

ENTREPRENEURIAL EDUCATION AS A MODERATOR: A CONCEPTUAL PERSPECTIVE ON ATTITUDE, SOCIAL NORMS, RISK-TAKING, AND ENTREPRENEURIAL INTENTION

Farahiyah Akmal Mat Nawī¹
Julaina Baistaman²
Wan Masnieza Wan Mustapha³
Hatimah Abu Bakar⁴

¹Faculty of Business and Management Universiti Teknologi MARA (UiTM) Selangor Branch, Malaysia,
(E-mail: farahiyahakmal@uitm.edu.my)

²Faculty of Business and Management Universiti Teknologi MARA (UiTM) Kelantan Branch, Malaysia,
(Email: julaina@uitm.edu.my)

³Faculty of Business and Management Universiti Teknologi MARA (UiTM) Kelantan Branch, Malaysia,
(Email: masnieza@uitm.edu.my)

⁴Faculty of Business and Management Universiti Teknologi MARA (UiTM) Kelantan Branch, Malaysia,
(E-mail: hatin463@uitm.edu.my)

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Abstract: *Entrepreneurial intention has recently garnered considerable attention from academics and policymakers (Al-Jubari, 2019) to the accomplishment that entrepreneurial intent can lead to business activities (Miriti, 2020), which has a great potentiality for generating new employment for university students (Sher et al., 2017). Unfortunately, only small proportion of graduate students interested to venture into entrepreneurship. The purpose of this study is to investigate factors determining Entrepreneur Intention and the moderating role of Entrepreneur Education (EE) in the relationship between Entrepreneur Attitude (EA) and Entrepreneurial Intentions (EI) of the university students based on the Theory of Planned Behaviour (TPB). This study will be adopted cross sectional design from 300 UiTM students. To test the hypothesis in this paper, the regression and multigroup analysis to test the moderating effect using PLS-SEM. Findings from this study will contribute to future research with a more refined understanding of the factors affecting Entrepreneurial Intention (EI) as well as practical implications for governments and higher education institutions on how they form an ecosystem in equipping future generation with entrepreneurialism. The paper contributes to the literature by theorizing and empirically testing how some factors affect the entrepreneurial intention of university students.*

Keywords: *Entrepreneurial Intention, Entrepreneurial Education, Risk Taking, Theory Planned Behaviour, 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. Malaysia also shows slightly lower achievements in the Perceived Opportunities and Perceived Capability categories than these three countries.

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.

Research Hypotheses

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

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

H3: Risk Taking has positive and direct effect on EI

H4: Entrepreneur Education (EE) moderates the relationship between entrepreneur attitude and EI

Research Framework

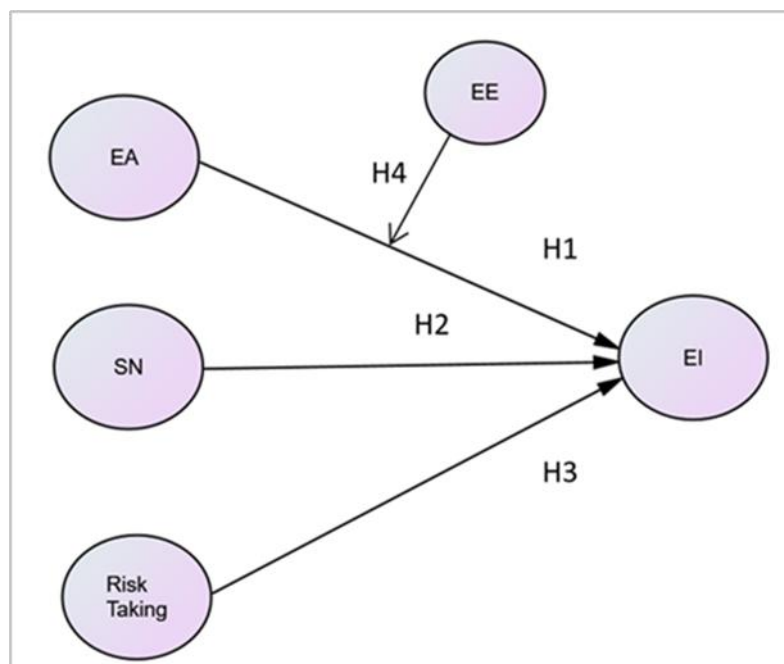


Figure 1: Research Framework

Literature Review

The intention to become an entrepreneur should be demonstrated by the person who wishes to pursue his or her own objectives in their endeavours. The theory of planned behaviour (Ajzen, 2011) explains that the intention to behave is determined by three factors: attitude toward behaviour (ATB), perceived behavioural control (PBC), and subjective norms (SN). In other words, a person cannot become an entrepreneur all of a sudden without being triggered, and the process must begin with a specific behaviour goal.

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 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 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.

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 Norms

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

Risk Taking

Risk-taking has long been regarded as an essential component of entrepreneurship. Compared with wage-earners, entrepreneurs are more optimistic, more likely to take risks and more motivated by non-monetary enjoyment of work (Puri & Robinson, 2013). Moreover, there are uncertainties and risks in the entrepreneurial process, and different types of entrepreneurs deal with them differently (Liu & Almor, 2016). 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., 2021).

McClelland reported that individuals with a great need for attainment are moderate in risk-taking (McClelland, 1961). Delmar argued that entrepreneurs are more inclined to take risks in their special domains where they are more experts in their business ventures Risk-taking in any way whether financial, social, or psychological is a part of the entrepreneurial process (Singh,

1986). Therefore, entrepreneurs tend to display more “patience for ambiguity” than others. Therefore, the above discussion leads to the following hypothesis:

H3: Risk Taking (RT) has direct effect on Entrepreneur Intention (EI)

Entrepreneurship 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.

In light of Jena (2020), EE is regarded as a vital platform for the introduction of entrepreneurship activities and, as a result, as the most effective solution to youth unemployment. In their explanation, 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. Over the years, several countries have recognized EE as a powerful force in the sense of stimulating entrepreneurial career activities and helping students to better understand their own professional aspirations (Jena, 2020; Wei et al., 2019). Through education platforms, particularly at higher learning institutions, EE is able to equip students with a range of skills encompassing business knowledge, skills, and practical experience, stimulate creativity and build self-confidence in order to translate business ideas into business creation through the application of knowledge gained, and to determine a factor in making a decision on a career path further. Therefore, below hypothesis was formulated:

H4: Entrepreneur Education moderates the relationship between Entrepreneur Attitude and Entrepreneur Intention

Research Methodology

This research will adopt cross-sectional study and quantitative in nature. The target population of this research will be final year undergraduate UiTM students who enroll Entrepreneurship course during their study in UiTM. The sampling frame of this study is based on the list of university students with a total of 1566. Sample size consists of 300 students. Data will be collected using questionnaires through simple random sampling. A structure questionnaire will be designed to collect the data for further statistical test. The questionnaire items will be adopted from previous validated studies. The data for each construct of the research model will be using a ten-point Likert scale ranging from 1 to 10, with 1 indicating strong disagreement and 10 indicating strong agreement. Structural Equation Modeling (SEM) using AMOS software with SPSS was utilized to test the proposed model.

Conclusion

Only few studies examined moderator roles of EE in shaping Entrepreneur Intention. According to systematic literature review conducted by Maheswari et al (2022) revealed that only 21% of scholars have used moderators. Indeed, the effect of EE programs on EI has still been underexplored (Karimi et al., 2016; Gielnik et al., 2017). Furthermore, although the benefits of EE have been established, prior studies have had mixed results. Most of these studies demonstrated that EE programs have a positive influence (Kautonen et al., 2015; Westhead and Solesvik, 2016). However, on some occasions, other studies have provided evidence that shows an insignificant or even negative impact of EE programs (Mentoor and Friedrich, 2007; Oosterbeek et al., 2010; von Graevenitz et al., 2010). Considering that findings concerning EE initiatives remain somewhat inconsistent, these inconclusive results indicate that the effects of EE should be further explored to obtain a sound understanding of the relationship between EE and EI.

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