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The Moderating Role of Education Level in The Predictors of Entrepreneurial Behavior: A Study of Karnali Province, Nepal

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Abstract
This study was designed to illustrate the importance of formal education in the process of entrepreneurship. This study investigates the moderating role of education level in relationship between entrepreneurial self-efficacy, expectancy-value belief, entrepreneurial environment, entrepreneurial intention, and entrepreneurial behavior Method, this is a quantitative study where data were collected using a structured questionnaire. Sample size of this study is 290, 165 respondents are with formal education and 125 with no formal education. This study uses Permutation Multi-Group Analysis (MGA) in PLS-SEM to look into how different levels of education, specifically having no formal education and a formal education, affect these relationships. Findings, the finding of this study suggested that formal education is plays significant role in translating intention in to behavior. Implication The results of this study is contribution to the theory of planned behavior. It shed light on how formal education impacts entrepreneurial intention and behavior, presenting important implications for policymakers, educators, and entrepreneurs.

Keyword: *Entrepreneurial behavior, Entrepreneurial environment, Education Level, Entrepreneurial Intention, Entrepreneurial self-efficacy*

Introduction
Entrepreneurship is the major player of the economic development of any nation as it is related to creativity, innovation and job creation (Shane & Venkataraman, 2000). There are number of factors of entrepreneurial behavior that plays significant role in nurturing the characteristics of entrepreneurs in the development of entrepreneurial behavior. These factors are psychological, environmental and social factors. Among these, entrepreneurial self-efficacy, expectancy value-belief, entrepreneurial environment, and entrepreneurial intention have been widely recognized as key predictors (Krueger et al., 2000). The influence of these factors may be contextual but number of researches have showed that these factors are strong predictors of entrepreneurial behavior with others. Level of education is one of the many variables that could moderate their effects. Education plays important role in entrepreneurial intention and entrepreneurial behavior. Whether it is a formal education or entrepreneurial education, entrepreneurial intention is based on internal factors like attitudes, perceived behavioral control, perceived social norms and external factor like education. Theory of planned behavior is predictor of entrepreneurial intention which have been proved hundreds of time by number of researchers (Linan & Fayolle, 2015). The level of education may enhance the individual abilities to identify possibilities and challenges and may strengthen the effects of self-efficacy, value-belief in making wiser decision. Self-efficacy is the strong predictors of entrepreneurial intention as self-efficacy consist of cognitive, motivational, affective and selection that shape entrepreneurial intention. (Shahab et al., 2018). The personality, self-awareness, acquired knowledge, skills, commitment to get the desired destination shape the entrepreneurial intention. Another important factor of entrepreneurial intention is expectancy value-belief, which is individual's possible outcome of their effort. The expectation of positive outcome really shapes the entrepreneurial intention (Eccles & Wigfield, 2002). A favorable entrepreneurial environment is strong predictors of both entrepreneurial intention and behavior. Supportive financial, economic, political, cultural and legal environment encourages people to be an entrepreneur (Autio et al., 2014). Entrepreneurial intention, which serves as a

prelude to entrepreneurial behavior, has been well examined as a key factor of whether an individual will engage in entrepreneurial activity (Ajzen, 1991). Statement of the Problem This is very important for policymakers, educators and scholars to understand the factors of entrepreneurial behavior. Many researchers have identified numbers of predictors of entrepreneurial behavior. Entrepreneurial self-efficacy, expectancy value-belief, entrepreneurial environment and entrepreneurial intention are some of them (Krueger, Reilly, & Carsrud, 2000). The influence of these predictors may differ in different context, individuals and educational background. Some researchers have argued that formal education may reduce entrepreneurial intention as individual might choose other employment option as entrepreneurship is risky career option (Oosterbeek et al., 2010). There is literacy rate 76 percent literacy rate in Karnali province which makes this study even more preferable to see how level of education makes difference in translating intention in to behavior. This study of level of education as moderating role is very interesting and may contribute to narrow down the debate. This study was carried out to find whether there is significant role of education on the relationship between entrepreneurial self-efficacy, expectancy value-belief, entrepreneurial environment, and entrepreneurial behavior. This study will provide insights of role of education level in relationships of predictors of entrepreneurship and entrepreneurial behavior. The outcome of this study will benefit both academic literature and policy makers in designing entrepreneurial programs for people with different education level. Rationale of this Study Entrepreneurship is a major player of economic growth, employment generation, encouraging innovation and creating opportunities (Acs, et al., 2018). Entrepreneurial behavior is outcome of psychological and contextual factors (Newman et al., 2019). These factors directly or indirectly influence entrepreneurial behavior through entrepreneurial intention, which is major predictor (Krueger et al., 2000). Education is always considered as the major predictor of entrepreneurship.it influences attitudes, beliefs, intention and behavior. Most of these literatures are from developed countries where formal education and context is always favorable (Oosterbeek et al., 2010). In developing countries like Nepal, to be more specific Karnali province of Nepal the role of education in entrepreneurship development is unexplored (Adhikari, 2021).

Many entrepreneurs in region like Karnali are engaged in entrepreneurial activities even with no formal education due to inherited business, less opportunities and poor infrastructure development. This raise a critical issue whether education level moderates the relationships of predictors of entrepreneurial behavior and entrepreneurial behavior or not. That's why this study is significant as it highlighted the role of education level as moderator in shaping entrepreneurial intention and behavior. It can be very beneficial for policymakers and educational institute to outrage the importance of education in public. Research Gap There are number of studies in entrepreneurial behavior focusing on psychological factors like entrepreneurial self-efficacy (Newman et al., 2019), expectancy –value beliefs (Wigfield et al., 2017), entrepreneurial intention and contextual factors like entrepreneurial environment (Linan& Fayolle, 2015). These factors directly or indirectly influence entrepreneurial behavior. Most of the studies have focused on direct or indirect relationship without considering the role of education level as moderator. Some studies have been conducted considering education level as major predictor (Walter & Block, 2016) Education is prominent factor in developing skills, confidence and identifying opportunity (Martin et al., 2013). Most studies have focused on education level as one of the contributors in shaping entrepreneurship (Oosterbeek et al., 2010). Researchers have given almost no attention in effect of variation in education level (formal education and no formal education) as moderators of predictors of entrepreneurial behavior. In Karnali Province entrepreneurship is either inherited or compulsion rather than opportunity because of education, infrastructure development and opportunity available (Adhikari, 2021). There is a huge gap in entrepreneurship literature in understanding the role of education level as moderator between entrepreneurial self-efficacy, expectancy-value beliefs, entrepreneurial environment, and entrepreneurial behavior. This study was conducted to fulfill the gap in available literature about the role of education level on the relationships between predictors of entrepreneurial behavior among entrepreneurs of Karnali province.

Research Objectives

The general objective of this study is to examine the moderating role of education level in the predictors of entrepreneurial behavior. The specific objectives of this study are given below:

- To explore the moderating role of education level in the relationship between expectancy value-belief and entrepreneurial intention.
- To determine the moderating effect of education level on the relationship between entrepreneurial environment and entrepreneurial intention.
- To analyze the moderating influence of education level on the relationship between entrepreneurial self-efficacy and entrepreneurial intention.
- To examine the moderating role of education level in the relationship between entrepreneurial intention and entrepreneurial behavior.

Research Questions

This study is designed to answer the following questions:

- How does education level moderate the relationship between expectancy value-belief and entrepreneurial intention?
- How does education level moderate the relationship between entrepreneurial environment and entrepreneurial intention?
- How does education level moderate the relationship between entrepreneurial self-efficacy and entrepreneurial intention?
- How does education level moderate the relationship between entrepreneurial intention and entrepreneurial behavior?

Research Hypotheses

The research hypotheses of this study are listed below:

- There is no significant difference in path coefficients of relationship of predictors of EB and EB between two groups of education category: No formal education and formal education.
- There is no significant difference in total indirect effect of relationship of predictors of EB and EB between two groups of education category: No formal education and formal education.
- There is no significant difference in total effect of relationship of predictors of EB and EB between two groups of education category: No formal education and formal education.
- There is no significant difference in outer loadings of relationship of predictors of EB and EB between two groups of education category: No formal education and formal education.
- There is no significant difference in Cronbach's alpha of relationship of predictors of EB and EB between two groups of education category: No formal education and formal education.
- There is no significant difference in average variance extracted of relationship of predictors of EB and EB between two groups of education category: No formal education and formal education.

Review of Literature

There are number of studies conducted on significance of education in shaping psychological, cognitive and behavioral characteristics of people in the process of entrepreneurship (Rauch & Frese, 2007). The examination focuses on the moderating role of education level in the relationship between well-established predictors of entrepreneurial behavior, such as self-efficacy, expectancy value-belief, entrepreneurial environment, and intention, ultimately influencing entrepreneurial behavior. There is no question about education in enhancing individual capability, attitude in identifying opportunities and balancing (Bae et al., 2014). Some scholars may question the relevance of formal education for entrepreneurial activities; however, there is no doubt that it enhances problem-solving abilities, strategic management, and decision-

making skills. Entrepreneurs without formal education might have developed good self-efficacy through experience. But only experience might not be enough for successful operation and utilization of business. High level of formal education equip individual with the confidence and help in developing aptitude for new skills and knowledge important of entrepreneurial venture (Newman et al., 2019). The level of education acts as a moderator, showing that formal education strengthens the link between entrepreneurial self-efficacy (ESE) and intention to start a business, which in turn affects entrepreneurial behavior. Education level similarly moderates the relationship between expectancy value-belief and entrepreneurial behavior by highlighting the risks and rewards associated with entrepreneurship (Eccles & Wigfield, 2002). Formal education equips individuals to utilize their ventures through institutional support systems, government subsidies, programs, and professional networks (Drucker, 1985). Entrepreneurial intention is the primary predictor of entrepreneurial behavior (Krueger et al., 2000). The relationship between entrepreneurial intention and behavior is influenced by education level, which improves decision-making capabilities, emotional intelligence, and risk management (Honig, 2001).

Research Methodology

In this section author has described the research design, population and sampling, sampling technique, nature and source of data, survey instrument and table of different items of questionnaire. Research Design, this is a quantitative study using cross sectional survey to examine the moderating effect of education level on predictors of entrepreneurial behavior of Karnali province, Nepal. Cross sectional survey is used in behavioral studies to collect data at a single point of time (Creswell & Creswell, 2018). This study is based on positivism paradigm and assuming that reality is measurable. This study examines the predictors of entrepreneurial behavior in the context of education level. This research design allows researcher to establish the relationships among constructs like entrepreneurial self-efficacy, expectancy-value beliefs, entrepreneurial environment and moderating effect of education level on entrepreneurial intention and behavior.

Population and Sampling, the universe of this study are aspiring entrepreneurs and real-time entrepreneurs of Karnali Province. Both individuals with formal education and without formal education were included in this study after identification. There are 32,463 household in Karnali Province engaged in small household business other than agriculture (Central Bureau of Statistics, 2021). Sample size of this study is 290. Among them 165 are with formal education and 125 with no formal education. According to Hatcher (1994) the sample to item ratio should be at least ten to one. There are five constructs with five items and moderating variable education level with two items. Sample size of 290 is adequate and good for statistical analysis. A stratified sampling method was used in this study to make sure that there is adequate representation of both groups. Total of 325 questionnaire were distributed and response rate was almost ninety percent.

Nature and Source of Data Collection, the primary data were collected through structured questionnaire adopted from different theories and administered and contextualized according to the environment of Karnali Province. There are ten items in every construct excluding the moderating one. Respondent's responses were collected using a five-point Likert scale ranging from strongly disagree to strongly agree which were labeled from 1 to 5. Likert scale ensured about the standardization of data for statistical analysis (Creswell & Creswell, 2018).

Survey Instrument, this study used structured questionnaire as the survey instrument to collect quantitative data from entrepreneurs of Karnali province. Structured questionnaire is one of the most trusted tools in collecting respondents' attitude, beliefs and opinions for statistical analysis (Bryman, 2016). The items of different constructs are listed below.

Table 1: Entrepreneurial self-efficacy items

S.N.	Items
1.	I can always manage to solve difficult problems if I try hard.
2.	It is easy for me to stick to my aims and accomplish my goals.
3.	I am confident that I could deal efficiently with unexpected events
4.	I can remain calm when facing difficulties because I can rely on my coping abilities.
5.	When I am confronted with a problem, I can usually find several solutions.

Note. The items in this table were adopted from Chen, Greene, and Crick (1998)

Table 2: Expectancy- value beliefs items

S.N.	Items
1.	I believe that putting effort into a task will lead to successful performance.
2.	I am confident in my ability to successfully complete challenging tasks.
3.	The tasks I choose to engage in are ones that I believe I can successfully accomplish.
4.	I am more likely to engage in tasks where I believe success is likely and the outcomes are valuable.
5.	I am motivated to put effort into tasks that align with my interests and values.

Note. The items in this table were adopted from expectancy-value theory (Eccles & Wigfield, 2000)

Table 3: Entrepreneurial Environment items

S.N.	Items
1.	There are suitable political environment and quality of leadership for entrepreneurship development.
2.	Economic policies, incentives, and subsidies are attractive in country for entrepreneurship.
3.	National, regional and local level governments rules and regulation are entrepreneurship friendly
4.	Society attitude towards entrepreneurship as a career option is positive.
5.	Financial institutions and government institutions are providing subsidize loan for entrepreneurship development.

Note. The items in this table were self-administered by author (2025)

Table 4: Entrepreneurial Intention items

S.N.	Items
1.	I was always determined to start my firm in the future
2.	I have a strong desire to achieve financial success through my own efforts
3.	Owning my business is very appealing and important
4.	I consider entrepreneurship as a highly desirable career alternative for people with my professional and educational background.
5.	People important to me think I should become an entrepreneur.

Note. The items in this table were adopted from Theory of planned behavior (Ajzen, 1991)

Table 5: *Entrepreneurial behavior items*

S.N.	Items
1.	I am good at identifying and grasping opportunities.
2.	I usually take initiatives to perform any challenging task.
3.	I frequently imagine the possibility of success of certain products in certain market.
4.	I like autonomy over instructions and guidance.
5.	I am capable of calculating financial and non-financial risk.

Note. The items in this table were adopted from Theory of planned behavior (Ajzen, 1991)

Statistical tools for data analysis

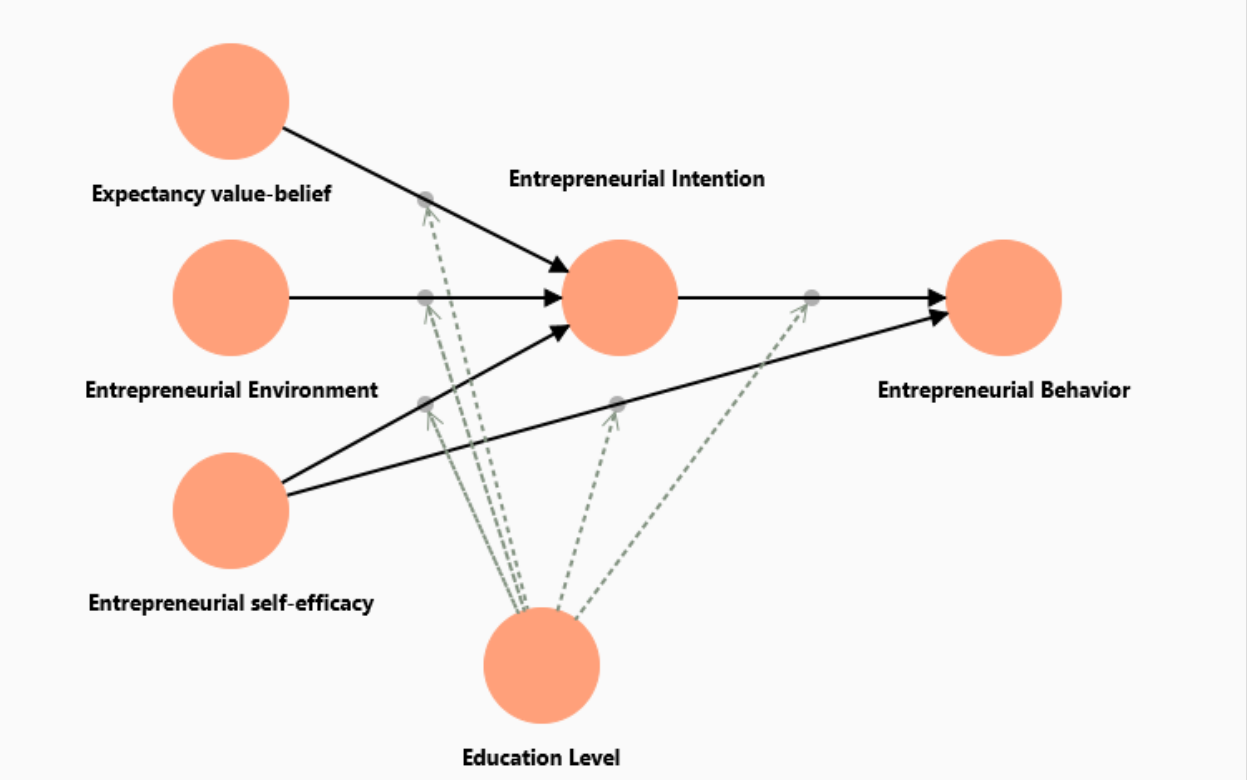
Permutation multi group analysis (MGA)

This is one of the tools that PLSSmart provides to multi group analysis of two groups of dataset specified by the certain categorical data. It can help to analyze the statistically significant differences in group's specific parameter analysis like outer loadings path coefficient, reliability and validity of two groups (Hair et al., 2024). In this section researcher is analyzing the permutation multi group analysis of categorical variable education. Variable education is divided into two category one is no formal education and second is formal education. There are 165 respondents with formal education and 125 respondents with no formal education.

Conceptual framework

Figure 1

Conceptual framework of the study The Moderating role of education level in the predictors of entrepreneurial behavior: A Study from Karnali Nepal



Note. This model is self-administered by author (2025)

Identification and definition of variables, this study the Moderating role of education level in the predictors of entrepreneurial behavior: A Study from Karnali Nepal consists of entrepreneurial self-efficacy, entrepreneurial environment and expectancy-value beliefs as independent variable, entrepreneurial intention as mediating variable and entrepreneurial variable as dependent variable. , Entrepreneurial self-efficacy**:** Entrepreneurial self-efficacy is personal skills, knowledge and ability to perform certain job and

trust on self-ability to be an entrepreneur. Self-efficacy has significant effect on intention and behavior (Chen et al., 1998) Expectancy-value beliefs**:** it is individual positive attitude towards outcome of effort put on certain task and job. It is a motivational factor that leads individual effort to success (Eccles & Wigfield, 2002). Entrepreneurial Environment**:** Entrepreneurial environment consists of macro environmental factors such as political, economic, social, legal and technological that foster the entrepreneurship (Acs et al., 2014). Entrepreneurial Intention**:** it is a psychological factor that provides guidance, direction and action to become an entrepreneur (Ajzen, 1991). Entrepreneurial Behavior**:** entrepreneurial behavior is the outcome of all previously mentioned variable related with the smooth operation and managing of business (Bird, 2015) Education level: Education level is the individual achievement of the educational degree. Education level is used as the moderator on predictors of entrepreneurial behavior in this study. It is categorized in to two groups for multi group analysis.

Result and Analysis

Table 6: Path coefficients of permutation multi group analysis of Groups: no formal education and formal education.

	Original (No formal education)	Original (formal education)	Original difference	Permutation mean difference	Permutation p value
EE -> EI	0.590	0.104	0.486	-0.002	0.011
ESE -> EI	0.130	0.180	-0.051	-0.001	0.355
EVB -> EI	0.215	0.329	-0.114	-0.011	0.291
ESE -> EB	0.293	0.216	0.077	-0.014	0.294
EI -> EB	0.388	0.855	-0.466	-0.003	0.004

Note. This table was developed using PLS-SEM by author (2025)

Setting the hypotheses for path coefficients, Null Hypothesis: there is no significant difference path coefficients of relation between two groups of education category: No formal education and formal education. Table 6 shows the permutation p-value of path coefficient of two groups. After analyzing the table researcher concluded that there are significant differences in path coefficient EE→EI, EI→EB as their permutation p-value is less than 0.05.

Table 7: Total indirect effect of permutation multi group analysis of Groups: no formal education and formal education.

	Original (No formal education)	Original (Formal education)	Original difference	Permutation mean difference	Permutation p value
EE -> EB	0.297	0.088	0.209	-0.002	0.084
EVb -> EB	0.103	0.340	-0.237	-0.006	0.035

Note. This table was developed using PLS-SEM by author (2025)

Setting the hypotheses for indirect effect

Null Hypothesis: there is no significant difference in total indirect effect of relation between two groups of education category: No formal education and formal education. Table 7 shows the permutation p-value of total indirect effect of two groups. After analyzing the table researcher concluded that there is significant differences in total indirect effect EVB→EB.

Table 8: Total effect of permutation multi group analysis of Groups: no formal education and formal education

	Original (No formal education)	Original (Formal education)	Original difference	Permutation mean difference	Permutation p value
EE -> EB	0.297	0.088	0.209	-0.002	0.084
EE -> EI	0.590	0.104	0.486	-0.002	0.011
EI -> EB	0.388	0.855	-0.466	-0.003	0.004
ESE -> EB	0.376	0.422	-0.045	-0.009	0.416
ESE -> EI	0.130	0.180	-0.051	-0.001	0.355
EVB -> EB	0.103	0.340	-0.237	-0.006	0.035
EVB -> EI	0.215	0.329	-0.114	-0.011	0.291

Note. This table was developed using PLS-SEM by author (2025)

Setting the hypotheses for total effect Null Hypothesis: there is no significant difference in total effect of relation between two groups of education category: No formal education and formal education. Table 8 shows the permutation p-value of total effect of two groups. After analyzing the table researcher rejected the null hypotheses of EE→EI, EI→EB and EVB→EB as p-value is less than 005.

Table 9: Outer loadings permutation multi group analysis of Groups: no formal education and formal education

	Original (No formal education)	Original (Formal education)	Permutation mean difference	Permutation p value
EB1 <- EB	1.014	0.979	-0.006	0.329
EB2 <- EB	1.112	1.145	-0.005	0.334
EB3 <- EB	0.966	0.942	-0.000	0.351
EB4 <- EB	0.925	0.980	0.004	0.270
EE1 <- EE	0.990	0.950	-0.005	0.247
EE2 <- EE	1.012	1.054	-0.002	0.348
EE3 <- EE	1.003	0.938	-0.000	0.201
EE4 <- EE	0.999	1.121	-0.000	0.071
EI1 <- EI	0.973	0.930	0.003	0.294
EI3 <- EI	0.924	0.981	-0.003	0.310
EI4 <- EI	1.063	1.111	-0.007	0.326
EI5 <- EI	1.043	0.893	-0.008	0.042
ESE1 <- ESE	0.956	0.730	0.005	0.009
ESE3 <- ESE	1.034	1.162	-0.005	0.068
ESE5 <- ESE	1.020	1.070	-0.003	0.289
EVB1 <- EVB	0.953	1.177	0.025	0.028
EVB3 <- EVB	1.072	1.167	0.007	0.164
EVB4 <- EVB	0.953	0.897	0.028	0.356
EVB5 <- EVB	1.001	0.778	0.006	0.027

Note. This table was developed using PLS-SEM by author (2025)

Setting the hypotheses for outer loadings, Null Hypothesis: there is no significant difference in outer loadings of relation between two groups of education category: No formal education and formal education. Table 9 shows the permutation p-value of outer loadings of two groups. After analyzing the table researcher accepted the null hypotheses except EI5←EI, ESE1←ESE, EVB1←EVB and EVB5←EVB.

Table 10: Cronbach's alpha of permutation multi group analysis of Groups: no formal education and formal education.

	Original (No formal education)	Original (Formal education)	Original difference	Permutation mean difference	Permutation p value
EE	0.920	0.899	0.021	0.002	0.239
EI	0.922	0.705	0.217	0.003	0.001
ES	0.910	0.933	-0.023	0.001	0.159
ESE	0.881	0.844	0.037	0.004	0.164
EVB	0.880	0.833	0.047	0.004	0.150

Note. This table was developed using PLS-SEM by author (2025)

Setting the hypotheses for Cronbach's alpha

Null Hypothesis: there is no significant difference in Cronbach's alpha of relation between two groups of education category: No formal education and formal education.

Table 10 shows the permutation p-value of Cronbach's alpha of two groups. After analyzing the table researcher accepted the null hypotheses except Cronbach's alpha of EI.

Table 11: Average Variance Extracted (AVE) of permutation multi group analysis of Groups: no formal education and Bachelor's degree

	Original (No formal education)	Original (Formal education)	Original difference	Permutation mean difference	Permutation p value
EB	0.799	0.769	0.030	0.002	0.304
EE	0.807	0.766	0.041	0.001	0.237
EI	0.810	0.529	0.282	0.001	0.000
ESE	0.807	0.767	0.041	0.004	0.198
EVB	0.733	0.662	0.070	0.012	0.185

Note. This table was developed using PLS-SEM by author (2025)

Setting the hypotheses for *Average Variance Extracted (AVE)*, Null Hypothesis: there is no significant difference in average variance extracted of relation between two groups of education category: No formal education and formal education. Table 11 shows the permutation p-value of average variance extracted of two groups. After analyzing the table researcher accepted the null hypotheses except AVE of EI.

Discussion

The study of the moderating role of education level in the predictors of entrepreneurial behavior showed that education level significantly moderates two paths in given model. The path EE→EI (entrepreneurial environment to entrepreneurial intention and EI→EB (entrepreneurial intention to entrepreneurial behavior) have permutation p-value 0.011 and 0.004 which are below threshold value of 0.005 showed that education level makes significant difference. It means that people with formal education have more

entrepreneurial intention that leads to entrepreneurial behavior. This result aligns with the previous study conducted by Cui et al. (2023) highlighting entrepreneurial exposure enhances the entrepreneurial intention. Similarly, people with high entrepreneurial intention and formal education are more likely to convert that intention into behavior. This result is consistent with the study conducted by Miralles et al. (2016) focusing the importance of formal education in developing entrepreneurial behavior. The education level significantly moderates the indirect effect from EVb→ EB (expectancy –value beliefs to Entrepreneurial behavior) as permutation P-value is 0.035. This indicates that people with formal education and positive mindset are more likely to develop entrepreneurial behavior than people with negative mindset. The education level significantly moderates the total effect on observation EE→ EI (Entrepreneurial environment to entrepreneurial intention), EI→EB (entrepreneurial intention to entrepreneurial behavior) and EVb→EB (Expectancy-value beliefs to Entrepreneurial behavior). This showed that factors like entrepreneurial self-efficacy is more stable across different education level where as entrepreneurial environment, entrepreneurial intention and expectancy-value beliefs makes difference across the different education level. There is no much significant difference in outer loadings of different constructs given in this model. Some of the outer loadings particularly ESE1 of entrepreneurial self-efficacy, EVB1 and EVB5 of expectancy –value beliefs and EI5 of entrepreneurial intention are significantly affected by level of education. This suggested that people with formal education and with no formal education may not respond to number of items differently. This study also highlighted that reliability and validity of people with formal education differs in entrepreneurial intention of people with no formal education indicating that measurement of consistency and validity is fluctuate more in terms of entrepreneurial intention.

Conclusion

This study concludes that education level plays significant role in entrepreneurship. People without formal education may have high entrepreneurial intention but it is very difficult for them to develop entrepreneurial behavior. Whereas entrepreneurs with formal education and entrepreneurial intention are more likely to develop entrepreneurial behavior. Similarly, expectancy-value beliefs among entrepreneurs with formal education are also more likely to develop behavior required for entrepreneurship than people without formal education. It shows the importance of formal education in the process of entrepreneurship. This study also raised the issue for further research as the construct entrepreneurial intention. The reliability and convergent validity of construct entrepreneurial intention exhibit lower among people with formal education than of with no formal education. This might be because of small or wrong sample size which can be addresses in further research.

Implications

This study adds something in the literature of entrepreneurship by examining the role of formal education as moderator in predictors of entrepreneurial intention and entrepreneurial behavior. This proved that demographic variable like education plays significant role in theory of planned behavior and entrepreneurial model. (Cui et al., 2023). This study established the relation highlighting that formal education can encourage people with less experience and strong determination in transforming intention into behavior.

This study would be very helpful for policy makers of Karnali province and Nepal as whole while developing policing regarding formal education and entrepreneurship. People should be encouraged to get formal education before getting into entrepreneurship because people with formal education are better in identifying opportunities and translating it into business. Similarly, education institutions should also incorporate more entrepreneurship courses in their syllabus to encourage and motivate them to pursue entrepreneurship as career priority. Entrepreneurs with no formal education may get limited benefit from entrepreneurship while benefit from entrepreneurship is unlimited for people with formal education.

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