

ENTREPRENEURIAL INTENTION AMONG UNIVERSITY STUDENTS: AN APPLICATION OF THE THEORY OF PLANNED BEHAVIOUR THEORY

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Abstract: *The entrepreneurial intentions of university students are of paramount importance in shaping the future of entrepreneurship. This study explores the factors influencing these intentions and applies the Theory of Planned Behavior (TPB) to shed light on the decision-making processes that drive entrepreneurial aspirations. The research delves into the entrepreneurial intentions of university students, examining the key components of TPB, namely attitudes, subjective norms, and perceived behavioral control, to better understand the dynamics at play. By conducting surveys and analyzing data from a diverse sample of university students, we gain insights into their attitudes towards entrepreneurship, the influence of social norms, and the extent of perceived control over their entrepreneurial career choices. Future findings will reveal that TPB provides a valuable framework for understanding and predicting entrepreneurial intentions among university students. Attitudes towards entrepreneurship, subjective norms from peers, family, and mentors, as well as the perceived level of control over one's entrepreneurial future, are significant factors in shaping these intentions in Malaysia context.*

Keywords: *Entrepreneurial Intention, Theory Planned Behaviour, University Students, Malaysia*

Introduction

In Malaysia, the unemployment rate is 4.3% (Department of Statistics Malaysia, 2021), students who have recently graduated are urged to become self-employed as they have the knowledge and skills necessary to establish their own firms (Hamiruzzaman et al., 2020). It has become increasingly difficult for young graduates to find comfortable jobs that are commensurate with their qualifications compared to the difficulties that previous generations of graduates have faced in the past decade. With the current situation of surplus workforce due uncertainty market sentiment due to Covid-19 crisis, the situation is quite concerning because the negative impact does not only affect youths, but the consequences also have a significant impact on the economic stability of the country, potential for social problems, and waste of human capitals (D'Silva, 2020). In accordance with the rapid development of the country's economy and the trend toward globalisation, the importance of entrepreneurship appears to be more critical today than it was in the previous decade and economic cycle (Wei et al., 2019). Malaysia government promotes graduate students to engage in entrepreneurship and to consider it as a career option since it is crucial for economic growth and societal development (Ambad & Damit, 2016).

There has been increasing consensus that entrepreneurship is not limited to being an attitude or a certain characteristic that one is born with, but a skill that can be developed through education. This can be seen in the sprung of entrepreneurship programs in various educational institutions, as well as dedicated entrepreneurship degrees in higher education. Ministry of Higher Education had established the Entrepreneurship Action Plan-Higher Education Institutions (EAP-HEIs) 2021-2025 to produce more graduate entrepreneurs for the country. EAP-HEIs 2021-2025 is in line with the National Entrepreneurship Policy 2030 (NEP 2030) which aims to shift Malaysia into another gear by making it an entrepreneurship nation by 2030. Inculcating entrepreneurship skills is, therefore, mandatory especially when the fifth objective of NEP 2030 is to produce more graduate entrepreneurs as they will be the 'front liners' or the key players who will contribute directly to the realization of NEP 2030.

However, according to Global Entrepreneurship Monitor (GEM) up to 2017 revealed that Malaysia has the lowest entrepreneur intention score 17.6 as compare to other countries such as South Korea = 22.8, Vietnam = 24.96, Indonesia = 28.1 and Thailand get the highest score = 37.4. For the same category, Malaysia lags behind three other southeast Asian countries, namely Thailand, Vietnam and Indonesia.

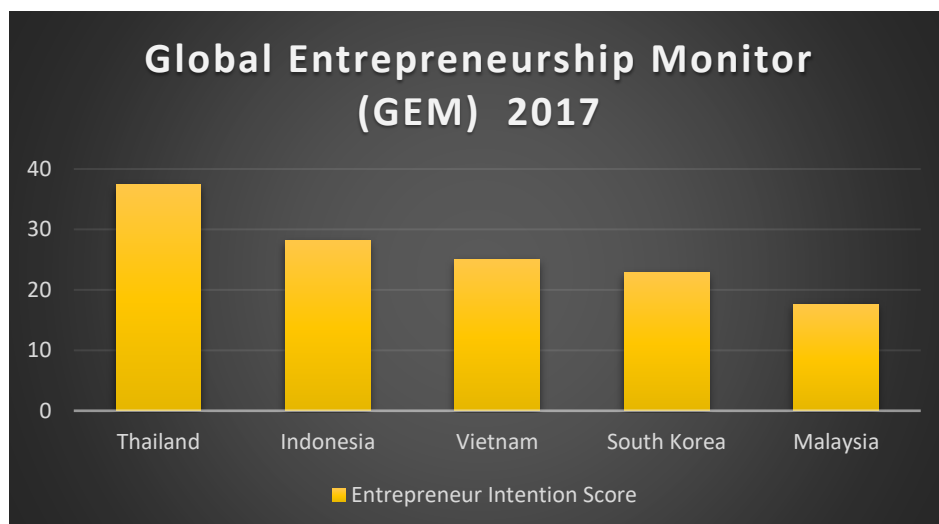


Figure 1: Entrepreneur Intention Score

Hence, it is important to investigate that despite the government establishing the funds, providing the support in terms of reducing the barriers, what might be the other factors that influences the entrepreneurship intentions and how the government and educational institutions can provide further support towards start-ups.

Clearly, the situation is concerning, and it is becoming more complicated as a result of the current situation. As a result, entrepreneurship is receiving special attention because it is regarded as the most promising solution to the problem of unemployment among recent graduates. As an initiative, this research intends to discover the entrepreneurial intention among students from one public university in Malaysia based on the theory of planned behavior, which is adapted for the Malaysian entrepreneurship intention context. Therefore, this paper will contribute to the literature by theorizing and empirically testing how some factors affect the entrepreneurial intention of university students.

Literature Review

Entrepreneur Intention

Entrepreneurship intention (EI) defined as a person's goal that conned with his or her cognition and experience to design entrepreneur activities (Do & Dadvari, 2017). It is widely recognised as one of the most important motivational predictors that influence individual behaviour in the course of business creation (Nguyen et al., 2019). According to BarbaSánchez and Atienza-Sahuquillo (2018), any entrepreneurial endeavour must begin with a clear sense of purpose in order to succeed. According to the findings of Wei et al (2019), EI has a considerable impact on students' attitudes regarding environmental issues.

Similarly, Jena (2020) stated that attitudes are the most important factor in determining a person's EI. Do and Dadvari (2017) discovered that having an entrepreneurial spirit had a favourable impact on employee engagement. As a result, EI that is created and inculcated during the early stages of life is specifically targeted at students and is regarded a crucial process in preparing students to become entrepreneurs or to participate in any entrepreneuria activity in the development stage. As a result, the higher a student's EI, the greater the likelihood that the student will pursue a career as an entrepreneur.

Theory of Planned Behaviour (TPB)

The theory of planned behavior (TPB) has been used in recent years as a theoretical framework to explain university students' entrepreneurial intention. TPB is the fundamental theory for explaining entrepreneurial intention (Duong et al, 2020; Entrialgo & Iglesias, 2016). The theory offers a critical and appropriate framework to explain individual planned behavior and thus allows researchers to predict entrepreneurial intention with consideration of both individual and social factors concurrently (Liñán, F., & Chen, 2009). TPB contains three variables that affect entrepreneurial intention, namely perceived behavioral control (PBC, i.e., individuals evaluating a to-be-executed behavior according to its ease of execution), attitude toward entrepreneurship (personal belief in certain behaviors or actions, such as entrepreneurial spirit), and subjective norms (an individual's views on what people around them or people of influence, e.g., parents, friends, or coworkers, think about a certain behavior (starting business ventures). These variables were found to directly predict the entrepreneurial intention of entrepreneurs (Al-Jubari ,2019; Ajzen,1991).

A study by Dar et al (2023) aimed to examine the impact of students' entrepreneurial self-efficacy on their opportunity recognition capability after their exposure to classroom-based entrepreneurship education, leading to the development of intention to undertake an entrepreneurial activity. A detailed questionnaire was used to collect data from 351 students pursuing undergraduate and postgraduate courses. Results confirm that the student's entrepreneurial self-efficacy positively influences their intention to undertake an entrepreneurial activity directly and indirectly via their opportunity recognition capability. Also, entrepreneurship education significantly moderates the link between students' entrepreneurial self-efficacy and opportunity recognition capability.

Recent study conducted by Sharma et al (2023) in Gujarat, India aimed to forecast university students' intentions to contribute to sustainable entrepreneurship (SE) in an emerging market. The study observed the factors influencing students' sustainable entrepreneurial intentions (SEI) using an extended theory of planned behaviour (TPB). A survey was conducted utilizing an online questionnaire with a total of 332 college students in Gujarat, India. Partial least squares-structural equation modelling (PLS-SEM) was used to analyze the data. The outcome of the present research sanctions that university support strongly impacts perceived behavioural control (PBC) and negatively affects attitudes towards sustainable entrepreneurship (ATT). The findings revealed that environmental concern positively influences students' attitudes and perceived behavioural control towards sustainable entrepreneurship. Out of the three key factors of TPB used in the study, only the subjective norm negatively affects SEI among the respondents.

Meanwhile, Alshagawi & Ghaleb (2023) examined the role of theory of planned behaviour (TPB) motivational factors, social valuation of entrepreneurship and entrepreneurial risk perception in predicting entrepreneurial intentions (EIs) of university students in the Kingdom of Saudi Arabia. A quantitative approach was adopted, and a sample of 802 students from a large public university in Saudi Arabia is studied. Structural equation modelling is used to test the relationships among the conceptual model constructs. This study found a negative and significant impact of entrepreneurial risk perception on student's entrepreneurial attitude, perceived behavioural control (PBC) and intention. Social valuation of entrepreneurship was found to have a positive and significant impact on entrepreneurial attitude, PBC and subjective norms. This study provides partial support for the TPB. While the impact of entrepreneurial attitudes and PBC is significant, subjective norms has insignificant impact on EIs.

Su et al (2021) adopted the theory of planned behavior perspective coupled with perceived university support to extend the theory of planned behavior framework and explain the effect of such support on student entrepreneurial intention. The study results revealed that perceived university support significantly affected student attitude toward entrepreneurship, which signaled universities' critical role in establishing entrepreneurial spirit in students. A significant effect on behavioral control was also observed for perceived university support. Regarding the effects of perceived university support on attitude toward entrepreneurship and behavioral control, the results revealed the effect was far greater on attitude than on behavioral control. Such intention was not directly affected by subjective norms.

Nauf (2018) conducted entrepreneur intention study in Saudi Arabia. The present paper studies four such factors, namely, psychological, social, academic and family factors influencing entrepreneurial intentions of students and also investigates the differences in student perceptions of these factors based on their demographic profile. The study focused on students

from the King Saud University, selected respondents using convenience sampling and collected quantitative data from 150 respondents using questionnaires. Statistical analysis was performed using SPSS package.

This study employed TPB as its main theoretical framework for two reasons. First, the theory has provided an adequate theoretical foundation for previous research on the formation of entrepreneurial intention. Second, entrepreneurial spirit is a planned behavior and thus cannot be developed without appropriate planning.

Hypotheses Development

Attitude

Attitude toward a behavior refers to “the degree to which a person has a favorable or unfavorable evaluation or appraisal of the behavior in question” (Ajzen, 1991). Student’s own opinions about a particular habit or action, such as entrepreneurship, are reflected in their attitude (Al-Jubari, 2019). A positive attitude among students is more helpful to increase student’s intention in engaging in entrepreneurship (Ambad et al., 2016). Empirical research had shown that a student’s attitude about entrepreneurship has the biggest impact on their desire to become an entrepreneur (Al-Jubari, 2019; Ambad et al., 2016; Hamiruzzaman et al., 2020). Thus, this study formulates the following hypothesis:

H1: Entrepreneur Attitude (EA) has a positive effect on Entrepreneur Intention (EI).

Subjective Norm

Subjective norms refer to an individual’s personal impression about how others in their immediate social circle, such as parents, relatives, and neighbors, would react to them engaged in or not engaged in a particular behavior, such as entrepreneur (Al-Jubari, 2019). Students are more confident to become entrepreneurs if they have strong support from family and relatives (Ambad et al., 2016). Thus, students may seek guidance and encouragement from those around them, and their views may impact whether or not to participate in entrepreneurial action (Al-Jubari, 2019). Subjective norm has a positive and considerable influence on the intention of young entrepreneurs, according to empirical research (Al-Jubari, 2019; Ridha et al., 2017). Hence, the above discussion leads to the following hypothesis:

H2: Subjective norm (SN) has direct effect on EI

Perceived Behavioural Control (PBC)

People are likely to perform actions they consider easy and tend not to engage in actions they perceive as difficult. Since the introduction of TPB, perceived behavior control (PBC) has played a critical role in the TPB model. Veciana et al (2005) argued that the control belief in PBC reflects the presence of resources and opportunities that one needs. Concurrently, such control belief may be partially based on past behavioral experience and may reduce the perceived difficulty of executing a behavior because the belief is usually affected by secondary behavioral information, such as the experience of acquaintances and friends and by other factors (Kim and Park, 2018). Entrepreneurial intention research has verified the relationship between PBC and entrepreneurial intention (Siu and Lo, 2013; Almobaireek, W. N., & Manolova, 2012; Lakovleva et al., 2011). Accordingly, hypothesis 3 was proposed as follows:

H3: Perceived Behavioural Control (PBC) has a positive influence on EI

Proposed Framework

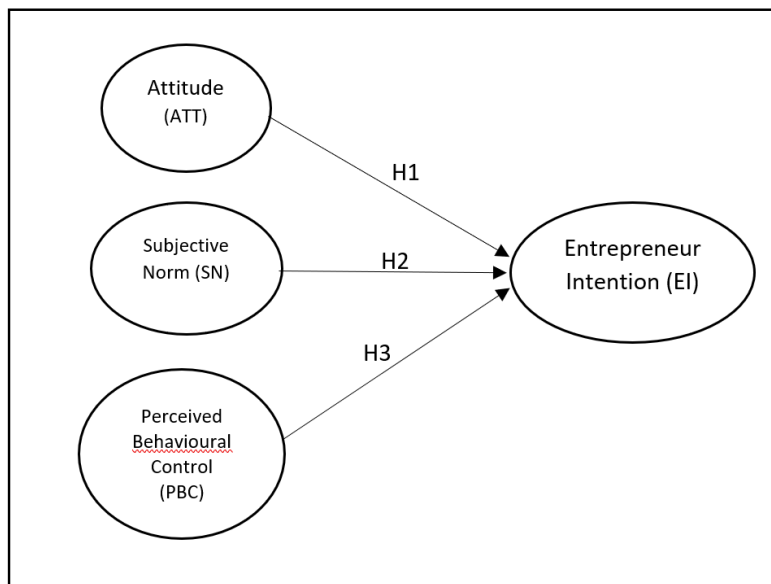


Figure 2: Research Framework

Methodology

This study will employ descriptive and cross-sectional design. Researchers will adapt and adopt questionnaire from previous researchers and distribute to targeted respondents who are university students in Malaysia. A simple random sampling method will be employed and this study will follow Hair et al. (2010) recommended the sample size of 100 respondents will be sufficient for five constructs or less. This study has 3 constructs namely Attitude, Subjective Norm and Perceived Behavioural Control. The data will be analyze using multiple regression using SPSS.

Hypotheses Testing

Table 1: The Hypothesis and Its Statistical Analysis

The Research Hypotheses		Statistical Analysis
H1	Entrepreneur Attitude (EA) has a positive effect on Entrepreneur Intention (EI).	Regression
H2	Subjective norm (SN) has direct effect on EI	Regression
H3	Perceived Behavioural Control (PBC) has a positive influence on EI	Regression

Conclusion

This concept model propose attitude, subjective norm and perceived behavioural control has a significant influence on entrepreneur intention among university students in Malaysia. The grounded theory of TPB was applied in this study. To researchers, this proposed concept model will be tested in further study using path analysis of structural equation modelling (SEM). This concept model was developed based on theories and previous studies indicate suitable and appropriate to test the model fitness with real data which will be collected on field

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