

EXPLORING ENTREPRENEURIAL INTENTION AMONG CHINESE STUDENT IN MALAYSIA USING TPB

Mohd Rashan Shah Robuan¹

Faculty of Economics and Management, Universiti Kebangsaan Malaysia (UKM), Malaysia,
(E-mail: rashan@ukm.edu.my)

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Abstract: *The objective of this study is to explore the determinants factor influencing entrepreneurial intentions among Chinese ethnic students who have completed compulsory entrepreneurship education courses. Using a quantitative approach, the research evaluates the propensity towards entrepreneurship through TPB within the Chinese ethnic groups in Malaysia. The data analysis utilized Statistical Package for Social Sciences (SPSS) and Smart PLS4 software to comprehensively examine and interpret the findings. The result showed that only personal attitudes and subjective norm influence the entrepreneurial intention of the Chinese students. The study showed to increase the intention of the Chinese student in entrepreneurial activities they should be collaboration with the entrepreneur and industry.*

Keywords: *Entrepreneurship, Entrepreneurial Intention, Chinese Students, Entrepreneurship Education*

Introduction

Small and Medium Enterprises (SMEs) wield substantial influence in numerous economies, especially within developing nations. They constitute the majority of businesses globally and significantly contribute to job generation and the advancement of the global economy (Van Praag & Versloot, 2007). According to world bank approximately 90% of businesses and over 50% of global employment contributed by SMEs (World bank, n.d.). This showed that the entrepreneurs' existence is important human capital for the country. Recognizing its significance, various educational institutions have integrated entrepreneurship courses into their curricula to cultivate an entrepreneurial mindset among students. The aim is to develop entrepreneurial graduate. Before the student or graduate become entrepreneur, they should have intention to be one. That why entrepreneurial intention is a critical aspect of economic development, and understanding the factors that influence it is essential for fostering a vibrant entrepreneurial ecosystem. This study focuses on examining the predictors of entrepreneurial intention among Chinese ethnic in Malaysia, a population that has played a significant role in the business landscape of the country. Since independent the Chinese ethnic hold more economic equity compared to the Bumiputera. After 1969 incident a special New Economic Policy were introduced and give more focus on Bumiputera development until today (Jomo, 2017). In Malaysia despite the Chinese ethnic population is only 22.6 % but looking at the statistic 2024 of top 50 richest people showed that 43 out of 50 names are Chinese ethnic (Karmali & Ho, 2024). Study in Indonesia by Cahyono, Syafitri, and Susilo (2021) showed that specific ethnic groups, including the Chinese display a stronger inclination toward entrepreneurship compared to others. This showed that the Chinese are more entrepreneurial compared to the other ethnic. In term of income, they have higher income level compared to the other ethnic. This showed the Chinese ethnic contribute significantly to the Malaysian economy.

While entrepreneurial intention has been widely studied, there exists a gap in the literature concerning the specific context of Chinese citizens in Malaysia. Previous research has predominantly focused on general entrepreneurial studies or specific ethnic groups which is the Bumiputera group, often overlooking the nuanced factors that may influence the entrepreneurial aspirations of Chinese ethnic in Malaysia. This study will focus on Chinese ethnic university student due to their proximity to the job market and potential job creator. This research aims to bridge this gap by delving into the unique predictors that shape entrepreneurial intention within the Chinese community in Malaysia. The importance of this study lies in its potential to contribute to the formulation of targeted strategies for entrepreneurship development, considering the specific needs and challenges faced by the Chinese community. As Malaysia continues to strive for economic growth and diversity, a thorough understanding of the entrepreneurial intentions of its diverse citizen is crucial. Exploring their entrepreneurial intentions among other ethnic beside Bumiputera group can provides insights into potential economic contributions, job creation, and innovation.

Entrepreneurship Education in Malaysia

Entrepreneurship education in Malaysia has played a crucial role in fostering economic growth and cultivating an entrepreneurial culture. Entrepreneurship education is firmly in place at universities, helping students gain the essential knowledge and skills for entrepreneurship (Bin Yusoff et al., 2015). The initiation of entrepreneurship education in Malaysia dates back to June 1982 with the introduction of the Kembara Usahawan (KEMUSA) co-curriculum, marking a foundational step in this domain (Rahim et al., 2015). This educational agenda aims to instil an entrepreneurial mindset, addressing current issues and fostering a culture of innovation among

students and the general population. Recent developments suggest that universities in Malaysia may offer entrepreneurship education as a compulsory, core, or elective course, indicating the evolving landscape of entrepreneurial education in the country (Othman et al., 2022). Past literature reviews on entrepreneurial development in higher education institutions in Malaysia affirm the positive impact of entrepreneurship education on fostering entrepreneurial skills and development (Sauh et al., 2023). Study by Ministry of Higher Education (MoHE) showed that the number of graduate entrepreneurs are increasing from 2016 until 2020 beyond the target set by the ministry. As Malaysia moving toward develop nation the increased number of entrepreneurs are important as they are the contributor toward increasing economic growth and prosperity. Malaysia's commitment to entrepreneurship is reflected in its Entrepreneurship Development Policies (2015) and National Entrepreneurship Policy 2030, positioning entrepreneurship as a key element in the nation's transformation agenda toward becoming entrepreneurial nation by 2030.

Theory of Planned Behavior

The Theory of Planned Behavior (TPB) is a psychological model that connects beliefs to behavior. Proposed by Ajzen (1991), this theory extends the earlier Theory of Reasoned Action (TRA) by Ajzen and Fishbein (1975). According to TPB, intention is the best predictor of behavior (Ajzen, 1991). The model suggests that behavioral intentions, shaped by personal attitudes (PA), subjective norms (SN), and perceived behavioral control (PBC), can predict an individual's likelihood of engaging in a specific behavior (Ajzen, 1991). This theory, widely used, helps explain how people think about and plan their actions before performing them, meaning that behaviors are often intentional.

In studies on entrepreneurial intention (EI) among students, TPB has become a valuable framework for understanding the factors influencing their intention toward entrepreneurship. TPB emphasizes the importance of attitudes toward entrepreneurship, subjective norms, and perceived behavioral control. According to Zhang et al. (2022), TPB offers insights into how these psychological factors affect a student's likelihood of pursuing entrepreneurship. Specifically, Zhang et al. (2022) argue that entrepreneurship education (EE) plays a key role in enhancing students' attitudes and perceived control by building self-confidence and fostering positive beliefs in their abilities to succeed as entrepreneurs. This, in turn, makes entrepreneurship seem more achievable and desirable. Supporting this perspective, Xanthopoulou and Sahinidis (2024) found that EE not only strengthens students' attitudes and self-belief but also aligns with subjective norms that encourage entrepreneurial behavior. They note that when educational programs promote an entrepreneurial mindset within a socially supportive environment, students are more likely to develop intentions toward entrepreneurship, as the social environment reinforces their confidence in entrepreneurial success. Consequently, EE acts as a significant mechanism for turning TPB constructs into actionable entrepreneurial intentions among students.

Within TPB, personal attitudes reflect an individual's positive or negative evaluation of performing a behavior, where positive attitudes increase the likelihood of engaging in the behavior. Subjective norms represent the perceived social pressure to perform or avoid a behavior, with significant influences from others playing a crucial role in shaping these norms. Krueger et al. (2000) indicate that subjective norms can be particularly important in ethnic communities with strong entrepreneurial cultures. The third variable, perceived behavioral control, reflects the perceived ease or difficulty of performing a behavior, with higher perceived control linked to a greater likelihood of behavior. The TPB model has been widely applied

across various fields, including health, psychology, marketing, consumer behavior, and entrepreneurship, demonstrating its versatility in predicting intention-driven behaviors.

Entrepreneurial Activities Among Chinese Ethnics in Malaysia

Tracing back through history, the Chinese ethnic group emerged as early foreign traders as far back as the sixteenth century coinciding with the era of the Malacca Sultanate in their ventures to the Malay peninsula (Omar, 2006). Initially their role involved acting as intermediaries, with their main task being to transport of local goods back to China (Mohamad, 2008). However, with the onset of European traders in East Asia, the Chinese swiftly consolidated their dominance, establishing a monopoly over the commercial landscape in the region (Mohamad, 2008).

In the sixteenth century, European traders began to conduct business in East Asia, which gave the Chinese a monopoly on the region's commercial activities (Mohamad, 2008; 2012). During the era of British Colonialism in the Malay Peninsula, a divide-and-rule approach was employed, establishing racial distinctions in economic activities. The Malays or Bumiputera community was allocated to low-value agriculture, while the Chinese ethnic was granted advantages to engage in business activities (Mohamad, 2008). When European traders arrived in East Asia in the sixteenth century to conduct commerce, the Chinese began to hold a monopoly on the region's business, acting as the intermediaries for all transactions involving Europeans (Mohamad, 2008). In the era of British colonialism, the British established stronger economic ties with the Chinese due to their higher productivity and greater contributions to the economy compared to the Malays (Omar, 2006). According to Yaacob (1981) the records from 1954 indicate the presence of 7,878 businesses owned by Malays, 12,644 businesses owned by Indians, and 58,005 businesses owned by the Chinese ethnic. After independence, Chinese entrepreneurs assumed control of businesses previously held by the British. During the 1960s Chinese entrepreneur control extended to almost all commercial sectors in Malaysia (Chin, 2003). This widened the economic disparity in term of the gap in income and business equity between the Malay and Chinese communities. By the 1970s, Malay and Indian ownership of corporate fixed assets stood at merely 1% compared to the Chinese ownership which was 26.2%. Since then, the Chinese community has asserted dominance in sectors such as construction, transportation, and commerce.

In term of culture the Chinese also have business culture as part of what they practice worldwide which compress of 8 elements which are personal connection (*guanxi*), intermediary (*zhongjianren*), social status (*shehui dengji*), interpersonal harmony (*renji hexie*), holistic thinking (*zhengti guannian*), thrift (*jiejian*), "pride" (*mianzi*) and endurance (*chiku nailao*) (Chuen-Khee, 2008). Compare to the other ethnic this culture makes them more advance in business. According to the Sixth Malaysia Plan (1991–1995) survey conducted by the Malaysian government 4 out every 10 Chinese are business owner. Based on this information showed the Chinese ethnic have more advantage, connection and interest toward to entrepreneurship compared to the other ethnics. Study in China by Yang (2013) showed PA, SN and PBC all predict the entrepreneurial intention for the Chinese people. But there is also earlier study by Wang & Wong (2004) that showed no different in term of ethnics' variable influence toward entrepreneurial interest. In other study by GEM (2021) point that racial or ethnicity play roles in entrepreneurial interest as their study showed in US the black people have higher entrepreneurial intention compared to the white and Hispanic people.

Based on this therefore, the following hypothesis was developed:

H1: The personal attitude towards behaviour has a positive effect on intention for Chinese Students

H2: The subjective norm has a positive effect on intention for Chinese Students

H3: The perceived behaviour control has a positive effect on intention for Chinese Students

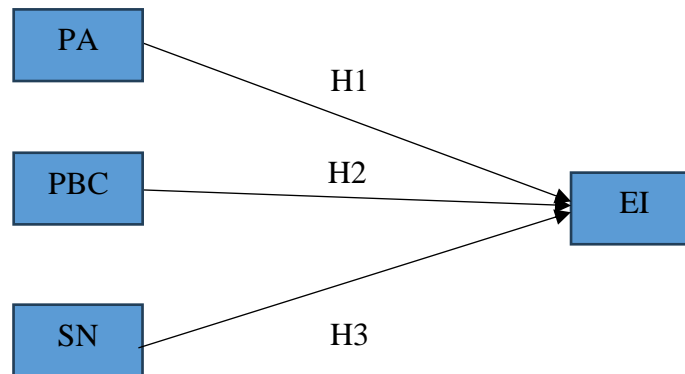


Figure 1: Research model

Research Methodology

The data collection process comprised a structured survey administered to a specific sample of Chinese students at a public university in Malaysia. This study employs a quantitative method to gather data from first-year undergraduate students enrolled in a compulsory entrepreneurship course. The course objective not only create awareness but also provides crucial insights for starting a business. This study exclusively collects data from students of Chinese ethnic background. The survey employing a 5-point Likert scale for the questionnaire, ranging from Scale 1 (lowest) to 5 (highest). The questionnaire was distributed during the final week of the class. Subsequently, the collected data underwent analysis using statistical tools, specifically SPSS28 and Smart PLS4. The advantage of utilizing Smart PLS lies in its capability to analyse small-scale datasets and aligning with the specific requirements of this study. (Hair et al., 2011; Wong, 2013). A total of 86 students participated in responding to the questionnaire, which was adopted and adapted from validated instrument developed by Linan and Chen in 2009. This survey was designed to collect demographic data from respondents and assess variables in accordance with TPB.

Result and Discussion

Demographic Data

Table 1 Demographic Data

		Frequencies	Valid percent
Gender	Male	29	34
	Female	57	66
Work experience	Yes	61	71
	No	25	29
Business experience	Yes	40	46
	No	46	54

Based on the result showed that only 34 % of the respondents are male and the rest are female students. This is normal scenario in public university in Malaysia where the majority are female students. From the respondent 61 students or 71% of them have a working experience. In term of involvement of business experience 46 % of the respondents mentioned they have experience involved in business.

Measurement Model

To analyze the research model for this study, we employed partial least squares (PLS) analysis through the use of Smart PLS 4. As shown in Table 2, showed value of Cronbach alpha more than 0.7, composite reliability above 0.7 and AVE value above 0.5, showing that the measures are both valid and reliable. Table 3 showed that the square root of the AVE greater than the correlations with other constructs. This indicates that the construct shares more variance with its own measures than with measures of other constructs, confirming discriminant validity. The result showed Fornell and Larcker Criterion is met, provides evidence that the model has discriminant validity. The result in table 4 showed the HTMT value below 0.85 threshold as recommend by Kline (2011) indicating that discriminant validity was established.

Table 2 Measurement Model Analysis Result

	Cronbach's alpha	Composite reliability	Average variance extracted (AVE)
EI	0.849	0.908	0.732
PA	0.934	0.95	0.791
PBC	0.863	0.89	0.512
SN	0.847	0.882	0.569

Table 3 Fornell and Larker Criterion

	EI	PA	PBC	SN
EI	0.855			
PA	0.621	0.889		
PBC	0.552	0.641	0.715	
SN	0.534	0.368	0.373	0.754

Table 4 HTMT

	EI	PA	PBC	SN
EI				
PA	0.68			
PBC	0.587	0.688		
SN	0.527	0.401	0.45	

Table 5 Explanatory Power

		Result
R ²	EI	0.513
	PA	0.171
F ²	PBC	0.041
	SN	0.179
Q ²	EI	0.428

Table 5 showed the explanatory power of the model. For this study the R^2 value is 0.513 which indicates that 51% of the variance in the dependent variable can explained by the independent variables in the model which are PA, SN and PBC. This suggests a moderate level of explanatory power. The higher the R-square, the greater the proportion of variance explained. Previous research by Linan and Chen (2009) has demonstrated that the TPB model is account for 58% of the variance in intention. Our study corroborates and aligns with these established results. Based on Cohen (1988) the F^2 or effect size measurement refers to the quantification of the extent to which the independent variables can elucidate the proportion of variability in the dependent variable. The effect size can be interpret based on value. For value above 0.02 suggests a small effect, indicating that only a small proportion of variance in the dependent variable is explained by the independent variables. Value 0.15 indicates a medium effect size, signifying a moderate proportion of variance explained. For this study the F^2 value for PBC= 0.041 which indicate small effect size. For PA and SN, the F^2 value are above 0.15 which is indicates a moderate effect size, suggesting a more substantial contribution of the variables to the variance in the dependent variable. The Q^2 value is 0.428 which is above 0. Q^2 value above 0 indicates that the model has predictive relevance. This suggests that the model's predictions are better than random chance, and the latent variables in the model contribute to explaining the variation in the dependent variable.

Structural Model Assessment

Table 6 Path Coefficient

Hypothesis	Relationship	β	STDEV	T value	P value	Decision
H1	PA -> EI	0.382	0.128	2.995	0.003	Accepted
H2	PBC -> EI	0.186	0.124	1.5	0.134	Rejected
H3	SN -> EI	0.324	0.125	2.581	0.01	Accepted

To test the hypothesis the bootstrapping test was conducted. The result as shown in table 6. 1 out of the 3 hypothesis was found insignificant. The H1 hypothesis, assessing the influence of the PA Chinese students on entrepreneurial attention, demonstrated $\beta = 0.382$, T value= 2.995 and P value < 0.05. The findings indicated significant effect of PA on EI. Consequently, H1 was accepted.

The H2 hypothesis, assessing the influence of the PBC Chinese students on entrepreneurial attention, demonstrated $\beta = 0.186$, T value= 1.5 and P value = 0.134. The findings indicated insignificant effect of PBC on EI. Consequently, H2 was dismissed.

The H3 hypothesis, assessing the influence of the SN Chinese students on entrepreneurial attention, demonstrated $\beta = 0.324$, T value= 2.581 and P value < 0.05. The findings indicated significant effect of PA on EI. Consequently, H3 was accepted.

Discussion

The study This study showed that only PA and SN are significantly influence entrepreneurial intention of Chinese ethnic students in Malaysia. Similar study conducted in China showed different result where Su et al., (2021) found that only PA and PBC have significant effect on Chinese people in China. So, this showed that even though same ethnicity but there is other factor that influence the entrepreneurial intention of these population in 2 nations. Similar study conducted to undergraduate students in general in Malaysia by Ambad and Damit (2016) and

Kowang et al., (2021) found that all 3 variables influence entrepreneurial intention. This study found subjective norms exhibited most significant impact on their entrepreneurial intentions (H3). Following this, personal attitude control (H1) assumed a substantial role, while perceived behavior control (H2) did not directly influence their entrepreneurial intentions. So, to increase the Chinese students entrepreneurial intention implementing a comprehensive approach that addresses personal attitudes and subjective norms concurrently can effectively boost their interest. Among the thing that can be done through subjective norm are the introduction of role model and mentorship especially if those people are also Chinese ethnic. Positive role models and mentors can influence personal attitudes and shape subjective norms, encouraging individuals to pursue entrepreneurial paths. The entrepreneurship course should also include skill development. This can enhance the capabilities of individuals interested in entrepreneurship. Improving skills and competencies can positively impact personal attitudes and subjective norms related to entrepreneurial activities. Beside that the policy maker or the course coordinator should include the people from industry within the programme. Such collaborations can positively shape personal attitudes and subjective norms toward entrepreneurship.

Limitation And Future Direction

This study has certain limitations. The study only collect data from respondent from one course in one public university so the result cannot be generalized to whole Malaysia. To address this, future research could broaden its sample to include data from other universities and entrepreneurship course in Malaysia, thereby bolstering external validity. Second this study only measures the data at one point of time which was after finished the entrepreneurship course. The future study could improve by doing longitudinal study and measure the data based on T1 and T2 which is before and after to get a better understanding how the entrepreneurship course influences their entrepreneurial intention. Lastly, this study only focuses at three variable which are PA, PBC and SN, there could be other factor that influence their entrepreneurial intention. Recognizing the existence of various other factors such as risk taking and family background that impact such intentions, future research should encompass a broader array of factors for a more comprehensive exploration of the topic.

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