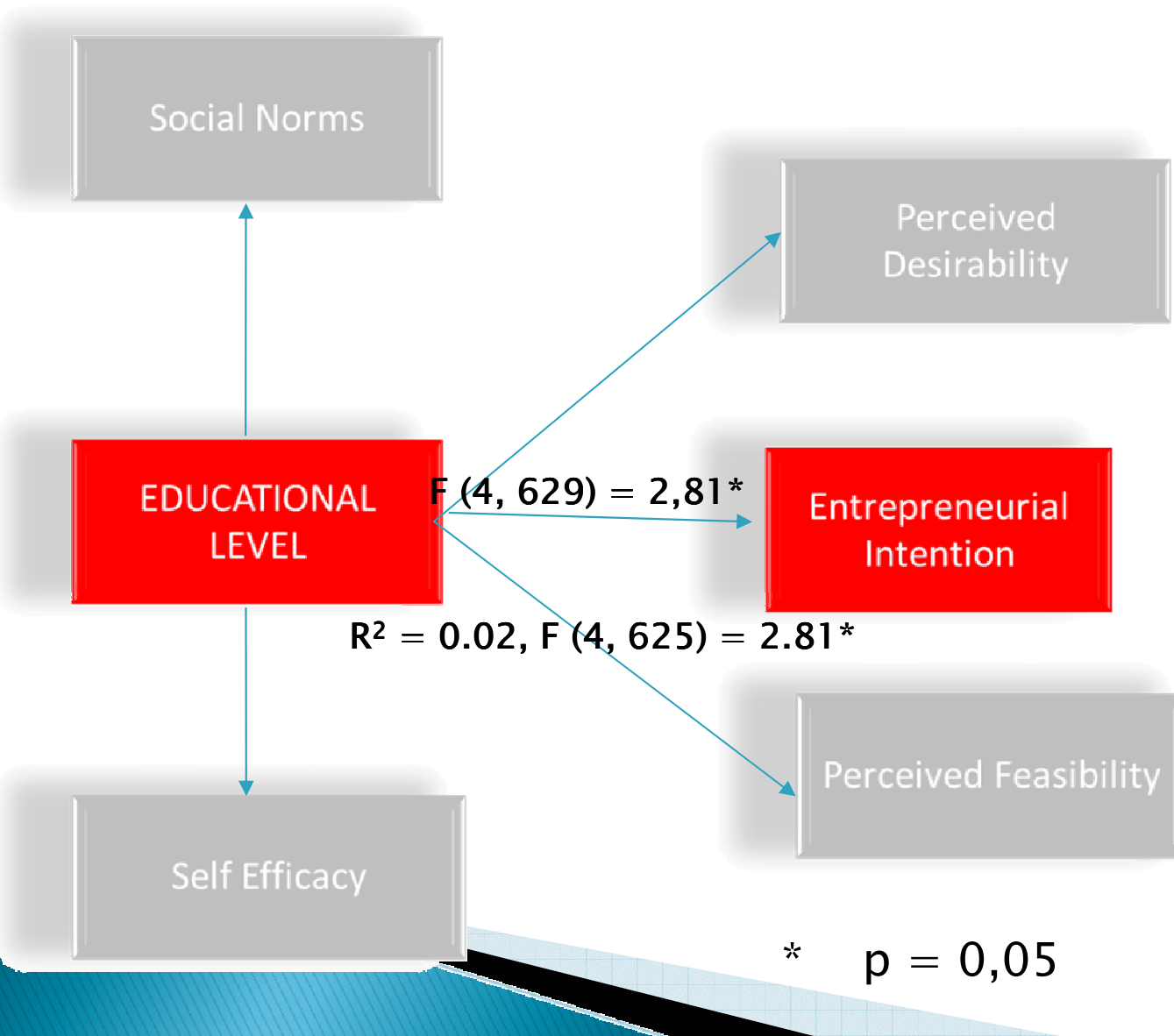
Post secondary graduates (Mean = 13.46) believe in a higher than tertiary education graduates degree (Mean = 12.39) that starting an entrepreneurial activity is more feasible.

# Educational Level and self efficacy



H04 : educational level does not affect the self efficacy of a person to start an enterprise

# Educational Level and Entrepreneurial Intentions



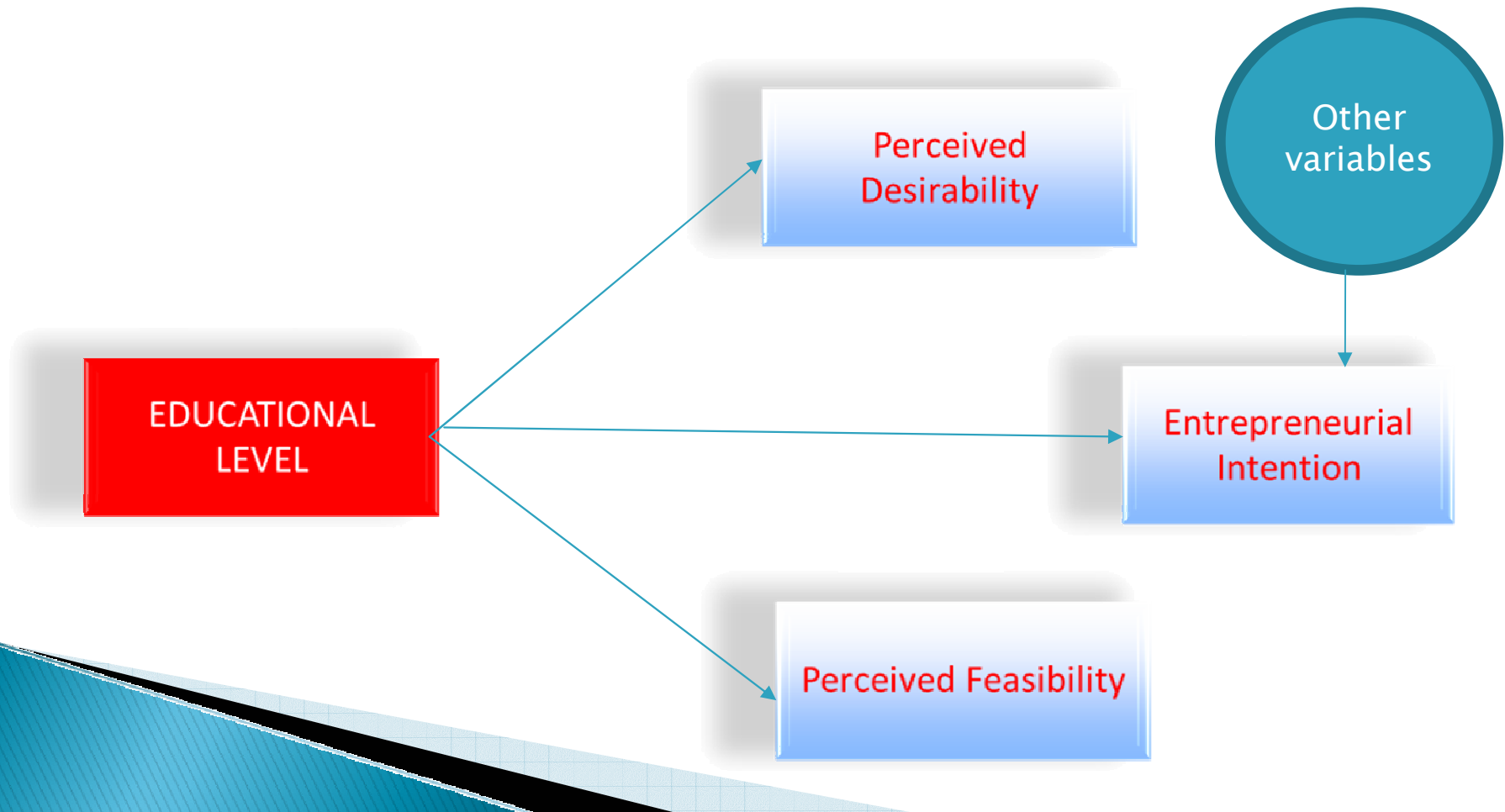
H5 : people with differential educational backgrounds diverge in their degree of entrepreneurial intentions.

Tertiary education graduates (Mean = 11.84) have a lower degree of entrepreneurial intention than secondary education graduates (Mean = 13.04) and post secondary education graduates (Mean = 13.10).

# Proposed Model

The present research confirms the effect that the educational level has

- A) on entrepreneurial intentions
- B) on the perceived desirability of a person to establish an enterprise.
- C) on perceived feasibility towards entrepreneurship

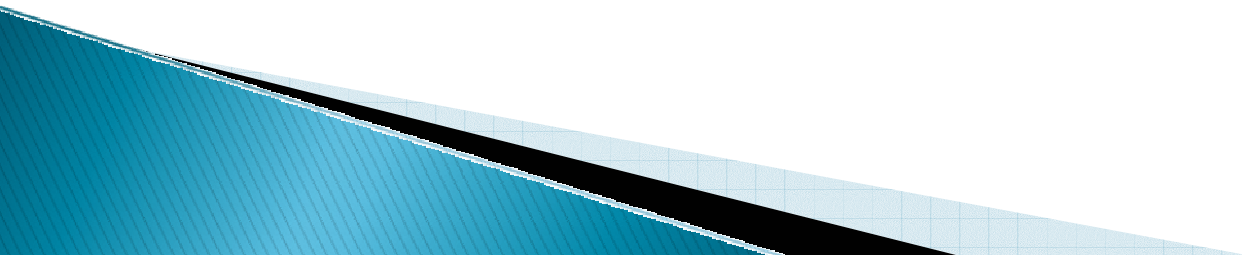


# Conclusions

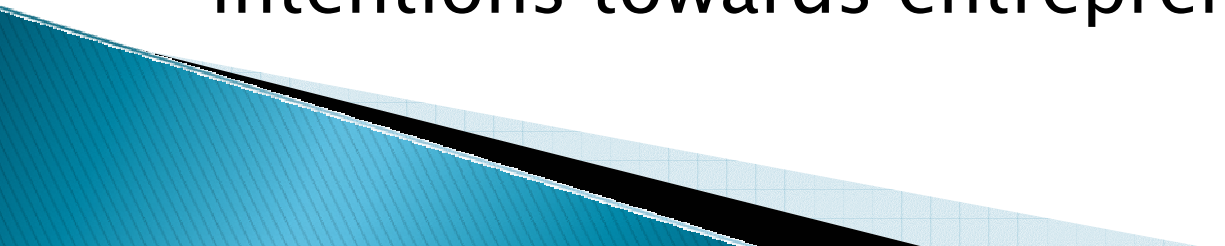
- ▶ The results of the present study do not correspond with the research of Minniti, et al. [2006], who supported that people with higher educational background are more likely to start an entrepreneurial activity compared to people with a lower educational level but, correspond with the research of Reitan [2008] who supports that education can affect perceptions towards perceived feasibility.
- ▶ The issue of the correlation between the educational level and perceived desirability is still open and it is possibly connected with the research population of each field research. Moreover, the enhancement of entrepreneurial feasibility and entrepreneurial intentions could not be achieved only by the educational procedure. A vision of entrepreneurship is needed in order to be more feasible through the exposure to good practices in entrepreneurship [Krueger & Brazeal, 1994].



# Contribution

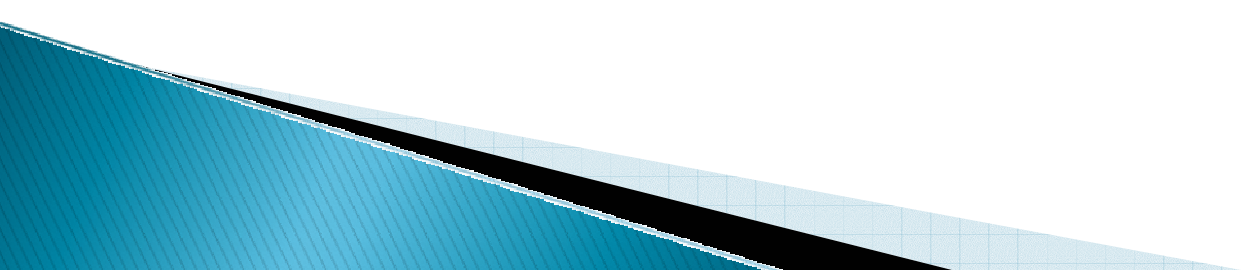
- ▶ Lack of empirical data, which correlates the general educational level and entrepreneurial intentions, was obvious. However, the present study contributes toward that direction.
  - ▶ The educational level can explain (to a certain degree) the balance of entrepreneurial intentions and their predicted variables expanding the previous models explanatory power.
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# The results could be used....

- ▶ by theory and practice in order to expand it with new predicted variables and towards new frontiers and directions.
  - ▶ to discover ways to define the teaching methods and techniques to promote the students entrepreneurial intentions, because entrepreneurship must be desirable and feasible in the same time, in order to increase the number of graduates choosing entrepreneurship as an employment option.
  - ▶ by the entrepreneurship educators in order to increase their students' desirability [Souitaris, et al. 2007] and feasibility, evaluating their intentions towards entrepreneurship.
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# Future research

- ▶ Confirmation by other empirical research data is needed in order to eliminate the weaknesses present in this research.
- ▶ More effort is needed to define the educational methods and techniques that can better contribute to the preparation of students for their potential entrepreneurial activity.
- ▶ It is important to investigate whether the educational topics in entrepreneurship should be different among the educational levels, in order to enhance more effectively the entrepreneurial intentions of the participants
- ▶ Future research efforts must take into consideration whether the educational level affects differently the intentions of different population groups.
- ▶ The research community must pose addition attention to the transformation to action of entrepreneurial intentions
- ▶ Finally it is important to reinvestigate whether the proposed from the literature model and its hierarchical structure is applied.



Thank you

