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**THE INFLUENCE OF ENTREPRENEURIAL SKILLS, ENVIRONMENTAL SUPPORT AND
MOTIVATIONAL FACTORS ON ENTREPRENEURIAL INTENTION**

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Abstract

This study exploits Theory of Planned Behaviour to capture the entrepreneurial intention among students in Universiti Utara Malaysia (UUM). It was revealed that entrepreneurial skills, environmental support and motivational were the key factors which positively related with entrepreneurial intention among the students. Self-administered questionnaires were distributed to the students of Bachelor in Business Administration (BBA) and Bachelor of Entrepreneurship (BEnt) students in UUM in order to identify their entrepreneurial intention and the influence factors. A stratified sampling technique was used to among 200 students who participated in the study. Generally, results show that entrepreneurial skills; environmental support and motivational factors are significantly related to the entrepreneurial intention.

Keywords: (Entrepreneurial Intention, Entrepreneurial Skills, Environmental Support, Motivational Factors)

INTRODUCTION

Malaysia is one of the developing countries in the world with a total population of about 30 million (Chong, 2014). The country has witnessed a major economic post-independence success. The role of entrepreneurship in this success cannot be over emphasized due to good government policies which favor small and private sectors (Abdullah, Hamali, Deen, Saban, & Abdurahman, 2009). Malaysian government has done a lot in promoting entrepreneurship development among its citizens through various economic and entrepreneurship programs and policies such as upgrading entrepreneurship department to become Ministry of Entrepreneur & Co-operative Development (MECD) (Othman, Sulaiman, Zainudin, & Hasan, 2008). The ministry is expected to provide an enabling environment that will promote and develop entrepreneurship in Malaysia. Some of the efforts of the ministry include financing support, developing entrepreneurial training and programs and the provision of necessary advices and infrastructure that would help in achieve the said goals.

In the context of higher learning institution, with its slogan of the Eminent Management University, Universiti Utara Malaysia (UUM) embarks on an effort in developing effective leaders in business by introducing various entrepreneurship courses such as the Co-Curricular Entrepreneurship activities, Basic Entrepreneurship course, the Bachelor of Entrepreneurship degree program, the Student Enterprise

Program (SEP) , technopreneurship, entrepreneurship incubator program and others. These programs primarily aim to motivate students to choose entrepreneurship as a career after graduation (Turker & Selcuk, 2008). Henderson and Robertson (2000) also argued that effective education on entrepreneurship is one among the factors that leads towards entrepreneurial career among students. In addition, to these formal trainings, the government ought to continue to play a central role in encouraging these individuals to become a successful entrepreneur and reduce any barriers that could prevent them from venturing into entrepreneurship field. However, despite these course offerings and the support from the government, it remains unclear whether students enrolled in these programs will eventually start their business venture. Hence, this study aimed to investigate the influence of entrepreneurial skills, environmental support, and motivational factors on entrepreneurial intention by applying theory of planned behavior.

This research is considered timely in order to investigate the level of entrepreneurial intention among undergraduate students. In order to increase the numbers of entrepreneurs, intention needs to be studied because it is a key concept when it comes to understanding the reasons for individuals' career (Franco, Haase & Lautenschlager, 2010). In the context of the study of Auken, Stephen, Fry and Silva (2006), students with different courses background do not have the same level of interest of becoming a graduate entrepreneur while, entrepreneurship students obviously are expected to have higher intention to start a business.

LITERATURE REVIEW

Entrepreneurial Intention

As pointed out by Thompson (2009), entrepreneurial intention can be defined as the self-acknowledged conviction of the individual mind in the likelihood of bringing up a brand new business with an honest and dedicated plan which will show up at a definite point of time. The author stated further that the propelling force behind the idea of entrepreneurial purpose is determined by the strength of purpose to start up a brand, spanking new business. Davidsson (1995) defined entrepreneurial intention as consideration of an individual to start a new business. Krueger (1993) defined entrepreneurial intentions as an individual commitment to start a new business.

The probability of beginning a business in the foreseeable future is the usual measurement of entrepreneurial intentions. As observed by Gartner and Vesper (1994), entrepreneurship could also be viewed as a process that happens over time. In this process, entrepreneurial intention would be the first primary step within the evolving process that will propel future method of venture creation (Lee & Wong, 2004). Therefore it must be noted that to start up or try to own a business venture is not something that happens suddenly. It is the outcome of an enquiry process that guides and determines entrepreneurial purpose. Those people or individual who have intentions to found an organization are observed to have attitudes, interests, values and skills regarding entrepreneurship (Lee & Wong, 2004).

There are considerable literature and research that have been conducted to inquire into the factors that lead to entrepreneurial purpose (Linan,Urbano & Guerrero, 2007; Luthje & Franke, 2003; Scholten, Kemp, & Omta, 2004; Fitzsimmons & Douglas, 2005; Degeorge & Fayolle, 2008; Linan, Cohard, & Guzman, 2008). These empirical studies identified certain individual characteristics, traits and skills that are present among nascent entrepreneurs. These characteristics are seen as having key influence on entrepreneurial intention.

Entrepreneurial Skills

According to Fini, Grimaldi and Sobrero (2009), entrepreneurial skills are significantly related to entrepreneurial intention. Sookhtanlo, Rezvanfar, Hashemi, and Karaj (2009) also found that effective entrepreneurial intention among students highly depends on entrepreneurial skills of the students.

Acquiring skills by the entrepreneur cannot be over emphasized, because it is an important requirement for the entrepreneur to be successful. However, Green, Jones and Miles (2012) noted that there is no general consensus on what the definition of skill should be. In other words, scholars of the field have not achieved a consensus as to an agreed definition of what constitute skills. Lucky and Nurahimah (2013) defined skill as the ability and capacity to do something. Adeyemo (2009) summarized a wide range of definitions of entrepreneurial skills as the ability to develop or create a new thing that will add value to the society and generate monetary benefits to the entrepreneur. This skill is as the result of dedication in both tangible and intangible factors such as time, effort as well as the ability of risk taking in achieving the reality of that idea (Hisrich & Peters, 2002).

In an entrepreneurship context, skill has been identified as one of the most important factors for entrepreneurs to be successful in their entrepreneurial practices, including those that have intention to become entrepreneurs. According to Arowomole (2000), entrepreneurial skill constitutes an important element of entrepreneurship development. It is a vital requirement needed for a successful entrepreneurial practice. To him, entrepreneurs must have a range of skills such as managerial skill, organizing skill, coordinating skill and thinking skill. Similarly, to authors like Ogundele (2007) and Kuratko and Hodgetts (2004), entrepreneurial skill is seen as the ability to know the business very well that allows for proper planning. Kuratko and Hodgetts (2004) further posited that the concept of an entrepreneur is a generalist for proper planning.

Environmental Support

An important element in entrepreneurship is the role of the business environment in influencing entrepreneurial activities. The role of government comes in different forms especially in the area of policies and programs including funding, externalities, and infrastructures. The university environment is also known as a mechanism that influences entrepreneurial activities (Fini, Grimaldi, & Sobrero, 2009) through various educational programs and support given to students. This creates an environment that is very supportive for entrepreneurial activities (Beck, Demirgüç-Kunt, & Maksimovic, 2005; Niosi & Bas, 2001).

Frederick, Kuratko and Hodgetts (2006) gave more clarification on what constitutes environmental support by describing those elements outside the organization that exact influence on the organization either positively or negatively. These are what Baldacchino and Dana (2006) referred to as the external factors and identified them as elements that play a significant role in the creation of viable organizations. These factors have been equally identified as indispensable factors in the process of ensuring the success of any business organizations irrespective of their size by providing a conducive environment for people as well as the organization to flourish.

Motivational Factors

An entrepreneur is a person who always tries to find an opportunity in an area that another person sees as a threat or a problem. This means that an entrepreneur is a highly motivated person, who sees and understands things differently from other people (Hupalo, 2005). Also, this skill helps the entrepreneur to motivate people to believe in themselves which will benefit the whole business (Logan, 2010). Motivation is an important factor and is regarded vital for an entrepreneur. To be motivated is to have the belief that

he will be successful in his quest to becoming an innovator or developer of a new idea (Shane & Collins, 2003)

Perwin (2003) identified two types motivation: inherent and outside. Inherent motivation refers to a private interest within the task, e.g. action motivation. Outside motivation refers to an out of doors reward that follows positive behavior.

Theoretical Framework

Figure 1.0 shows the theoretical relationships between entrepreneurial skills, environmental support, motivational factors and entrepreneurial intention.

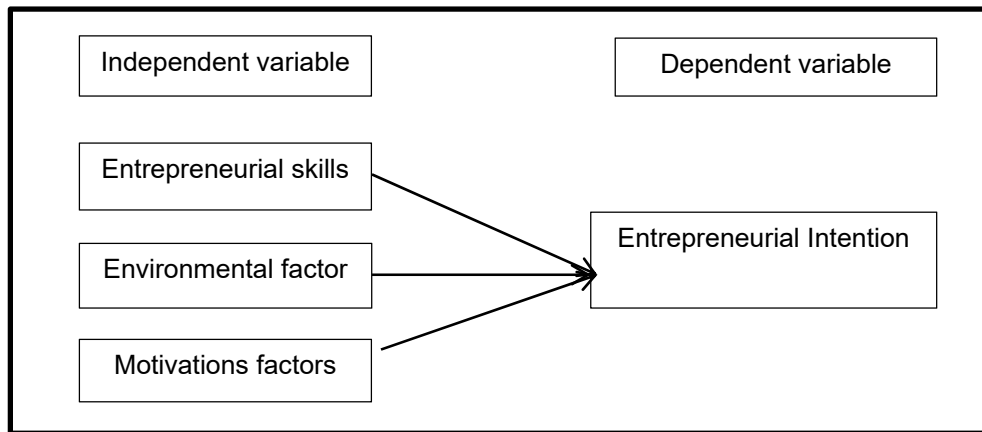


Figure 1.0
Theoretical framework

Hypothesis Development

According to Zikmund, Babin, Carr and Griffin (2012), a hypothesis can be explained as yet to be proven statement that will explain certain facts or phenomena tentatively. So based on the frame work the following hypotheses are hereby proposed in order to test the influence of environment support, entrepreneurial skills and motivational factors on the entrepreneurial intention.

- H1: There is positive relationship between entrepreneurial skills and entrepreneurial intention
- H2: There is positive relationship between environmental support and entrepreneurial intention
- H3: There is positive relationship between motivational factors and entrepreneurial

RESEARCH METHODOLOGY

Sampling Design

The population of this study was Bachelor Business Administration and Bachelor in Entrepreneurship students who were at least in their fourth semester at the School of Business Management UUM. The researcher chose this group of students because they had sufficient knowledge of Entrepreneurship and had already taken related courses (Co-Curricular Entrepreneurship Courses & Entrepreneurship Program

Courses). As at 2015, the formal record at the Academic Affairs Department shows 388 students who were currently pursuing those degrees. Sekaran and Bourgie, 2010 suggested a sample size of 200 for a population of 388.

Sampling Technique

A stratified sample was chosen to select 200 respondents because the researcher wanted to highlight a specific subgroup within the population. Such sampling technique also has a higher statistical precision than simple random sampling. This is because the variability within the subgroups is lower than the variations of the entire population. Also, this technique requires a small sample size which can save a lot of time, money and effort of the researchers (Streiner, Norman, & Cairney, 2014).

Research Procedure

Data were collected by distributing 200 sets of questionnaire to the full-time students identified. The questionnaire was divided into three sections. Section A was to capture the demographic information, while section B contained questions on Entrepreneurial Skills. Section C had questions on Environmental Support and Section D on Motivation Factors. Finally, Section E asked about Entrepreneurial Intention.

This study adopted self-administered procedure to distribute and retrieve the questionnaire. According to Zikmund, Babin, Carr, and Griffin (2012), a self-administered questionnaire procedure is considered suitable for this kind of study because of its numerous advantages such as speed in distribution and response, which is considered high as a result of the sensitivity of time in this study. The questionnaires were distributed to students in their lecture time and they were given about 15 minutes to answer all the questions.

DATA ANALYSIS

Response Rate

From 215 questionnaires that have been given to the students, there are 209 questionnaires that were returned. Thus the percentage of respondent's response rate of the study reached over 94%. The respondents were picked randomly to answer the questionnaires. Thus, a total of 200 responses were usable and used for subsequent analysis. 9 questionnaires were omitted because it contained students from other programmes and less than semester four.

Data were analyzed using SPSS version 20.0. The majority who participated in this study consisted of 125 male respondents while just 75 respondents for female, also the table shows that age from 18 to 20 years were represented by 118 respondents, also showed that age from 21 to 24 years were 67 respondents while age from 25 to 30 were 15, while no respondents over the age 30 next after that the table showed that married respondents is only 5 respondents, while the single is the majority by 195 respondents, also the majority of respondent is Malays by 103 followed by Chinese 83 respondents and in the end respondents from India just 14 respondents who involved in this study, the table showed that Bachelor Business Administration (BBA) represented by 117 respondents but students from bachelor in entrepreneurship (BNET) represent the majority in this study by 155 respondents while other programmes is zero because the population sample is only for (BBA & BENT) on the other hand the table also shows that respondents from semester (1 to 2) were zero because they are out of the sample, while respondents from semester (3 to 4) were 129 respondents and for semester 3 have been excluded just for respondents who are in semester 4, next respondents for semester (5 to 6) were 68 followed by respondents that are

from semester (7 to 8) were 3 , at the end the table showed that respondents who have family involves in entrepreneurship (Yes) are represented by 86 respondents, on the other hand the majority that didn't involve in entrepreneurship (No) represented by 144 respondents.

Table 1: *profile respondents.*

Gender	Male (125) Female (75)	Specialization of Study	BBA (45) BENT (155)
Age	18-20 (118) 21-24 (67) 25-30 (15)	Semester of Study	1-2 (0) 3-4 (129) 5-6 (68) 7-8 (3)
Marital Status	Single (195) Married (5)	Family Involvement in Business	Yes (86) No (144)
Ethnicity	Malay (103) Chinese (83) Indian (14)		

Table 2: *Regression summary*

Variables	hypothesis	B	T	SG
Entrepreneurial skills	H1	.581	12.526	*.000
Environmental support	H2	.454	9.397	*.000
Motivational factors	H3	-.070	-2.539	*.012
SUMMARY STATISTICS	R ²			.927
	F			834.873
	P			.000

Table 2: *Mean & std deviation*

Variables	Mean	Std. Deviation
Entrepreneurial skills	3.9461	.44930
Environmental support	3.9745	.41298
Motivational factors	4.0742	.42839

FINDINGS AND DISCUSSION

Result indicates that entrepreneurial skill significantly influences entrepreneurial intention among the students in UUM. This means that those who have managerial skills, ability to recognize opportunity and technical skills will likely to have intention to be involved in an entrepreneurial venture. This result supports the findings by Fini, Grimaldi, and Sobrero (2009) who affirmed that entrepreneurial skills are significantly related to entrepreneurial intention.

Environmental support was also found to significantly influence entrepreneurial intention. This finding supports previous findings by Sama-Ae (2009), which affirmed that environmental factor affects entrepreneurial intention of Thai students in UUM.

Also, motivational factor significantly influenced entrepreneurial intention. The result supports the findings by Drennan, Kennedy, and Renfrew (2005), who stated that students with a role model perceive starting a business to be more feasible and desirable compared with those without role model.

Limitation of the Study

One of the limitations of the study was that the data came from undergraduate students in UUM without considering other students in UUM. Students in other degree programs may also have entrepreneurial tendencies. a. In excluding them, no comparison could be made.

CONCLUSION

In conclusion, the result shows that Entrepreneurial Skills, Environmental Support, and Motivational Factors are significant in influencing entrepreneurial intention. In order to increase awareness of entrepreneurial career possibilities there should be programs or government policies to encourage students to expose themselves to any opportunity for entrepreneurial experiences. Entrepreneurship skills are likely to enable them to identify opportunities that will give them return in terms of benefits and maximum profits. In addition, the government need to continue encouraging more students to get involved in entrepreneurship since the number of entrepreneurs is still low. The government also can provide more entrepreneurship programs to develop students to become entrepreneurs.

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