GOMAL UNIVERSITY
JOURNAL OF RESEARCH

Gomal University, Dera Ismail Khan, Khyber Pakhtunkhwa, Pakistan
ISSN:1019- 8180 (Print) ISSN: 2708- 1737 (Online)

Website	www.gujr.com.pk	HEC Recognized	Social Sciences	CrossRef	DOI:10.51380

MEDIATING ROLE OF ENTREPRENEURIAL ACTION ON ENTREPRENEURSHIP ECOSYSTEM AND ENTREPRENEURIAL SUCCESS

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KEYWORDS

Entrepreneurship Ecosystem, Entrepreneurial Action, Entrepreneurial Success

Article History

Date of Submission: 20-02-2024
Date of Acceptance: 26-03-2024
Date of Publication: 31-03-2024

ABSTRACT

This research examines interplay between entrepreneurial action dynamics, Entrepreneurship Ecosystem (EES) Framework, & entrepreneurial success, with a focus on a sample size of 160 founders and co-founders incubated in diverse Business Incubation Centres of Southern Punjab. The research underscores its significance within the specific context of Southern Punjab by addressing a crucial research gap. The quantitative research approach is adopted, and questionnaire is adapted. For the data collection, the random sampling technique was used. The study positions the entrepreneurship ecosystem as independent variable, entrepreneurial action as mediator, and entrepreneurial success as the dependent variable. Smart PLS and SPSS were used for the data analysis. The outcomes unveil a robust and positive relationship, shedding light on the pivotal role played by entrepreneurial action. This contributes significantly to comprehension of success factors in entrepreneurial landscape, particularly within nuanced context of Southern Punjab Business Incubation Centres. Concluding, research offers nuanced suggestions for fostering more conducive environment in EES for aspiring entrepreneurs, thereby enhancing understanding of the success drivers in this distinctive ecosystem.

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DOI: https://doi.org/10.51380/gujr-40-01-07

INTRODUCTION

In entrepreneurial landscape of Pakistan, challenges persist, reflecting complex environment for entrepreneurial firms (Ahmad, 2022). As per the 2019-20 Global Entrepreneurship Index (GEI) of 137 countries, Pakistan comes in at position 109. Besides, out of 50 countries, Pakistan was ranked last by Global Entrepreneurship Monitor (GEM) (Global Entrepreneurhsip Monitor, 2020). The creation of jobs is mostly fueled by entrepreneurship. Especially in developing and emerging nations, small & startup enterprises play significant role in creating jobs. According

to findings of the Global Entrepreneurship Monitor (GEM) research, small and medium-sized enterprises (SMEs) are generally attributed with creating jobs worldwide (Taiwo, 2019). By promoting entrepreneurship, representatives can improve social movement, boost economy, and lower unemployment rates. In this linking, it is a multifaceted concept that encompasses not just economic gains but also social impact, personal fulfillment, and the contribution to the ecosystem's vitality. Similarly, as per study by (Bartholomew, 2022), steady and competitively compensated jobs generated by entrepreneurship are necessary, although this isn't always the case.

However, the significance of entrepreneurship in job creation cannot be overstated, particularly in marginalized regions such as Southern Punjab, encompassing Bahawalpur, Multan, DG Khan, Rahimyar Khan and their surroundings, challenges are pronounced. These areas face economic constraints with limited industrial presence (Feroz, 2024). Entrepreneurial success is often measured by various indicators such as business growth, financial performance, market share, innovation, and entrepreneur's personal satisfaction and goals (Bilal & Fatima, 2022). Thus, recognizing need for tailored interventions, this research focuses on entrepreneurial dynamics in Southern Punjab, aiming to contribute insights that can catalyze entrepreneurial growth in these marginalized regions. Sometimes possessing incomplete capital, small enterprises may not be able to offer the comparable safety and compensation to their larger counterparts. This needs to lead toward a situation where people's ability to conduct excellent work is not usually improved by the introduction of new jobs through entrepreneurship in order to contribute for developments.

Problem Statement

Pakistan's score in terms of innovation and entrepreneurial ecosystem is lower than that of a hundred countries (Global Entrepreneurhsip Monitor, 2020). Thus, Pakistan falls behind of its neighboring developing countries in terms of innovation and entrepreneurship development, according to data from the Global Entrepreneurship Development Index. Conversely, the world has been rocked by the recently discovered coronavirus pandemic, which has severely impacted the economies of impoverished nations like Pakistan. While building a supportive ecosystem and addressing the trust issues can help to overcome these challenges, successful collaborations and networks also require addressing trust difficulties. In Pakistan, the research initiatives and legislative measures addressing leading and intricate problems are necessary for the successful entrepreneurship (Tunio, 2021). Identification of fit entrepreneurship ecosystem model that can provide desired ways for entrepreneurial success is major concern for emerging economies like Pakistan.

Research Objectives

- To analyze the impact of Entrepreneurship Ecosystem on the Entrepreneurial Success.
- To analyze the impact of the Entrepreneurial Action upon the Entrepreneurial Success.
- To analyze the mediating role of entrepreneurial action (mediator) between EE and ES.

LITERATURE REVIEW

Entrepreneurial Success

Entrepreneurial success is a multifaceted and nuanced concept that has garnered significant attention in academic literature. Thus, the understanding the determinants and outcomes of entrepreneurial success is crucial for both scholars and practitioners. Thus, we delve into key

themes and findings from recent research (Wang, 2024). The ultimate purpose of framework is entrepreneurial success and includes several metrics, such as financial benefit for individual, community impact, personal fulfillment, and company performance. According to (Kerrigan et al., 2020), an entrepreneur's network density, ties' strength, and position within the network can all affect their access to resources, knowledge of the market, and support. Eventually, these elements may have an impact on their company viability. In this regard, recent research shows how social capital, government restrictions, cultural norms, and technology adoption all have a significant influence upon the social effect and the success of entrepreneurial endeavors (Akmal, 2024).

Entrepreneurship Ecosystem

The effective community role, industry role, academic role, and government role comprise the entrepreneurial ecosystem (EES), which is framework within which entrepreneurial activities occur. Social network theory knows entrepreneurial ecosystem as network of interconnected actors and organizations (Kansheba & Wald, 2022). The relations and interactions that take place within this ecosystem could have a significant impact on resources available to and the acts of entrepreneurship. There is still a gap in understanding of how entrepreneurial success orientation of actors in entrepreneurial ecosystem, such as policymakers, university professors, investors, and managers of business incubators (Audretsch, 2023). It may affect the outcomes of EE and whether there are differences between developed and developing countries. Multiple researches show the important implications for entrepreneurial ecosystems growth orientation and rate of entrepreneurship in ecosystem. Specifically, in Punjab region Southern Punjab as marginalized area. Entrepreneurial success often hinges on proactive & strategic actions taken by entrepreneurs. Scholars argue that ventures branded by decisive, well-timed actions tend to show more performance and sustained success (Neves, 2020). Adaptability of entrepreneurial actions is critical in navigating the dynamic business environment. Thus, the actions that are not only proactive but also responsive to market changes, thereby enhancing the likelihood of success.

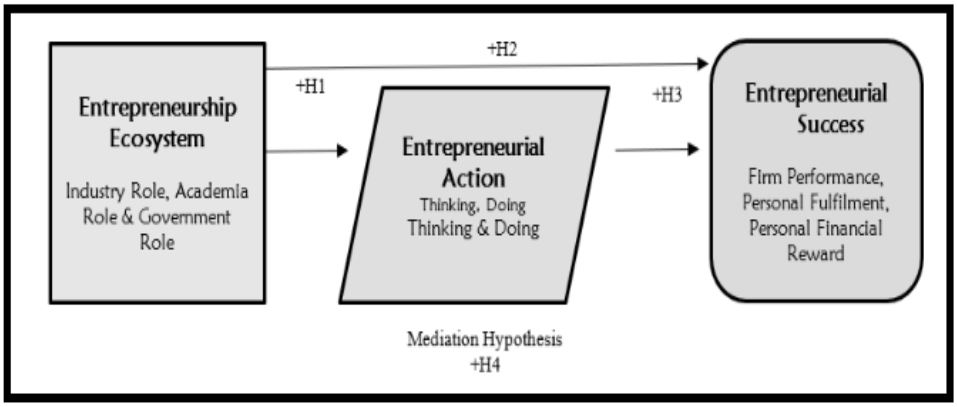
H1: There is positive relationship amid entrepreneurship ecosystem & entrepreneurial success

Entrepreneurial Action

The proactive steps that business owners take to launch and grow their enterprises are known as entrepreneurial action. These involve thinking, doing, and thinking again. This proactive mindset is predicated on the idea that uncertainty and ambiguity are crucial to entrepreneurial endeavors, requiring a willingness to move decisively in face of incomplete knowledge (Ispir, Elibol, & Sonmez, 2019). There is still the gap in our understanding of how the entrepreneurial success is based on entrepreneurial ecosystem i.e., such as policymakers, university professors, investors, and managers of business incubators may affect outcomes of EE as ES and whether there are differences amid developed & developing countries (Reuel Johnmark Dakung, 2017). Implications for entrepreneurial ecosystems growth orientation & rate of entrepreneurial action in entrepreneurial success is need to be identified, so, in areas like Southern Punjab region of Pakistan.

H2: There is positive relationship amid entrepreneurial ecosystem and entrepreneurial action.
H3: There is a positive relationship between entrepreneurial action & entrepreneurial success.
H4: EA mediates relationships amid entrepreneurship ecosystem and entrepreneurial success.

Figure 1 Theoretical Framework



RESEARCH METHODOLOGY

This research's methodology is innovatively crafted to unravel nuanced relationship between entrepreneurial action dynamics and success within South Punjab's distinctive entrepreneurial landscape. Thus, the novel aspects introduced aim to elevate the research design and analytical approach.

Population & Sample

The study targeted founders and co-founders affiliated with business incubation centers in the Southern Punjab i.e., RP9 Bahawapur, Multan, DG Khan & University based BICs. The sample comprised 160 individuals, selected over the process of simple random sampling. A process of random sampling was executed to select the participants, ensuring representative & unbiased representation of founders & co-founders from many business incubation centers in Southern Punjab.

Research Instrument

This study employed a survey-based methodology in order to collect the quantitative data. The surveys, which included closed-ended questions, were given to respondents. The respondents were asked to complete a questionnaire with response options ranging from strongly disagree to strongly agree on the predefined 5-point Likert scale. Participants could complete all of the items on the paper versions of questionnaires whenever it was most convenient for them. The targeted variables i.e., the entrepreneurial ecosystem an independent variable consist of 19 item was adopted via. Liguori et al. (2019), entrepreneurial action, a moderator, consist of 12 items was adopted via. Chen et al. (2018) JBV, entrepreneurial success, dependent variable consist of 12 items were adopted via. Wach et al. (2020). Data reliability & demographic analysis were conducted using the Statistical Package for the Social Sciences. This phase aimed to ensure the robustness of the collected data and gain insights into the demographic characteristics of the sample.

RESULTS OF STUDY

The research employed Smart Partial Least Squares (Smart PLS) for the hypothesis testing and moderation analysis. This advanced statistical technique was chosen for its capability to handle

complex models and assess relationships between variables that are used to attaining desired outcomes.

Table 1
Gender Frequencies

	Frequency	Percent	Valid Percent	Cumulative Percent
Male	105	65.6	65.6	65.6
Female	55	34.4	34.4	100.0
Total	160	100.0	100.0	

Table 2
Age Frequencies

Age	Frequency	Percent	Valid Percent	Cumulative Percent
18-22	97	60.6	60.6	60.6
23-27	57	35.6	35.6	96.3
28-32	3	1.9	1.9	98.1
33-37	2	1.3	1.3	99.4
38 and Above	1	.6	.6	100.0
Total	160	100.0	100.0	

Table 3
Education Frequencies

	Frequency	Percent	Valid Percent	Cumulative Percent
High School	12	7.5	7.5	7.5
Undergraduates	117	73.1	73.1	80.6
Grad/Masters	28	17.5	17.5	98.1
PhD	3	1.9	1.9	100.0
Total	160	100.0	100.0	

Table 4
Business Venture

	Frequency	Percent	Valid Percent	Cumulative Percent
Product Based	58	36.3	36.3	36.3
Service based	55	34.4	34.4	70.6
Technology/IT	28	17.5	17.5	88.1
Retail	7	4.4	4.4	92.5
Manufacturing	12	7.5	7.5	100.0
Total	160	100.0	100.0	

Table 5
Incubation Frequencies

	Frequency	Percent	Valid Percent	Cumulative Percent
RP9 – IU Bahawalpur	73	45.6	45.6	45.6
RP9 – BZ University	6	3.8	3.8	49.4

RP9 – G University	12	7.5	7.5	56.9
BIC – IU Bahawalpur	37	23.1	23.1	80.0
Others (Universities)	11	6.9	6.9	86.9
Others (BICs)	21	13.1	13.1	100.0
Total	160	100.0	100.0	

According to a demographic breakdown of surveyed population, there are 55 females, 34.4%, and 105 men, or 65.6%, of total. In terms of age distribution, the majority—97 people, or 60.6%, belong in 18–22 age group. Next largest group—57 people, or 35.6%—falls into the 23–27 age group. The older age categories are underrepresented: 1.9% are in 28–32 age group, 1.3% are in 33–37 age group, and 0.6% are in 38+ age group. Majority of participants (73.1%) are students, followed by graduates/master's degree holders (28.5%), the high school graduates (7.5%), Ph.D. holders (three, 1.9%). Product-based businesses led category of the ventures with 58 (36.3%), closely followed by service-based initiatives with 55 (34.4%) & technology/IT ventures with 28 (17.5%).

Direct Analysis

A t-value of more than 1.64 is deemed significant, accordance with Hair et al. (2014) reference, and this is the basis for making decisions about the presented hypotheses. consequently, This study has two main goals: first, it will evaluate the model by looking at the direct relationships; second, it will use the structural model to assess the correlations between constructs that are hypothesized.

Table 6

Direct Analysis

	Relationships		B-values	T-value	P-Values	Decision
H1	Entrepreneurial Ecosystem Entrepreneurial success	->	0.324	3.331	0.001	Supported
H2	Entrepreneurial Action Entrepreneurial success	->	0.827	9.288	0.000	Supported

Moderation Analysis

A test of moderation seeks to identify the moderator variable that affects strength or direction of the relationship between the independent and dependent variables, as proposed by Ramayah et al. (2018). A moderator variable is often used when there is inconsistent/weak relationship between independent and dependent variables, as stated by Ramayah et al. (2018). Moreover, a variety of methods exists for examining moderation effects, including the hegemonic regression process. There are usually three steps in this process. Nevertheless, this method has drawback of requiring laborious and time-consuming manual computation of interaction terms utilizing features.

Table 7

Moderation Analysis

	Relationships	β values	T value	P Values	Decision
H3	Moderating Effect 1 -> Entrepreneurial	-0.103	2.311	0.021	Supported

	Action				
H4	Moderating Effect 2 -> Entrepreneurial success	-0.248	4.440	0.000	Supported

DISCUSSION & CONCLUSION

The study emphasizes the critical role of Social Network Theory in understanding collaboration dynamics within the entrepreneurship ecosystem. By grounding conclusions in evidence-based information, the study enhances the reliability of its implications for entrepreneurial practice and policymaking. The findings affirm the impactful role of an entrepreneurial mindset and joint action in navigating the challenges and fostering success. The study advocates for future research endeavours employing the qualitative methods to delve deeper into the multifaceted determinants of entrepreneurial success. By talking these points, study not only contributes to academic discourse but provides the practical insights for the entrepreneurs, policymakers and ecosystem facilitators, marking notable advancement in our understanding of entrepreneurial success. The conclusion section provided an overview of the study's findings and discussed how entrepreneurial behavior can demonstrate an entrepreneur's extraordinary capacity for taking calculated risks and navigating uncertainty in order to achieve organizational success. In this regard, the present study objectives were to investigate mediating function of entrepreneurial action and the potential connections between the entrepreneurship ecosystem and successful entrepreneurship.

The present study's findings shed light on function of social network theory, which is crucial in understanding the dynamics of collaboration, the makeup of social networks, and their effects on organization. It also clarified why entrepreneurs were successful because study conclusions needed to be addressed with evidence-based information. It also looked at how businesspeople leverage their networks to get beyond challenges and thrive by adopting entrepreneurial mindset and taking joint action. Future recommendations for research are that in dept study is required to identified more factors resulting the entrepreneurial success. For this qualitative research is recommended, where detail interviews conduct with unlike stakeholders of Entrepreneurship ecosystem. Thus, moving forward, call for more in-depth investigation into factors influencing entrepreneurial success is evident, qualitative research approach, as advised by (Wang, 2023), holds promise in unraveling the intricacies of success factors within the Entrepreneurship Ecosystem. This future research entail in-depth interviews with diverse stakeholders, including entrepreneurs, investors, and ecosystem facilitators, to capture richness of the perspectives and experiences.

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