

## RISK TAKING AND ENTREPRENEUR EDUCATION IN SHAPING ENTREPRENEUR INTENTION

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**Abstract:** *This study examines student entrepreneurial intention affected by risk taking and entrepreneurial education among undergraduate Universiti Teknologi MARA (UiTM) students. This study applied quantitative and cross-sectional design of 317 students from UiTM across Malaysia. The findings indicate positive relationship between risk taking and entrepreneurial education in shaping students' intention to be entrepreneurs in future.*

**Keywords:** *Entrepreneurial Intention, Risk Taking, Entrepreneurial Education, Malaysia*

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## 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). A Standard Chartered survey conducted in 2020 found that 79% of 25 to 34 years old were interested to start a new business or set up a second income stream in the wake of the pandemic (Menon, S., 2022).

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).

Furthermore, all university students in Malaysia must undergo a compulsory entrepreneurship course. This is in line with the Malaysia Education Blueprint 2015-2025, which aims to cultivate an entrepreneurial mindset. Unfortunately, according to Mohammed et al (2014), the percentage of graduates who are employed and engage in entrepreneurship remains low, with only 5.5% of graduates starting their own business. The occurrence might be caused by lack of confidence, encouragement or reassurance. This generation is less willing to take risks and explore their entrepreneurial side. Therefore, this study aimed to investigate the effect of risk taking on entrepreneurial intention among undergraduate university students.

Scholars have shown a great deal of interest in the role that entrepreneurial education plays to foster entrepreneurial goals, however, there are inconsistent findings of studies examining the impact of education on entrepreneurial activity. While some academics assert that a person's desire to start their own business grows with knowledge (Ahmed et al. 2020), some research they may even be insignificant or negative correlation between entrepreneurial education and intention (Karimi et al., 2016). Despite knowing that education play crucial role in fostering entrepreneurial goals, they remain controversy (Anwar et al., 2020). Consequently, further investigation is needed to fully understand how entrepreneurial education impact intention to start their own business. By exploring this relationship, this study will fill the gap in the entrepreneurial intention literature.

## Research Objectives

1. To study the relationship between risk taking and entrepreneurial intention among undergraduate students
2. To determine the relationship between entrepreneurial education and entrepreneurial intention

## Literature Review

### Entrepreneurial 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 et al (2022), 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 entrepreneurial 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.

In addition, Wardana et al (2024) conducted research to study entrepreneurial intentions of students in Indonesia's East Java Province. The research focuses on how students' entrepreneurial intentions are influenced by their perception of their own abilities as entrepreneurs, as well as subjective criteria, role models, and success needs. The findings indicate that subjective norms, role models, and needs for achievement affect students' entrepreneurial intention. Al Qadasi et al (2023) examines the influence of personality traits and environmental and situational factors on the development of entrepreneurial intention among young students in Yemen. The study reveals that personality traits of the need for achievement (nAch) and locus of control (LoC) positively correlate with entrepreneurial self-efficacy (ESE) and entrepreneurial intention.

### Risk Taking

Risk taking can be defined as individual acting in a way that presents a risk to oneself or others and involves voluntarily accepting the possibility of failures. Individuals with high-risk tolerance are likely to make more excellent progress in starting a business since they do not attach too much importance to the risk and focus more time, energy and resources on starting a business (de Caroliset al., 2009). A sense of regret for missing a profit opportunity serves to encourage people to take risks, thereby increasing their entrepreneurial intentions (Bergner et al., 2022).

A study by Maheshwari (2024) aims to integrate the direct influence of culture and personality factors in view of mediating role theory of planned behaviour components to measure the EI of students in Vietnam. Data for this study were collected from 393 undergraduate/post-graduate university students using an online survey. The data were analysed using structural equation modelling to test the designed hypotheses of the study. Risk-propensity was found to have a direct influence on students' entrepreneurship intentions. This study is consistent with Mohan et al. (2024) who investigate the factors influencing entrepreneurial intention among 379 fresh graduates from public and private universities in Klang Valley, Malaysia. Most fresh graduates are having a high level of entrepreneurial intention to start up their business after completing their studies. Further, entrepreneurial behavior, motivation, and risk-taking tendency were proven to have an influence on the intention to entrepreneurship among fresh graduates. Thus, below hypothesis was formulated:

***H1: Risk Taking have significant effects on entrepreneurial intention***

**Entrepreneur Education**

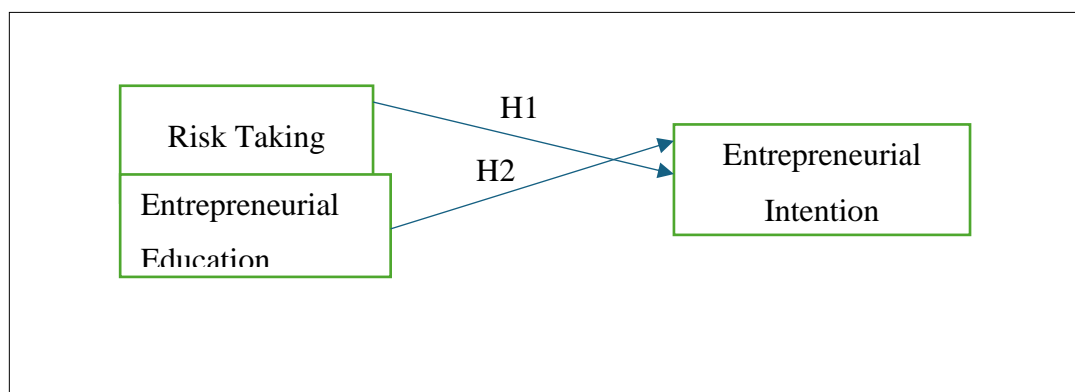
Entrepreneurship education is considered an important factor contributing towards entrepreneurship activities and intentions. Entrepreneurship education (EE) has been speedily growing internationally since entrepreneurship is an element of the economics of a country (Martínez et al., 2010). From the article, Nabi and Liñán (2011) have mentioned that better education and entrepreneurship education will help to encourage entrepreneurial activity among undergraduates. Jaafar and Aziz (2008) mentioned that “individuals attending entrepreneurship courses have a higher tendency to start their businesses at some point in their career than those attending other courses.” Besides that, Albert et al. (1991) also found that 25% of students who completed an entrepreneurship education program have started their businesses.

Suratno et al (2024) examines the effect of entrepreneurship education, marketing skills, and entrepreneurial motivation on students' entrepreneurial intentions. The population in this study were undergraduate students at Jambi University in the final semester of the academic year 2020-2021. Data were collected using a questionnaire and then analysed using the SEM-PLS model approach. The results of the study indicate that marketing skills and entrepreneurship education directly and indirectly affect entrepreneurial intentions through entrepreneurial motivation. Wei et al (2019) stated that education is a strong predictor of student attitude toward entrepreneurship. When students are exposed to, taught, and learn about various business operations, concepts, and hazards, they are said to be engaged in a learning process. They are also said to be developing skills, making informed decisions, and gaining other business skills. Therefore, below hypothesis was formulated:

***H2: Entrepreneurial education have positive and significant effect toward entrepreneurial intention***

**Research Framework**

The purpose of this study is to identify the determinants of students’ entrepreneurial intention to become an entrepreneur. The theoretical framework depicted in Figure 1.



**Figure 1: Research Framework of the study**

## Methodology

This study utilized a quantitative research design. The research methodology utilized a cross-sectional strategy that collected data from participants at one time, providing a glimpse of information. This method is helpful for researching events that can be adequately captured in a defined timeframe, revealing linkages and patterns during a specific timeframe.

The study utilized a survey methodology to gather data, employing a meticulously designed questionnaire as the primary tool to obtain information from the study participants. The questionnaire was constructed in both English and Malay languages to allow participants to select their preferred language for answering the questions. The questionnaire items were methodically designed after conducting a thorough analysis of current literature, guaranteeing their importance and thoroughness in addressing the research objectives. The dependent and independent variables instrumentation, which are risk taking, entrepreneurial education and entrepreneurial intention, were adapted from Zaremohzzabieh et al. 2016. All responses were measure using 10 points scale items, ranging from “1=Strongly Disagree” and “10=Strongly Agree”.

The unit of analysis is individual. The target population was undergraduate students from Universiti Teknologi MARA (UiTM). The criterion for the respondents is that they must have enrolled entrepreneurship course. The reasons to ensure students understand the theories in entrepreneurship and they have involved in entrepreneurship activities during they courses. Participants were assured that all information was kept confidential, and their participation was voluntary. Respondents were selected using the random sampling method to prevent bias and ensure that every respondent has an equal chance of being chosen. A total of 350 questionnaires were distributed via google form to the target participants and 317 usable questionnaires were collected. A response rate of the survey was 91%.

In addition, a number of statistical techniques, including data analysis and hypothesis testing, were executed using IBM SPSS Statistics version 22.0. The hypotheses were examined, and the research model was analyzed using Pearson correlation analysis

## Findings and Discussion

### Reliability Analysis

The reliability of the scale is determined by computing the coefficient alpha. So, the traditional method specifically of Cronbach alpha was conducted to determine the reliability of the items included in the study. Based on Nunally's (1978) suggestions, the better coefficient alpha is above 0.70 and this has also been admitted by Sekaran and Bougie (2010).

**Table 1: Reliability Analysis**

Variables	Items	Cronbach Alpha
Dependent variable		
Entrepreneurial Intention	8	0.976
Independent Variables		
Risk Taking	4	0.931
Entrepreneurial Education	6	0.920

Table 1 represents the result of Cronbach's Alpha for Entrepreneurial Intention, Risk Taking and Entrepreneurial Education variables above 0.90 which were above 0.7 as suggested by Sekaran and Bougie (2010). It showed the entire variables are excellent and reliable in measuring the response.

### Correlation Analysis

**Table 2: Result of Pearson Correlation and Hypothesis Testing**

Dependent Variable	Independent Variables	Pearson Correlation	P Value (P<0.05)	Result	Hypothesis
Entrepreneurial Intention	Risk Taking	.768**	<.001	Significant	Supported
	Entrepreneurial Education	.525**	<.001	Significant	Supported

\*\* Correlation is significant at the 0.01 level (2-tailed).

The summary result of the correlation testing in this study was showed in Table 2. Risk Taking has a positive and strong relationship ( $r=0.768$ ) meanwhile Entrepreneurial Education has positive and moderate relationship ( $r=0.525$ ) with Entrepreneurial Intention. Based on the correlation analysis, it indicates that all hypotheses are supported.

### Multiple Linear Regression

In this study, multiple regression analysis was applied because it had two independent variables of risk taking and entrepreneurial education. The  $R^2$  value for the regression model is shown in Table 3.

**Table 3: Regression Model**

Model	R	R Square	Adjusted R Square	F Change	Sig F Change
1	.780	.608	.605	243.421	<0.001

$R^2$  value shown in Table 3 is 0.608. This indicates that 60.8% of entrepreneurial intention can be explained by risk taking and entrepreneurial education. Meanwhile 39.8% other factors influence entrepreneurial intention which not included in this research.

**Table 4: ANOVA**

ANOVA<sup>a</sup>

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	931.443	2	465.721	243.421	<.001 <sup>b</sup>
	Residual	600.756	314	1.913		
	Total	1532.198	316			

a. Dependent Variable: EI

b. Predictors: (Constant), RT, EE

Table 4 shows that p value of the test data is <0.001 = significance, which indicates that the result is less than 0.001. Moreover, it can also be seen that the overall regression is significant, hence the regression model is considered as a good fit of the data.



**Table 5: Coefficient**

**Coefficients<sup>a</sup>**

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-.585	.404		-1.448	.149
	RT	.779	.048	.684	16.320	<.001
	EE	.220	.059	.158	3.761	<.001

a. Dependent Variable: EI

Table 5 illustrates the result of multiple regression for the two hypotheses. As can be seen, all the p value is below 0.001 which indicates that H1 and H2 are supported.

X1 = Risk Taking

X2 = Entrepreneurial Education

Y = Entrepreneurial Intention (Dependent Variable)

Therefore, the factors influence entrepreneurial intention can be summarizes as follow:

$$Y = -0.585 + 0.779X1 + 0.22X2 + e$$

The results presented in Table 5 shows that risk taking is the most significant factor of entrepreneurial intention, followed by entrepreneurial education.

**Table 6: Summary of Analysis**

Hypothesis	Description	P value	B value	Result
H1	Risk Taking has a positive effect towards entrepreneurial intention	<0.001	0.779	Supported
H2	Entrepreneurial Education has a positive effect towards Entrepreneurial Intention	<0.001	0.220	Supported

### Discussion of Findings

The main objective of the present study was to investigate whether there is a positive relationship between the two independent variables (namely risk taking and entrepreneurial education) with entrepreneurial intention.

The result of Hypothesis 1 discovered that there is a positive relationship between risk taking and entrepreneurial intention among UiTM undergraduate students in Malaysia. Table 6 shows that Hypothesis 1 is supported and the relationship between risk taking, and entrepreneurial intention is at a significant level with B value = 0.779. In other words, there is a positive relationship between two variables whereby each unit of risk-taking increases, the entrepreneurial intention increases by 0.779 unit.

As presented in the same table, the statistics result of Hypothesis 2 indicates that there is a positive and moderate relationship between entrepreneurial education and entrepreneurial intention because p value = <0.001 and B value = 0.220. Therefore, it can be implied that the current research entrepreneurial education has positive and moderate effect towards entrepreneurial intention.

### **Conclusion and Recommendations**

This study highlights entrepreneurial intention among UiTM undergraduate students by examining factors risk taking and entrepreneurial education as independent variables. The results showed that they are most likely to have interest to be an entrepreneur in future. Furthermore, this study discovers that risk taking and entrepreneurial education have influence on the intention to entrepreneurship among students. Perhaps, the engagement in entrepreneurship activities during entrepreneurship courses produces significant impact in the intention to start a new venture among UiTM students. Entrepreneurship plays a vital role as a job creator, absorbing the workforce, and fostering economic growth.

Our study adds to the literature by further empirically validating how risk taking and entrepreneurial education influence intention in context undergraduate students in Malaysia. Key contribution of this research is the empirical evidence of the factors affecting UiTM students' intention to become entrepreneur in future. Due to that fact, undergraduates are important source of nascent entrepreneurship. The implication of this study to both policy makers and educators is the universities should consider other factors that motivate the students an entrepreneur. For example, in this study, risk taking is the greatest influence of the students' intention to become an entrepreneur. To produce young graduates that are risk taker and able to embrace obstacles, Ministry of Higher Education must work together with institutions to ensure that students are aware of supports such as fundings, training and so on offered by government. Therefore, it is crucial to find strategies on how to convince students on the advantages of being an entrepreneur.

As with any study, our study is not without its limitations. First, this study is limited by its design, which was cross-sectional in nature. Future studies may adopt longitudinal designs to explore how entrepreneurial attitude and subjective norms impact entrepreneurial intention evolve over time. Secondly, the limitation of this research is its population which only consists of UiTM students. The findings may not represent the whole population of undergraduate students from public universities in Malaysia. Future research may consider including other public and private universities.

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