

DETERMINANTS OF ENTREPRENEURIAL INTENTION: EVIDENCE FROM UUM SCHOOL OF BUSINESS MANAGEMENT STUDENTS.

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Due to the inclination numbers of Malaysia's entrepreneurs nowadays, the youth have shown a great involvement in entrepreneurship and have been one of the biggest contributors to the country's economic growth. As this emergence took place, it is crucial for the related stakeholders such as government, educational agencies and policy makers to keep on encouraging the youth in Malaysia to participate in any entrepreneurship activities. Thus, it is important to understand the factors that will influence the intention to start up the business among the youth especially among university students. The main objective of this study is to analyze the relationship between risk taking propensity, family support, self-efficacy and entrepreneurship education with the entrepreneurial intention among the undergraduates under the School of Business Management, Universiti Utara Malaysia. Data was collected by using the questionnaire that has been distributed to 260 respondents; however, only 200 questionnaires have been successfully collected for the data analysis. Findings of the research revealed that only two (2) out of four variables having significant relationship with the entrepreneurial intention, which are self-efficacy and entrepreneurship education.

Keyword: Entrepreneurial Intention, Risk Taking Propensity, Family Support, Self-Efficacy, Entrepreneurship Education,

1. INTRODUCTION

Malaysia as one of the developing country in the world has seen the need of having tremendous number of young entrepreneur in order to stimulate the economy and it has seen the need of having tremendous number of young entrepreneur in order to stimulate the economy. Acting upon the situation, part of the effort is by encouraging the youth to involve in entrepreneurship. Nowadays, the number of the young entrepreneur has been increasing across the globe as they are many influences that attract these young people especially the university student in venturing themselves as an entrepreneur. The development of entrepreneurship education in Malaysia started since 1990 as the impact of shifting from a production-based economy to a knowledge-based economy. Government puts some efforts in nurturing the entrepreneurship at all level; conferences, seminars, short courses and training on entrepreneurship are common activities offered by various organizations, along with the formal entrepreneurship education offered at higher education institutions. Parallel with the government's effort, universities and higher

education have introduced the related entrepreneurship courses, supported by the Ministry of Higher Learning Education which has implemented Entrepreneurship Strategic Plan 2013-2015 that aims to further strengthen the implementation of education and entrepreneurship.

Risk taking propensity has been considered as the significant factor in exploring the entrepreneurial intention and behaviors (Nabi & Linan, 2013) but according to Beverland and Lockshin (2001), they have argued that risk taking propensity within the potential entrepreneur might not be permanently felt by them and this will potentially affect the entrepreneurial intention and this matter is still debatable among the researchers whether the relationship between the risk taking propensity factor and entrepreneurial intention exists or not (Dinis, Ferreira, Raposo & Gouveia, 2013). and in a different context related to the entrepreneurial intention, family institution have been showing a powerful element that influences on the values, attitudes and also how people behave in certain ways (Carr & Sequeira, 2007). However, according to Greve and Salaff (2003), although the social influence such as the family support seems to be important in relation to social networks, the experimentation on the role of family members are still inadequate. Besides, they also stressed that there is no adequate number of research that took place regarding the role of family members in the creation of entrepreneurial intention, if there is, only as a minor part of the investigation. Whereby, Markman and Baron (2003) argued that individual with high individual difference dimension such as self-efficacy tends to recognize the opportunities in becoming an entrepreneur and this factor is among those motivational constructs which influence an individual's choice of activities, level of target, tenacity, and accomplishment in different context fields (Zhao, Seibert & Hills, 2005). However, the influence of self-efficacy that impacted through several attitudes has not been widely explored by the researchers in seeing the relation between the degrees of self-efficacy towards contributing in entrepreneurial intention (Barbosa, Gerhardt & Kickul, 2007).

This study seeks to analyze the relationship created between the factors of; risk taking propensity, family support, self-efficacy, and entrepreneurship education towards the creation of entrepreneurial intention among the business undergraduates of Universiti Utara Malaysia (UUM), Kedah.

LITERATURE REVIEW

Entrepreneurial intention (EI) has been one of the significant elements in the entrepreneurship literature for the last few decades and keeps attracting the researcher's attention upon its contribution in the development aspect for many countries (Drennan & Saleh, 2008). Intention has become the initial important level or step within the entrepreneurship process involving those who intend to start a venture and it is agreed that entrepreneurial intention is related to the individual's inclination to begin their entrepreneurial pursuit in the future (Izedomi, 2010). The most perennial factors that are being discussed upon the topic of entrepreneurial intention are including age, gender, education, work experience, psychological profile and family background (Delmar & Davidsson 2000). According to Naffziger, Hornsby and Kuratko (1994), there are three most repeated chosen determinants analyzed by the researchers around the world which are personal characteristics, personal traits and contextual or environmental factors.

According to Mullins and Forlani (2005), risk taking propensity has been identified as one of the significant entrepreneur's attributes and being considered as one of the most discussed matters related to the entrepreneurship. There are two different ways in addressing the risk related to the entrepreneurship which are risk being seen as the chances and risk being looked up as a threat (Mullins & Forlani, 2005; Barbosa, Kickul & Liao, 2007). In different contexts, even though the risk taking propensity always been mentioned as one of the determinants in triggering the entrepreneurial intention, there are some studies

conducted found that small medium entrepreneurs are not positively seeing the risks as the opportunity and this has led them to avoid the risks which eventually affecting their intention in becoming the entrepreneur (Baron, 1998). However, this idea is not really accepted by Carayannis, Evans and Hanson (2003) as they were in opinion that risk taking consideration and acceptance are something that can be modified from time to time by the potential or existed entrepreneurs.

Family institution have shown a significant role in developing social value, morale, economy stability and culture which helps in sustaining existing business for future generations (Habbershon & Pistrui, 2002). According to Shittu and Dosunmu (2014), family as an important social unit has play big role in supporting today world's environment as the family members connecting and affecting between each other. Thus, this also indicate that the connection built up among family members will give an early exposure and in a way affecting the attitudes of other members within the family to be involved in entrepreneurial intention (Dyer and Handler, 1994). Family supports not just affected the preparation of entrepreneurs in becoming the entrepreneur, but by using the close contacts between both parties, family will be a critical role in as aspiring the entrepreneurs at the business creation stages (Greve & Salaff, 2003). The supports gathered from the family can be used before, during or even after the venture took place (Karra, Tracey, & Phillips, 2006) especially from the family members who already have the experiences in entrepreneurship (Minniti & Bygrave, 1999), thus showing that family supports is one of the major influence in triggering the entrepreneurial intention among the potentials (Carr & Sequeira, 2007).

Study upon the influence of self-efficacy or called entrepreneurial self-efficacy has shown its positive relationship with the entrepreneurial intention (Kristiansen & Indarti, 2004). Furthermore, related to the model of entrepreneurial intention developed by Bird (1988), it has been specified that self-efficacy as remarkable mediator in influencing the entrepreneurial intention of an individual which probably could turn into the actual action or and being able to put the influence towards the creation of potential entrepreneurs in venture involvement. Furthermore, the intensity level of self-efficacy element related to the entrepreneurial intention seems to be different when it comes to gender, between man and female (Scherer, Adams, Carley & Wiebe, 1989), between technological entrepreneurs and the investors (Markman, Balkin & Baron, 2002), also differ among the eminent entrepreneurs and unsuccessful entrepreneurs (Markman and Baron, 2003).

Numerous studies have been conducted in exploring the relationship between the entrepreneurship education and entrepreneurial intention, which showed several different results and findings. Study conducted by Kolvereid and Moen's (1997) indicated that there is a different intensity level of entrepreneurial intention among those who undergo the entrepreneurship courses and those who are not. Students who experiencing the entrepreneurship education or courses are more inclined in becoming the entrepreneurs, compared to those who did not experiencing any This finding also supported by Cheng, Chan and Mahmood (2009) who indicate that the participation and involvement among the public and private universities' students in the entrepreneurship classes have resulted in high degree of entrepreneurial intention. Besides, general education that took place within the university environment can be a crucial elements in leading the students towards having the entrepreneurial intention and according to Franke and Luthje (2004), those students who are not being effective in assessing the university environment were showing lower entrepreneurial intention compared to the students who actively assessing the environment. Based on the literature reviews, the following hypotheses have been developed;

H1: There is a significant relationship between risk taking propensity and entrepreneurial intention among UUM business undergraduates.

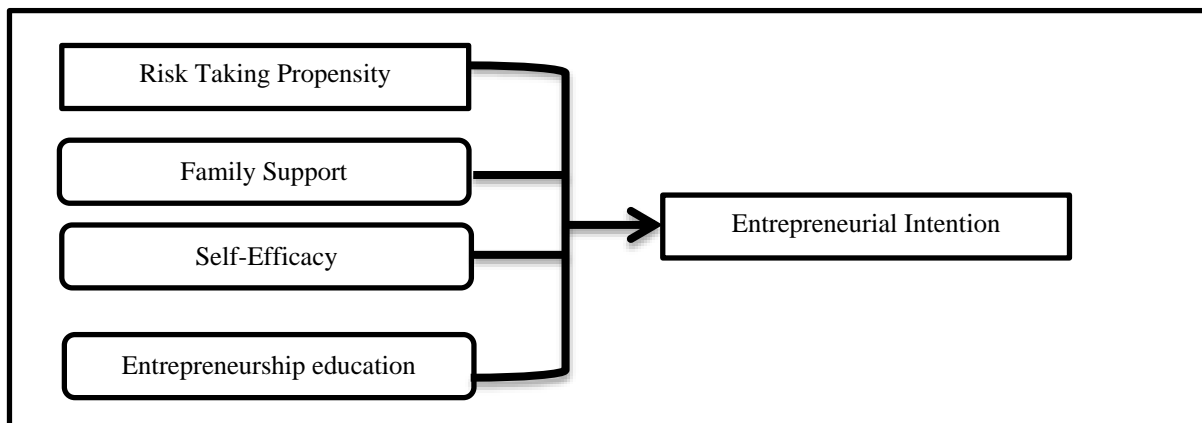
H2: There is a significant relationship between family support and entrepreneurial intention among UUM business undergraduates.

H3: There is a significant relationship between self-efficacy and entrepreneurial intention among UUM business undergraduates.

H4: There is a significant relationship between entrepreneurship education and entrepreneurial intention among UUM business undergraduates.

The following research framework is developed based on the literature review with the intention of answering the research questions and meeting the research objectives.

Figure 1: Research Model



METHODOLOGY

This study used quantitative approach in order to achieve its objectives and the unit of analysis is individual. From the population of 775 final year undergraduates from four (4) different business courses (Bachelor of Business Administration, Bachelor of Entrepreneurship, Bachelor of Human Resource Management and Bachelor of Marketing) which under the UUM's School of Business Management (SBM), 260 respondents have been selected as the sample. Data collected through the distribution of the questionnaires which will be reaching the sample that supports the study objectives and resulting in exploring the relationship between the selected variables. Five-point Likert Scale (1=Strongly Agree to 5= Strongly Disagree) will be provided to the respondent as their level of agreeableness. Entrepreneurial intention will be measured by using the five (5) items by Tkachev & Kolvereid (1999), risk taking propensity will be measured through the six (6) items by Chye (1996), family support dimension is being measured by the fourteen (14) items by Keat, Selvarajah and Meyer (2011), self-efficacy dimension is being measured through the twenty-one (21) items by Campo (2010) and entrepreneurship education variable will be measured by the thirteen (13) items by Autio, Keeley, Klofsten, Parker & Hay, (2001).

Correlation and multiple regression analysis have been used in detecting the importance, solidity and the direction between the independent variables and the dependent variable, besides detecting which one of

the factors is the most significant besides explaining the variance in dependent variable. Statistical Package for the Social Sciences (SPSS) version 21.0 for Windows is used for the analysis.

RESULTS AND FINDINGS

From the correlation analysis (Table 1), the result showed that there is a positive correlation between the risk taking propensity and entrepreneurial intention ($r = 0.189$, $p < 0.01$) which indicates that there is a relationship between these two variables. However, according to the correlation table by Pallant (2013), the relationship is categorized as low as the value of 0.189 is between the ranges of ± 0.10 to ± 0.29 . As for the second independent variable, the result showed that there is no correlation between the family support and entrepreneurial intention ($r=0.13$, $p<0.01$) and this variable also being categorized under low correlation according to Pallant (2013).Meanwhile, there is a positive correlation between self-efficacy and entrepreneurial intention ($r = 0.297$, $p < 0.01$) which indicates that there is a relationship between these two variables. However, the correlation is categorized as low as the value of 0.297 is between the ranges of ± 0.10 to ± 0.29 and there is a positive correlation between entrepreneurship education and entrepreneurial intention ($r = 0.331$, $p < 0.01$) which indicates that there is a relationship between these two variables. Thus, the correlation is categorized as moderate as the value of 0.331 is between the ranges of ± 0.30 to ± 0.49 .Among the independent variables, entrepreneurship education showed the strongest correlation with the dependent variable, entrepreneurial intention by the correlation value of 0.331 as compared to other variables.

Based on Table 2 of the regression analysis, R square result of 0.143 specified that only 14.3% of the variance in entrepreneurial intention explained by the independent variables (risk taking propensity, family support, self-efficacy and entrepreneurship education) which is quite a small percentage. Coefficient analysis showed that only two (2) out of four dimension have the significant relationship with the dependent variable (entrepreneurial intention) which are self-efficacy ($p = 0.043$) and entrepreneurship education ($p = 0.002$) where the significance level is less than 0.05 ($p < 0.05$) whereby insignificant relationship showed between the risk taking propensity and family support dimensions with the entrepreneurial intention since the significance level is more than 0.05 ($p > 0.05$). Therefore, only H3 and H4 are accepted.

Table 1
Pearson's Correlation between the Constructs

	RTP	FS	SE	EE	EI
1 Risk Taking Propensity	1				
2 Family Support	.804**	1			
3 Self-Efficacy	.409**	.436**	1		
4 Entrepreneurship Education	.271**	.272**	.513**	1	
5 Entrepreneurial Intention	.189**	0.13	.297**	.331**	1

Note: ** Correlation is significant at the 0.01 level (2-tailed)

Table 2

Multiple Regression Analysis

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	.378a	0.143	0.125	0.632	0.143	8.108	4	195	0

a Predictors: (Constant), MEAN_IV_D, MEAN_IV_A, MEAN_IV_C, MEAN_IV_B

b Dependent Variable: MEAN_DV_E

Coefficient Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	
	B	Std. Error	Beta			
	(Constant)	1.560	.511			
1	MEAN_RTP	.236	.151	.175	1.562	.120
	MEAN_FS	-.226	.171	-.150	-1.317	.189
	MEAN_SE	.261	.128	.169	2.038	.043
	MEAN_EE	.331	.108	.238	3.066	.002

a: Dependent Variable: Entrepreneurial Intention

*p<0.1, **p<0.05, ***p<0.01

Additionally, from the multiple regression analysis, it can be seen that the fourth independent variable which is entrepreneurship education showed the highest score in Beta (β) with 0.238, t value of 3.066 that is more than 1.645 and significance value of 0.002 ($p<0.002$). These indicate that entrepreneurship education possessed the strongest significant relationship with the entrepreneurial intention

DISCUSSIONS AND CONCLUSIONS

Insignificant relationship between the risk taking propensity and the entrepreneurial intention might be attained due to the reason that students actually lacking with the knowledge that guides them on what do they need to possess in order to become an entrepreneur, then this lead to the bad perception about risk. Besides, the welcoming attitude upon risks is actually not permanently stay within an individual, so this situation might also contribute towards the perception of risk and eventually affecting their attention in becoming an entrepreneur (Beverland & Lockshin, 2001). Furthermore, although a person seems to be positive about the risks, this is not an indication that the person will seriously have the willingness in taking the risks when it comes to consider their intention in venturing into business (Simon, Houghton &

Aquino, 2000). The risk taking propensity dimension not being able to influence the entrepreneurial intention of an individual, besides, they also believed that sometimes, those who started up a venture actually have no idea on the risks that they will confront.

Regarding the insignificant family support element, additional insight from Marques, Ferreira, Gomes and Rodrigues (2012), although the youth is surrounding with the endless support from the parents, sibling or relative, this cannot be considered as the triggering point that the youth will be involving in the entrepreneurial activities because some of them especially students tend to avoid themselves from involving in the same field like their family. Based on the findings by Chang, Memili, Chrisman, Kellermanns and Chua (2009), the supports gained by an individual from the family or relatives resulted not towards the entrepreneurial intention, however the supports just giving an impact towards the preparedness in joining a venture as most of the respondents tend to think critically about any other factors such as financial stability before having the intention in becoming the entrepreneur.

Self-efficacy is one of the significant dimensions in predicting the intention of an individual as those who tend to have greater level of self-efficacy seems to have higher intention level towards starting up the business venture (Krueger, Reilly & Carsrud, 2000). Entrepreneurial self-efficacy have affected entrepreneurial intention generally including the life style and growth prospect of a particular individual and it is been agreed that dissimilar phases of self-efficacy will be impacting different level of entrepreneurial intention and has been proven in influencing the personality development within an individual, thus reflecting the confident level of the potential entrepreneur.

On the entrepreneurship education aspect, students with different academic majors showing different anticipation towards the entrepreneurship, where business major students are more interested in starting up new venture as they were familiar and well exposed with the management, accounting and marketing knowledge, meanwhile, the non-business students who are gaining lesser entrepreneurship exposure are more attentive in technical field. From the environment aspect is UUM, most if the respondents of this study seemed to show their efforts in utilizing the availability that provided by the faculties, management and also people around them as one of the method in educating them in matters related to the entrepreneurship.

In conclusion, two dimensions which are self-efficacy and entrepreneurship education had shown their significant effect on the creation of entrepreneurial intention among the students in UUM. This indicates that by strengthening these elements will helps in boosting up the interest among the potential youth in venturing themselves into entrepreneurship field.

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