

Impact of Freelancing Experience on Entrepreneurial Intentions among Youth in Pakistan

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Abstract

The rapid expansion of freelancing in Pakistan has created new economic opportunities for youth, particularly in the context of limited formal employment. Although freelancing is mostly viewed as a source of income, its contribution to entrepreneurial intentions has not been thoroughly investigated. This study examines the impact of freelancing experience on entrepreneurial intentions among youth in Pakistan. Data was collected from 530 respondents, including freelancers and participants of the National Freelancing Training Program (NFTP), through a structured questionnaire administered via Google Forms over a period of three months. The research uses descriptive statistics, reliability analysis, correlation, regression, independent sample t-test, and ANOVA to test the correlation between freelancing experience and entrepreneurial intention. The results indicate that there is a strong positive correlation between freelancing experience and entrepreneurial intention ($\beta = 0.353$, $p < 0.001$). The results indicate that individuals with higher freelancing experience are more likely to exhibit stronger intentions toward starting their own businesses. The paper emphasizes the significance of freelancing as a stepping stone to entrepreneurship and provides useful policy implication to policymakers, educators, and training interventions designed to encourage youth entrepreneurship in Pakistan.

Keywords: Entrepreneurial Intentions, Freelancing Experience,

Introduction

Freelancing has become one of the fastest expanding work forms in the world, especially in developing countries like Pakistan. The development of the online market and digital platforms has given individuals an opportunity to perform project-based work and offer their services to clients worldwide. This transformation has resulted in the generation of new sources of income especially among the youth who have limited traditional employment opportunities.

Freelancing is a relatively new development in Pakistan and it has gained some significant traction recently with programs such as the National Freelancing Training Program (NFTP) and other skill development programs contributing to it. These programs are meant to help equip young people with the digital skills they need to engage in the global economy. Consequently, more young people are becoming involved in freelance activities in different fields.

In addition to generating income, freelancing can also affect the career choice and future aspirations of people. People that are self-employed, handle their own affairs, and deal with clients directly, may become more inclined towards self-employment and entrepreneurship (Douglas and Shepherd, 2002). These experiences may influence the perceptions of individuals towards business ownership as a profession.

Entrepreneurial intention, which is defined as the intention to create a business, is regarded as a strong predictor of entrepreneurial behavior (Krueger et al., 2000). Past studies indicate that work experience

and exposure to real-life tasks are significant determinants of entrepreneurial intentions (Khan et al., 2022; Raza et al., 2023).

Nevertheless, even though freelancing in Pakistan has expanded quickly, there is little empirical evidence that investigates whether the experience of freelancing plays a role in entrepreneurial intention. The present study seeks to fill this gap by examining how freelancing experience influences entrepreneurial intentions in youth in Pakistan.

Literature Review

Entrepreneurial intention is defined as the conscious plan or willingness of a person to create a new business in the future (Liñan and Chen, 2009). It is also considered to be among the best predictors of real entrepreneurial behavior and has been widely applied in entrepreneurship research (Krueger et al., 2000). Past researchers propose that entrepreneurial intention depends on various factors, such as personal experience, skills, exposure to business operations, and individual motivation (Newman et al., 2019). Entrepreneurial intention in the developing economies is usually influenced by necessity and opportunity as people turn to the alternative career opportunity in reaction to scarce job opportunities (Block and Sandner, 2009). Entrepreneurship is now being considered as a career alternative that young people can consider, particularly in nations where the conventional job markets cannot absorb the rising number of workers. Consequently, the factors that can affect entrepreneurial intention have emerged as a significant field of study.

Freelancing is a type of independent work wherein people offer service under a project or contractual basis usually via digital platforms. Freelancers, unlike conventional employment, have to work on their own, communicate with clients, meet deadlines, and take care of the quality of their work. These experiences can be helpful in forming the career preferences of individuals. Freelancers often operate in environments that require autonomy, problem-solving, and decision-making, which are also relevant in entrepreneurial activities. As a result, freelancing can expose individuals to conditions similar to those faced by entrepreneurs. Research indicates that individuals with prior work experience, particularly in independent or flexible roles, are more likely to develop entrepreneurial intentions (Khan et al., 2022). Similarly, studies on gig economy workers suggest that freelance or project-based work can increase the likelihood of transitioning into self-employment or business ownership (Denes et al., 2025). In addition, exposure to practical work environments and real-world challenges has been shown to influence entrepreneurial thinking and career choices (Nabi et al., 2017). Freelancing, therefore, can be considered as a form of experiential learning that may encourage individuals to consider entrepreneurship as a future career path.

Hypothesis Development

Freelancing involves working independently, managing clients, and handling various aspects of project execution. These experiences may influence individuals' perceptions about self-employment and increase their willingness to start a business. Individuals with higher freelancing experience are more likely to develop confidence in handling work-related challenges and may be more inclined toward entrepreneurship. Based on this reasoning, the following hypothesis is proposed:

H1: Freelancing experience has a positive impact on entrepreneurial intention.

Methodology

Research Design

This study adopts a quantitative research approach to examine the relationship between freelancing experience and entrepreneurial intention. A cross-sectional survey design was used to collect data from respondents at a single point in time. This approach is widely used in entrepreneurship research to analyze relationships between variables using statistical techniques (Hair et al., 2019).

Sample and Data Collection

The data for this study was collected from a total of 530 respondents across Pakistan. The sample consists of individuals with varying levels of freelancing experience, including active freelancers as well as participants of the National Freelancing Training Program (NFTP).

A structured questionnaire was used to collect data via Google Forms in a duration of about three months. Involvement was voluntary and convenience sampling was used. The objective of the study and the anonymity of responses was explained to all the respondents. The sample is diverse in terms of demographics of people, making it a diverse dataset to study.

Measurement of Variables

Freelancing Experience

Freelancing experience was assessed based on several items which reflect the level of engagement of the respondents in freelance work. These things include; the completion of online projects, dealing with international customers, deadline management, client relations, and problem solving on their own. Answers were taken on a five-point Likert scale with the highest point (Strongly Agree) and the lowest point (Strongly Disagree). A composite score for freelancing experience was calculated by averaging the responses across all items.

Entrepreneurial Intention

Entrepreneurial intention was assessed on five items borrowed on existing scales in the research on entrepreneurship (Liñan and Chen, 2009). These measures evaluate the willingness and intentions of respondents to begin a business, including plans to start up a business, consider new products or services, and intentions to be an entrepreneur. The responses were quantified using a five-point Likert scale with a range of 1 (Strongly Disagree) to 5 (Strongly Agree). An average score was achieved by summation of the responses of all the items.

Data Analysis Techniques

In order to test the correlation between the freelancing experience and entrepreneurial intention, the following statistical methods were employed:

- Descriptive statistics (mean and standard deviation)
- Reliability analysis using Cronbach's Alpha
- Correlation analysis
- Linear regression analysis
- Independent sample t-test
- One-way ANOVA

These approaches give a detailed examination of the data and allow evaluating the strength and the importance of the relationships between the variables (Hair et al., 2019).

Data Analysis and Results

Descriptive Statistics

Descriptive statistics were calculated to understand the overall trends in the data. The results are presented in Table 1.

Table 1: Descriptive Statistics

Variable	N	Mean	Std. Deviation
Freelancing Experience	530	3.54	0.67
Entrepreneurial Intention	530	3.44	0.72

The results indicate that the respondents possess moderate to high freelancing experience and entrepreneurial intention.

Reliability Analysis

The analysis of reliability was conducted to ascertain the internal consistency of measurement scales. The reliability measure applied was Cronbachs Alpha.

Table 2: Reliability Analysis

Variable	Cronbach's Alpha
Freelancing Experience	0.85
Entrepreneurial Intention	0.88

The results indicate that both constructs have high levels of internal consistency, and their values exceed the proposed 0.70 (Hair et al., 2019).

Correlation Analysis

To analyze the relationship between the experience of freelancing and the entrepreneurial intention, correlation analysis was performed.

Table 3: Correlation Matrix

Variable	Freelancing Experience	Entrepreneurial Intention
Freelancing Experience	1.000	0.329**
Entrepreneurial Intention	0.329**	1.000

Note: $p < 0.01$

The findings reveal that there is a moderate positive relationship ($r = 0.329$) between the experience of freelancing and entrepreneurial intention. This implies that the more the freelancing experience, the greater the entrepreneurial intention.

Regression Analysis

The regression analysis was done to determine the effects of freelancing experience on entrepreneurial intention.

Table 4: Regression Results

Variable	Coefficient (β)	t-value	p-value
Constant	2.186	13.792	0.000
Freelancing Experience	0.353	8.018	0.000

Model Summary

Statistic	Value
R^2	0.109

F-value	64.28
Significance	0.000

Regression findings suggest that experience in freelancing has positive and statistically significant impact on entrepreneurial intention ($\beta = 0.353$, $p = 0.001$). The model accounts for about 10.9% of the variation in entrepreneurial intention. These results are in line with the hypothesis.

Independent Sample t-test

An independent sample t-test was conducted to examine whether there is a difference in entrepreneurial intention between respondents who participated in the National Freelancing Training Program (NFTP) and those who did not.

Table 5: t-test Results (NFTP vs Non-NFTP)

Group	Mean EI
NFTP Participants	3.37
Non-NFTP Participants	3.46

Statistic	Value
t-value	-1.341
p-value	0.181

The results indicate that there is **no** statistically significant difference in entrepreneurial intention between the two groups ($p > 0.05$).

One-Way ANOVA

A one-way ANOVA test was conducted to examine whether entrepreneurial intention differs across different levels of freelancing experience.

Table 6: ANOVA Results

Source	F-value	p-value
Between Groups	3.057	0.017

The results show a statistically significant difference ($p < 0.05$) in entrepreneurial intention across different levels of freelancing experience. This indicates that entrepreneurial intention varies with freelancing experience.

Discussion

The primary aim of the study was to investigate the effect of freelancing experience on entrepreneurial intention among the Pakistani youths. The findings of the research give a definite indication that experience of freelancing positively and significantly influence entrepreneurial intention.

The results of the correlation and regression analyses show that the higher the levels of freelancing experience, the more likely individuals have the intentions to start owning their own business. It is in

accordance with the previous findings, which indicate that practical work experience has a significant impact on entrepreneurial intentions development (Khan et al., 2022; Raza et al., 2023).

Freelancing implies working independently, communicating with clients, and accountability of project results. Such experiences can affect the way people view self-employment as a career choice. Similar results have been described in the studies conducted on career choice and self-employment preferences (Block and Sandner, 2009).

This relationship is further supported by the ANOVA results, which indicate the existence of a significant difference between entrepreneurial intention measured in various levels of freelancing experience. This implies that the more exposed an individual is to freelancing, the more he or she is likely to develop interest in entrepreneurship.

Nonetheless, the independent sample t-test results show that enrollment in freelancing training programs does not affect the entrepreneurial intention significantly. This can mean that informal, practical experience is more significant than formal education by itself. This observation is consistent with studies that highlighted the significance of experiential learning when it comes to defining entrepreneurial performance (Nabi et al., 2017). In general, the results indicate that freelancing may serve as a career development bridge to entrepreneurship as it offers people with the appropriate exposure and experience.

Conclusion

This paper has analyzed the correlation between freelancing experience and entrepreneurial intention among Pakistani youth based on the respondents data (n=530). The findings suggest that the freelancing experience positively influences the entrepreneurial intention to a considerable degree. The results indicate that those who actively engage in freelancing tend to think of entrepreneurship as a career in the future. Freelancing, thus, may be regarded as a source of income, as well as a stepping stone to the establishment of a business.

Implications

The findings of this study have several practical implications.

- **For policymakers:** Promoting freelancing can support entrepreneurship development among youth and contribute to economic growth.
- **For training programs:** Greater emphasis should be placed on practical freelancing experience rather than only theoretical training.
- **For educational institutions:** Encouraging students to engage in freelancing activities may help develop entrepreneurial thinking and career awareness.

Integrating practical exposure with learning has been shown to strengthen entrepreneurial outcomes (Rauch & Hulsink, 2015).

Limitations and Future Research

There are certain limitations of this study.

- The data is cross-sectional, which restricts the possibility to form causal relationships.
- Self-reported data can be subject to response bias.
- Convenience sampling method was employed in the study which could reduce the generalizability of the findings.

Future studies can address more variables affecting the entrepreneurial intention and study other populations. Freelancing experience and its effects on entrepreneurial behavior may also be studied more thoroughly with the help of longitudinal studies.

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