A Literature Review for Understanding Entrepreneurial Intention: Call for Study on Potential Research Areas

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ABSTRACT

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This paper examined research studies to understand the antecedents and impact of entrepreneurial intention (EI) on the SME’s growth. The literature review revealed that the focus of previous studies’ discussion on entrepreneurial intention (EI) was mostly focused on the Western, Middle, and Far East countries. Petite empirical evidence is noticeable in Africa and Asia. Therefore, the role of entrepreneurial intention (EI) and the need to understand its impact on firms’ value creation is yet to be explored exhaustively. In addition to it, empirical studies mostly revealed gaps in the selection of the right respondents, stages of venture creation, and the appropriate theory selection. Subsequently, results are frequently inconsistent and demand future studies to address gaps, particularly in the Asian context in countries like Pakistan to address the SMEs’ sustainability issues. For that purpose, this paper highlighted research gaps in Pakistani SMEs and developed the urge to explore EI to rethink the nascent research angles on EI development. Thus, this paper is a wake-up call for empirical studies to assess the impact of EI in Pakistani SMEs where studies of this kind are rarely found in the literature.

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1. Introduction

Over the last two decades, small business owners and entrepreneurs are recognized as a great source of economic development. Studies focused on the need to create new and innovative SME business strategies to drive economic prosperity and sustainability (Ribeiro, 2017;
Denicolai, 2021). Even the governments support entrepreneurial participation in economic development (Battilana and Casciaro, 2012) trusting that the growth of entrepreneurs can help build an innovative culture (Emami et al., 2017) and can assist in creating value-generating initiatives (Linan and Fayolle, 2015).

However, past studies explained the entrepreneurial intention (EI) domain from a narrower viewpoint. Some scholars studied EI in the prospect of entrepreneurial orientation (EO) and regarded such firms to be risk-takers, innovators and more proactive than non-entrepreneurial firms (Miller, 2011). While others took a sample from only those organizations that followed incremental innovation and change patterns to interpret the entrepreneurial intention (EI) concept (Shaikh and Randhawa, 2022). Yet, others studies concentrated on internal organizational factors to understand owners’ intentions to start an innovative and risky venture (Meressa, 2020). As depicted above, such studies, however, ignored the impact of external environmental, radical, and community factors that may also be responsible for EI formation to achieve organizational value (Samoedra, 2016).

Likewise, some empirical studies found EI to be one of the strongest predictors of business value creation (Nheta et al., 2020) though such studies gathered data mainly from large corporations ignoring the factors that impact the EI process in SMEs (Urbano, 2020). Small firms’ entrepreneurial activities are the result of the founders’ persistent attitude to create value over the organizational life cycle (Nheta et al., 2020). Yet, scholars mostly concentrated only on understanding determinants of new business start-ups and neglect the changes in intention development over the period in established SMEs (Fini et al, 2012). Even some authors examined only business students’ entrepreneurial intentions for new business creation (Mamun et al., 2017; Saptono et al., 2020). Thus, it is important to understand EI process as statistics revealed typically small firms run by entrepreneurs don’t last long or lag in growth at later stages of the business growth cycle (Tan et al., 2005).

In addition to that, the literature reveals conflicting results in deciding upon the antecedents that influence EI formation in SMEs (Newman et al., 2019). Similar is the dilemma in the industrial sector of Pakistan that despite the governmental emphasis, only a few studies empirically tested the factors that can help enhance EI development (Anjum et al. 2018). Pakistani industries call for novel models to understand the reasons for their SME growth inconsistencies and lack of innovation based on entrepreneurial inefficiency and Covid-19 aftermaths (Aftab et al., 2021).

Based on the above discussion, the prime aim of this study is to determine those constructs that impact EI to create organizational value. This is because the approach of identifying a framework by exploring the new and existing paradigms of EI development will help explain the behavior of an intuitive thinker (Trans and Korflesch, 2016). Taking Krueger’s call (2000) to rethink and reinvent the model of EI, the purpose of this research is to advance the theoretical concept and constructs of EI and how the intention of entrepreneurs impacts SMEs' value creation process. The present research contributed to EI literature in three ways: Firstly, critical analysis of the literature revealed important inconsistencies in addressing the EI dimensions; secondly, the research gaps presently found in the literature are employed to address the difficulties faced by Pakistani SMEs and propose possible solutions that can direct future studies. Thirdly, this paper extends the conceptual discussion by proposing constructs of EI as discussed in the literature to allow future empirical investigations for model testing.
2. Literature Review

2.1. Research originality in adopting a new perspective for examining Entrepreneurial Intention (EI) literature:
This article is novel in its approach and collects information on the entrepreneurial intention (EI) perspective by understanding antecedents of EI, conceptual approaches, and the present research gaps found in Pakistani SMEs. So, this article shed light on the following three perspectives:

a) The first category of research draws on understanding the critical review of EI models and the conceptual view.

b) Second research category analyses the role of new and proposed variables and their impact on EI and organizational value creation to broaden and deepen knowledge of theoretical nuance and methodological issues.

c) The third group of literature identifies and gathers the research gaps and the dilemmas faced in the SMEs of Pakistan and suggests appropriate solutions and highlights the need for future empirical investigation.

2.2. A Critical review of Entrepreneurial Intention (EI): Theoretical perspective
According to the literature review, many authors used Ajzen's (1991) Theory of Planned Behaviour (TPB) and Schumpeter's view on innovation and Entrepreneurship while discussing different dimensions of EI. For example, in an attempt to explore new paradigms of EI, authors used traditional theories and add new variables to it to discuss EI (Fini et al., 2012).

The theoretical models used to explain the concept of EI creation ranges from the earliest “Entrepreneurial Event” model (Shapero and Sokol, 1982) to the theory of planned behavior (Ajzen, 1991). Later, the researchers proposed the theory of planned behavior entrepreneurial model – TPBEM (Krueger and Carsrud, 1993) and then social cognitive career theory – SCCT (Lent et al., 1994). The literature revealed that a plethora of researchers used TPB as the prime model to understand the dimensions of EI. (McMullen et al., 2021). Nevertheless, many authors tried to extend the classical TPB model to explain the concept of EI as per the current organizational developmental requirements (Ernst, 2011). When discussing the concept of EI in the context of an organization, astonishingly few authors used social cognitive career theory (SCCT) to explain EI and its impact on the organization. Even though SCCT is based on the career and development of organizational workers (Tran and Korflesch, 2016). Thereby, the right intention and a timely decision can save several SMEs from collapsing after a few years of establishment. In that case, as per the literature outcomes, TPB and SCCT are marked as prime theories to illustrate the concept of EI and to remove the resultant inconsistencies found in the literature.

2.3. Understanding the Entrepreneurial Intention (EI) perspective in the light of the previous studies
The basis of earned income strategies by organizations is to remain stable even in turbulent market and governmental conditions. To be an entrepreneur, one should focus on developing exceptional behavioural and leadership qualities (Fini et al., 2012). Though the literature review presents a plethora of definitions and variables to describe EI, this is because the
Entrepreneurial intention (EI) is thus defined as a multi-dimensional construct that includes various constructs. The prominent theory, TPB describes EI as a virtue that involves dealing with innovation, risk-taking and proactiveness to achieve its goals (Lumpkin and Dess, 1996). Effective EI results in developing innovative abilities, successful networks, effective resource allocation, employee motivation and organizational value creation (Fini et al., 2012). To create a context-free definition, EI is defined as an endeavor to innovate, make decisions and create organizational value creation (Tan and Tan, 2005).

Entrepreneurs make decisions that do not solely rely on organizational performance but also consider the impact of their choices on the market and society (Massetti, 2008). This phenomenon makes entrepreneurs responsible for their actions who have to balance resources, time and risk tolerance in a very proactive manner (Miller et al., 2012). With the awareness and correct entrepreneurial orientation (EO), entrepreneurial intention (EI) is seizing the attention of current scholars to create organizational value and ensure sustainability.

2.4. Impact of proposed constructs on organizational value creation: Mediating role of EI
Entrepreneurial intention (EI) is regarded as a behavior that can impact the choices and decision-making style of a person. At the organizational level, the prevailing entrepreneurial culture influence the way decision-makers think and act (Emami et al., 2017). The stronger the EI, the better the organization is set up to challenge new tasks, grab opportunities and be determined to involve in organizational value creation (Nheta et al., 2020). Thereby, the context of EI development can be taken as an aspiration, determination and an attitude to engage in the value creation of an existing or a new venture. Based on these arguments, the current paper has compiled some of those aspects of EI that can be investigated further to understand the concept and empirical evidence of the relationship between the proposed variables and entrepreneurial intention on developing value creation for SMEs.

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<th>Sources &amp; Publication</th>
<th>Year of Publication</th>
<th>Antecedents</th>
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<tr>
<td>Fini et al. (2012)</td>
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<td>Entrepreneurial Intention (EI)</td>
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<td>R&amp;D, technological innovation and leadership</td>
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<td>Alibeyki and Khosravi, 2014</td>
<td>Value Creation (VC)</td>
<td>4</td>
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<td>Weerawardena et al. (2006)</td>
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<td>Welter et al., (2013)</td>
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<td>Covin and Slevin (1986); Miller (2011)</td>
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Entrepreneurial orientation is marked as an important component to impact the entrepreneurial intention process at the organizational level (Meressa, 2020). It is a multidimensional construct. Therefore, many studies defined EI in the context of innovativeness, risk-taking, proactiveness, competitive aggressiveness and autonomy yet, the results remained inconsistent and revealed varied findings when applied in different organizational contexts (Lumpkin and Dess, 1996). Therefore, this paper emphasizes the usage and understanding of the multidimensional EO concept to overcome inconsistency when measuring the impact of EO dimensions on EI at the firm level (Anderson et al., 2013).

2.4.2. Innovativeness
According to the literature review, innovativeness is defined as an important growth factor at the organizational and national levels, especially in dynamic markets (Lyon, 2002). The justification behind this thought is that innovativeness always compels organizations to deal with turbulent external environments and to discover new and novel methods to maintain market stability (Eisenhard, 1995). In that way, one can state that innovative companies respond better and faster to innovative ideas than non-innovative firms. Therefore, it is important to compel members of the organization to think and act in a novel way (Hajar, 2015). Organizations should innovate to be effective and sustainable (Shaikh and Randhawa, 2022). According to the empirical results found in the literature, despite conflicting evidence, some researchers found a positive connection between innovativeness and firm value creation in SMEs (Audrey et. al., 2016). Based on these arguments, it is mandatory to explore the strength of the relationship between innovativeness, entrepreneurial intention and firm value creation in SMEs. This will help to give generalized and conclusive results about such a relationship and in understanding how innovativeness moderators/mediates the relationship between EI and SMEs' value creation (Koe, 2016).

2.4.3. Resourcefulness
The idea of resourcefulness means to what extent individuals/organizations have faith in their abilities to tackle and solve unseen contextual situations. It also deals with the extent to which individuals are willing to explore new ideas and opportunities (Welter et al., 2013). In today's globally competitive environment, managers need to face the challenges of diversification, customization, technology up-gradation, network establishment and dealing with daily time and resource management. All such traits well illustrate why some managers can compete well in the organization and others lack (Welter et al., 2013). In that context, it is important to explore the role that resourcefulness play at the organizational level to enhance entrepreneurial intention. Thereby, future researchers can work on identifying the relation of resourcefulness and its sources as a moderator/mediator for EI and organizational value creation.

2.4.4. Market Orientation (MO):
Market orientation (MO) is a complex situation; so, it will not develop on its own. According to previous research, several antecedents of MO are identified in the literature. For instance, it includes top management emphasis and market knowledge (Kohli and Jaworski, 1993), managers' risk-taking intention, interdepartmental cooperation, formalization and reward system. Several empirical studies found affirmative relation between market orientation
(MO) and organizational performance (Slater and Narver, 2000). Also, the entrepreneur’s awareness of marketing efforts gave rise to phenomenal thinking for organizational success (Alkateeb and Abdalla, 2021). Some scholars argued that MO is an integral part of entrepreneurial business success. Yet, some studies found contradictory results and termed the relation between market orientation and entrepreneurial orientation as inconsistent for SMEs (Baker et al., 2004). Grounded on these conflicting results, there is a need to understand how managers’ EI plays a mediating role between market orientation and organizational value creation.

2.4.5. Value Creation (VC)
Value creation (VC) requires evaluation of the process. Value creation is one of the broadly discussed literature in entrepreneurship (Mair and Marti, 2006). However, it is mostly defined and measured on an individual basis. Few research studies conducted on organizational VC revealed a marked difference in how efficiently and effectively organizations work (Samoedra, 2016). It is considered a multifaceted and ambiguous phenomenon that needs to be defined at the organizational level. Also, an integrated framework to explain the key dimensions of value and its interactions with EI is yet inconsistent (Choi and Majumdar, 2014). The literature review on VC is more inclined towards revealing the impact of external stakeholders like customers, suppliers and investors as a unit of analysis rather than the internal ones like individual employees, managers, departmental or organizational roles. An evident gap in the literature is that few research studies highlighted value creation concerns and organizational mindset (Corte and Gaudio, 2014). Despite the theoretical contributions on this topic, this issue is still debatable how the managers identify the sources of VC? And for whom or how the value is captured? Thus, the issue needs further insights for its practical application (Corte and Gaudio, 2014; Samoedra, 2016).

2.5. Research gaps found in the SMEs of Pakistan
According to the literature review, in the SMEs of Pakistan, there is a non-existence of proper research data to build a concrete understanding of organizational functions and issues (Khurrum et al., 2007). SMEs face continuous challenges in managing finances and ultimately collapse in the absence of better management tools (Manzoor et al., 2021). They mostly lag in producing quality manufactured products due to the continued reliance on traditional technologies (Shah, 2018). Several studies (Forsman, 2011; McKeever, 2014) reported entrepreneurship as the prime dimension to achieving sustainability and stability. Few empirical studies considered entrepreneurial activities and provoked the need to develop innovative marketing concepts for the success of SMEs (SMEDA, 2019). To be competitive, SMEs of Pakistan need to create reliance on market orientation (Alkateeb and Abdalla, 2021). More empirical research can help explain the concept of EI and its impact on entrepreneurial value creation in SMEs to develop an integrated framework (Choi, 2014).

3. Findings and Discussion
Grounded on the above theoretical, contextual and empirical gaps highlighted in the secondary research, this paper points to several possibilities for future research to be taken on. The prominent themes that require focus the contextual, institutional, market orientation, entrepreneurial orientation, resourcefulness, innovativeness, value creation, policy and academic reforms, etc. for EI creation. The proposed dimensions can be subject to empirical research to explore the nature and standings of EI in the context of Pakistani SMEs, for instance, researchers can answer questions like:
• How do different dimensions of EI impact achieving the social and economic missions of the organization?
• How do external environmental factors influence enterprises that vary across sectors and geographical boundaries?
• How do SMEs employ market orientation for creating EI to develop organizational value?
• Which antecedents of entrepreneurial orientation are more dominant in defining entrepreneurial intention in Pakistani SMEs?
• How do innovativeness and resourcefulness moderate/mediate the relationship between EI and value creation? And so on…

These questions can be investigated by future researchers through quantitative analysis and methodological rigor (Mair and Marti, 2006; Lehner and Kansikas, 2013). Significant validity is obtained while testing theory and its extension through the quantitative method. Such investigations will help in creating a generalized concept and probably an extension in theory towards the development of the concept. There is a need to develop novel organizational models to make them think and act smartly through the potential contribution of entrepreneurial intention creation at the organizational level. In developing countries, governmental support and subsidiaries are limited to support entrepreneurs. So, researchers should focus on entrepreneurial orientation and entrepreneurial intention models to help managers think and act ingeniously. Firms evolve mostly depending upon the market need instead of creating a need. In such circumstances, it is vital to research in that field to formulate a vivid picture for the future. Due to the lack of generalizability, unified definition and application of EI concepts are particularly lack at the SMEs level. In addition to it, the idea of EI is yet in the initial phase of development in Pakistan which can be extended in future studies. In growing countries like Pakistan, EI can offer the right stimulation to tackle the social, environmental and economic issues at the government, private, NGOs, academia and young people levels.

So, prospective research studies can opt for any literature and theoretical gaps and methodologies to fill in the plethora of loopholes pointed out in the research studies as mentioned in this paper, especially in the context of Pakistani SMEs. Also, there is a scope to extend interdisciplinary research in the related fields for instance entrepreneurship, innovativeness, regional growth, leadership, change management, etc. Future knowledge development should be based on a variety of sustainable business models by focusing on domains like EI, corporate development, resource management, market orientation, innovativeness, social networks, etc. The current paper aims to elaborate on the progress made in this field and to aspire to future endeavors in institutionalizing the concept of EI development in SMEs.

4. Implications for Managers and Entrepreneurs

In SMEs, the significance of the intentional dimension is crucial for clarifying organizational behavior. Therefore, a better understanding of factors fostering entrepreneurial behavior is of prime significance (Fini et al, 2012). Attention should be devoted to creating such organizational conditions that provoke entrepreneurial culture either through entrepreneurial orientation, innovativeness, resourcefulness or by focusing on market orientation. There are multiple ways where managers can create entrepreneurial intention (EI) towards value creation. One way is to magnify EO factors like innovativeness, risk-taking and proactiveness within the organization (Meressa, 2020). It is important to give some work liberty to the employees and appreciate and implement workable innovative ideas. Managers/owners can
nurture individual competencies through training and workshops even within the established organizations to keep up with the entrepreneurial intent of their employees. The Ajzen model believes that perceptions are learned (Krueger, 2000) over time. Hence, organizations should keep up with the attitude of occasionally influencing their employees to make them believe that it’s desirable to think and act as an entrepreneur (Ribeiro, 2017). Finally, the factors identified in this study are important in understanding the limitations found in established SMEs. This will help to achieve sustainability over the period to meet the ever-increasing customers’ demands and face the competitive market. Based on the discussion, managers shall understand that the nature of corporate entrepreneurial activities changes over time, and it cast an impact on the overall organizational structure. Therefore, it should be managed to ensure sustainable organizational success.

5. Limitations
The findings of this paper cannot be related to newly established SMEs as it proposes re-value creation in an existing organization. Also, this research is separate from the one carried out in large organizations where there are other supporting factors to grow entrepreneurship such as organizational incentives and fund systems, corporate hierarchical systems and solutions, etc. (Fini et al., 2012). People with a strong belief regarding entrepreneurship as a career have strong self-efficacy. Yet, we did not embrace self-efficacy as a separate antecedent to identify EI. Rather, this study attempts to advance the entrepreneurial self-efficacy belief by considering its sources in the context of the Theory of Planned behaviour-TBP and Social Cognitive Career Theory-SCCT. The focus of this research was on the three prime dimensions of entrepreneurial orientation (EO) as proposed by Covin and Slevin (1986) rather than all the five dimensions. The purpose is not to develop a new dimension of EO, rather we aim to develop operationalization of EO suitable for research in SMEs. Thus, the generalization of this research will be restricted to the SMEs level. This study is solely based on a literature review. The validation regarding all the proposed factors that can impact on entrepreneurial intention framework can only be justified through an exploratory and cross-sectional study. Last but not least, industrial research gaps are found in the context of Pakistani SMEs and future recommendations are also based on corroborating the literature gaps and industry gaps so, the recommendations of this paper cannot be generalized worldwide.

6. Conclusion
Entrepreneurial intention (EI) is quickly becoming the buzzword in the Pakistani industrial sector. However, will the concept make a significant influence on the future of the SME sector? The process should begin with serious policy discussion on innovative entrepreneurship in the key sector of SMEs. Value-driven systems need to be developed to mobilize EI and innovation creation. Steering to the growth of the entrepreneurial economy, the enterprises require new sources of resourcefulness, entrepreneurial orientation and market orientation for progress. The existing gaps need to be addressed to remove the barriers that hinder SME growth, innovation and value creation. Thus, this paper is a wake-up call for future researchers to analyze and understand the above-mentioned current theoretical and practical gaps in the literature review and to fill in the holes.

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