

FACTORS INFLUENCING ENTREPRENEURSHIP INTENTION AMONG STUDENTS

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ABSTRACT

The focus of this paper is to determine factors influencing entrepreneurship intention among students. The respondent of this study are students of Politeknik Ungku Omar who is studying and have completed the Entrepreneurship course. The variables included in this study are attitude towards behaviour, subjective norms and perceived behavioural control. The data was collected using questionnaire that were distributed to 300 students. The findings of this study stated that attitude towards behaviour, subjective norms and perceived behavioural control influence student's intention to be an entrepreneur. The subjective norms are the most dominant factors in influencing intention towards entrepreneurship. This is followed by perceived behavioural control. Factors that contribute the least significantly in intention towards entrepreneur are attitude towards behaviour. The findings of this study can be used by educators and institutions of higher learning in order to encourage students to be an entrepreneur

Keywords: Entrepreneurship intention; Theory of Planned Behaviour; Attitude towards behaviour, Subjective norms, Perceived behavioural control

1. Introduction

Unemployment becomes an issue which led to government concerns. According to a survey conducted in 2015, the national unemployment rate was 3.1%. However, the unemployment rate among youths was about 10.7%. Among the unemployed youth, rate of those unemployed is higher among those with a tertiary education compared to those without tertiary education (Shanmugan, 2017). In 2015, the number of youths with tertiary education is 405,000. However, 15.3% of them were unemployed. The youths without tertiary education were 2.162 million. Only 9.8% were unemployed (Shanmugan, 2017).

In order to overcome the unemployment issue, entrepreneurship is one of the solutions. It also can create wealth and stimulate developing economies (Ahmad and Xavier, 2012). A lot of programmes have been conducted by Ministry of Entrepreneurship and Co-operative Development (MECD) and the Ministry of Higher Education (MOHE) in order to produce entrepreneurs among graduates. Some of the programmes are Graduate Development Program (Program Pembangunan Usaha Siswa), Graduate Entrepreneurship Training Scheme (Program Latihan Keusahawanan Siswa) and A Basic Course in Entrepreneurship for Graduates (Kursus Asas Keusahawanan Siswazah). All these programmes have been implemented in 17 public universities in Malaysia (Ministry of Entrepreneurship and Cooperative Development, 2007) with its main purpose of exposing and encouraging greater involvement among graduates in entrepreneurship. In addition, the government also provides financial aid to graduates through the Graduate Entrepreneurship Fund to help graduates venture into new businesses (SME Bank, 2007).

Recognizing the importance of entrepreneurship, Malaysia Ministry of Higher Education has taken the initiative to give the exposures to students regarding entrepreneurship. It is hoped that it can develop the entrepreneurial attitudes and mind-set of students. The increasing number of entrepreneur can reduced the number of unemployed graduates and increasing business opportunities. Therefore, this study would like to determine the intention to be an entrepreneur among students of Politeknik Ungku Omar. The intention will be determined based on attitude towards behavior, subjective norm and perceived behavioural control. The study also would like to determine factor that contribute the most significantly to the intention to be an entrepreneur.

2. Literature Review

This study would employ Theory of Planned Behaviour in determining students' intention to be an entrepreneur since planned behaviour is intentional (Krueger & Carsrud, 1993). The Theory of Planned Behaviour stated that the intention is influenced by three factors; the individual's attitude toward the behaviour, subjective norms and perceived behavioural control (Ajzen, 1991)

There were various research had been conducted using the Theory of Planned Behaviour in determining entrepreneurial intention (Kolvereid, 1996; Tkachev & Kolvereid, 1999; Solesvik *et al.*, 2012; Souitaris *et al.*, 2007). However the findings of this study are yet inconclusive. General

2.1. Intention towards Entrepreneurship

An intention is the influence of activity in commencing entrepreneurship (Christina Whidya Utami, 2017). It is a tendency to behave in the future (Blackwell *et al.*, 2006). Moreover, entrepreneurial intention is the individuals desire to grab the any chances and conducting their own business by creating new product or service (Rasli *et al.*, 2013).

In entrepreneurship research, entrepreneurial intention is one dependent variable that has received great attention by many scholars (e.g. Levie *et al.*, 2016; Engle *et al.*, 2010). However, other scholars have doubt on whether intentions predict actual entrepreneurial behavior (Douglas & Shepherd, 2002). Besides that, many studies still regard entrepreneurial intentions as one of the crucial determinants of actual entrepreneurial actions (Krueger *et al.* 2000; Lee, *et al.*, 2011).

2.2. Attitude towards Behaviour

The attitudes are developed from the beliefs of entrepreneurial activity and the attributes related to it (Ajzen, 1991). The beliefs will form positive, neutral, or negative attitude towards the behaviour.

Therefore, the attitude towards behaviour is the perceptions of personal desirability to perform the behaviour (Ajzen, 1987). It is the evaluation on behaviour performed and outcome resulting from the behaviour. For the attitude towards entrepreneurship, the high expectations and beliefs towards entrepreneurship reflect a favourable attitude towards entrepreneurship.

According to Gerbing and Anderson (1988); Kolvereid, (1997); Krueger and Brazeal (1994); Bodewes et al. (2010); Tegtmeier, (2012); Jianfeng Yang, (2013) attitude toward entrepreneurship is positively related to entrepreneurial intention. In contrast, Zhang et al. (2015) find out that attitude toward entrepreneurship fails to generate a significant impact on entrepreneurial intention in a research conducted in the USA. Based on the theoretical basis and previous studies, the hypothesis of this study as follows:

H1: There is a relationship between attitude towards behaviour and intention to be an entrepreneur.

2.3. Subjective Norm

Subjective norm is the individual's perception that societal pressure can influence the behaviour performance (Ajzen, 1991). Some study stated subjective norms as societal pressure, reference people and significant others.

The examples of subjective norms are members of the family, close friends, and other important people, such as teachers, successful entrepreneurs and business consultants. Their view regarding career choice as entrepreneur has affected the entrepreneurial intention formation (Ajzen, 2001; Solesvik *et al.*, 2012; Liñán & Chen, 2006).

Few studies stated that subjective norm influence the entrepreneurship intention (Christina Whidya Utami, 2017; Gerbing & Anderson 1988; Autio et al. 2001; Bodewes et al. 2010; Tegtmeier, 2012; Jianfeng Yang, 2013).

However, a study conducted by Khuong & An (2016), Solesvik *et al.* (2012) and Liñán & Chen (2006), find out that subjective norm did not have any influence on entrepreneurship intention

H2: There is a relationship between subjective norm and intention to be an entrepreneur.

2.4. Perceived Behavioural Control

Perceived behaviour control is the perceived ability to execute the target behaviour (Ajzen, 1987). In other words, it is the perception of ease and difficulties in conducting behaviour (Godin et al., 1993). It is formed by past experience and predicted obstacles (Ajzen & Driver, 1992).

A study conducted by Christina Whidya Utami (2017) found that the perceived behavioural control influence the entrepreneurship intention. This is consistent with

study conducted by Gerbing & Anderson 1988; Kolvereid, 1997; Krueger et al. 2000; Bodewes et al. 2010; Tegtmeier, 2012; Yang, 2013; Zhang et al., 2015; Linan et al. 2005). Based on the above discussion the following hypotheses have been articulated:

H3: There is a relationship between perceived behavioural control and intention to be an entrepreneur.

3. Method

The study was conducted using questionnaires. The questionnaires consist of two parts. Part A consisted of eleven items related to demographic profile. Part B consisted of items related to intention to be an entrepreneur (dependent variable), attitude towards behaviour, subjective norm and perceived behavioural control (independent variables). The items required the respondent state their level of agreement or disagreement using Likert scale of 1-4; started from "strongly disagree" to "strongly agree". The statistical mode of analysis is the Statistical Package for Social Sciences (SPSS).

Pilot test was carried out before fieldwork data was collected to test the reliability of each items, detect weakness and discover any error occurs in the questionnaire. The questionnaires were distributed to 800 students using convenience sampling method. The value of the Cronbach Alpha ranged from 0.749 to 0.911. It is concluded that the measurement scales of the variables were stable to measure the variables under study.

The sampling frame of the study consists of 300 students who is studying and have completed Entrepreneurship course at Politeknik Ungku Omar. Primary data was collected using questionnaires.

4. Data Analysis and Findings

The study was conducted at Commerce Department, Politeknik Ungku Omar. The respondents are semester 3 until semester 5 students who is studying Entrepreneurship and have completed the course. Table 2 shows the demographic profile of the respondents. 30% (30) of the respondents are between 19-21 years old. 60% (60) of the respondents are below 19 years old. While the rest 10% (10) are 22 years above. Majority of the respondents are female 70% (70). Male contributed only 30% (30) of the respondents. 40% (40) of the respondents are Malay / Bumiputera. Chinese, Indian and others contributed to 10% (10), 5% (5), 30% (30) and 15 % (15) of the respondent respectively. 10% (10) of respondents stated that someone in their family is an entrepreneur. 50% (50) stated that none of their family members are entrepreneur.

Table 1. Demographic Profile

Item		Frequency	Percentage
Gender	Male	124	41.3
	Female	176	58.7
Races	Malay	224	74.4
	Chinese	31	10.3
	Indian	39	13.0
	Others	6	2.0
Program	Diploma Accountancy	127	42.3
	Diploma In Islamic Banking	39	13
	Diploma in Banking and Finance	65	21.7
	Diploma in Business Studies	20	6.7
	Diploma in Retail Management	49	16.3

The internal consistency of the research instrument was measured using Cronbach's alpha test. According to Hair et al. (2006), the value of Cronbach Apha 0.6 and above is accepted. The values were reported in Table 2. All of the items had a Cronbach's

alpha value above the standard guideline of 0.60. Therefore, the items can be used to measure variables under study.

Table 2. Cronbach's Alpha

Variables	Cronbach's Alpha
Intention to be entrepreneur	0.919
Attitude	0.902
Subjective norm	0.851
Perceived behavioural control	0.865

Correlation analysis was employed to test hypotheses that had been articulated. The guideline proposed by Hatcher (2003) was employed to determine the strength of this correlation. Hatcher (2003) proposed the following classification: no correlation ($r = 0.00$), weak ($r = 0.01-0.49$), medium ($r = 0.50-0.79$), strong ($r = 0.80-0.99$) and perfect ($r = 1.00$).

For *H1: There is a relationship between attitude and intention to be an entrepreneur*; showed a significant positive medium correlation between these variables ($r=0.571$, $r=0.608$, $p<0.01$). Thus, H1 was accepted. It can be concluded that an increasing in attitude will cause the increasing in intention to be an entrepreneur.

For *H2: There is a relationship between subjective norm and intention to be an entrepreneur*; showed a significant positive medium correlation between these variables ($r=0.608$, $p<0.01$). Thus, H2 was accepted. It can be concluded that an increasing in attitude will cause the increasing in intention to be an entrepreneur.

For *H3: There is a relationship between perceived behavioural control and intention to be an entrepreneur*; showed a significant positive medium correlation between these variables ($r=0.587$, $r=0.608$, $p<0.01$). Thus, H3 was accepted. It can be concluded that an increasing in attitude will cause the increasing in intention to be an entrepreneur.

Table 3. Correlation Analysis

Items	1	2	3	4
Intention to be entrepreneur	1	0.571	0.608	0.587
Attitude	0.571	1	0.551	0.608
Subjective norm	0.608	0.551	1	0.401
Perceived behavioural control	0.587	0.608	0.401	1

5. Discussion and Conclusion

TPB is widely used and accepted in entrepreneurship research. It can be used to predict entrepreneurial intentions. The findings of this study stated that there is a relationship between attitude towards entrepreneurship, subjective norm and perceived behavioural control (independent variables) and intention to be an entrepreneur (dependent variable). The findings had answered the research question; what is the relationship between independent variables and dependent variable.

Attitude toward entrepreneurship has a relationship with entrepreneurial intention. This is consistent with study conducted by Gerbing & Anderson (1988); Kolvereid (1997); Krueger and Brazeal (1994); Bodewes et al. (2010); Tegtmeier (2012) and Yang (2013).

This means, that when students evaluate entrepreneurship favorably, they are more willing to be an entrepreneur.

This study also finds out that there is a relationship between subjective norm and intention to be an entrepreneur. This is in accordance with Christina Whidya Utami (2017); Gerbing & Anderson (1988); Autio et al. (2001); Bodewes et al. (2010); Tegtmeier (2012) and Yang (2013) findings. This means societal pressure, reference people and significant others has strong influence in entrepreneurship career.

Study conducted by Gerbing & Anderson (1988); Kolvereid (1997); Krueger et al. (2000); Bodewes et al. (2010); Tegtmeier (2012); Yang (2013); Zhang (2015) and Linan et al. (2005) stated that perceived behavioural control influencing intention to be an entrepreneur. This is consistent with the finding of this study. It seems that perceived easiness of becoming an entrepreneur play an important role in entrepreneurship career.

The study reveals that subjective norm as the strongest influence on entrepreneurial intention. This is followed by perceived behavioural control. The attitude towards behaviour has the least influence on entrepreneurial intention. This indicates that students who plan to be entrepreneurs were influenced mostly by societal pressure, reference people and significant others. Therefore, the researches question this study; what is the factor that contributes the most significantly to the intention to be an entrepreneur had been answered.

The findings of this study can be used by educators to embed these elements in teaching and learning session. For example, the educators can assess and improve the relevance of the teaching materials and pedagogical approaches being used in comparison to the practical skills being pursued by the entrepreneurs. Therefore, entrepreneurship can be taught in an appropriate way and meets the purpose of its establishment.

In addition, institutions of higher learning should offer more entrepreneurship programmes and activities to students. They can gain knowledge and skills to be an entrepreneur through the programmes. This will help to increase their perceived behavioral control towards entrepreneurship. Besides that, the institutions of higher learning should conduct campaigns and promotions to encourage students towards entrepreneurship career. Successful entrepreneur should be invited during this campaign and promotions. Their success stories can be used to inspire the students towards entrepreneurship. This will help to develop positive attitude towards entrepreneurship.

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