# FACTORS AFFECTING STUDENTS' ENTREPRENEURIAL EDUCATION INTENTION IN THE PERSPECTIVE OF THE THEORY OF PLANNED BEHAVIOUR



FEBRUARY 2023

UNIVERSITI TEKNIKAL MALAYSIA MELAKA

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'I hereby admit that I have read this thesis and, in my opinion, this thesis meet the scope and quality for the purpose of awarding Bachelor of Technopreneurship.

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# **0**DECLARATION

I hereby declare that this research thesis is my original work, and I have written it in its entirety. I have duly acknowledged all the sources of information that were used in the thesis

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# **ODEDICATION**



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#### **ABSTRACT**

Unemployment of graduate students has increased these few years. With entrepreneurial education, graduates will have more career options and have the chance to be self-employed. Although the effects of entrepreneurial education on entrepreneurial intention can also be proved from previous research, research about what indicates a person to enrol in entrepreneurial education is rarely found. According to Ajzen's theory of planned behaviour and previous research, how attitude, subjective norms and perceived behaviour control will affect a person looking for entrepreneurial education will be focused on in this study. This study is done through a quantitative research method. An online questionnaire will be distributed to universities that offer entrepreneurial programs, which are UTEM, UUM, and UMK and the data to determine the factors that will affect students' entrepreneurial education intentions. As for the populations, UTeM have a total of 423 students enrolled in the Faculty of Technology Management And Technopreneurship (FPTT), UMK has a total of 511 students in the entrepreneurship institute, and UUM has 313 students enrolled in the College Of Business (COB) which add up to the sum of 1247 students. The Krejcie and Morgan sample size table determines the sampling size, 297 questionnaires is sent out for the population of 1247. To analyse the data, descriptive analysis was used to measure the respondent's demography. To achieve the first research objective, Pearson's correlation coefficient was applied to explore the relationship between the independent variables towards the dependent variable. Lastly, multiple regression is used to examine the strength of independent variables affecting the independent variable to find the significant factor affecting students' entrepreneurial education intention.

Keywords: Entrepreneurship, Entrepreneurship Education, Entrepreneurship Education Intention, Theory of Planned Behavior

#### **ABSTRAK**

Pengangguran antara siswazah telah meningkat beberapa tahun ini. Dengan pendidikan keusahawanan, graduan akan mempunyai lebih banyak pilihan kerjaya dan berpeluang bekerja sendiri. Walaupun kesan pendidikan keusahawanan terhadap niat keusahawanan dapat dibuktikan dari penyelidikan sebelumnya tetapi penyelidikan mengenai apa yang menunjukkan seseorang untuk mendaftar dalam pendidikan keusahawanan jarang dijumpai. Menurut teori tingkah laku Ajzen(1991) yang dirancang dan penyelidikan sebelumnya, bagaimana sikap, norma subjektif dan kawalan tingkah laku yang dirasakan akan mempengaruhi seseorang yang mencari pendidikan keusahawanan akan memberi tumpuan kepada kajian ini. Kajian ini akan dilakukan dengan kaedah penyelidikan kuantitatif, yang mana soalan dalam talian akan diedarkan kepada universiti yang menawarkan kursus keusahawanan iaitu UTEM, UUM, UMK dan data untuk menentukan faktor-faktor yang akan mempengaruhi niat pelajar. Bagi penduduk pula, UTeM mempunyai seramai 423 pelajar yang mendaftar di Fakulti Pengurusan Teknologi dan Teknousahawanan (FPTT), UMK mempunyai seramai 511 pelajar di institut keusahawanan, dan UUM mempunyai 313 pelajar yang mendaftar di Kolej Pemiagaan (COB) yang menjadikan jumlah keseluruhan 1247 pelajar. Saiz persampelan ditentukan oleh jadual saiz sampel Krejcie dan Morgan yang akan dapat 297 soal selidik hantar untuk populasi 1247. Untuk menganalisis data, analisis deskriptif digunakan untuk mengukur demografi responden dan untuk achive penyelidikan pertama objevtive, pekali korelasi pearson digunakan untuk menganalisis relarionship antara pembolehubah bebas untukwars bergantung kepada pembolehubah dan regresi terakhir digunakan untuk memeriksa kekuatan pembolehubah bebas yang mempengaruhi pemboleh ubah bebas untuk mencari faktor penting yang akan mempengaruhi niat pendidikan keusahawanan pelajar.

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## **CHAPTER 1**

#### 1INTRODUCTION

## 1.0 Chapter overview

This research was divided into five chapters: introduction, literature review, methodology, data analysis, and conclusion and recommendation. After this introduction, the second chapter, the literature review, will present the theoretical framework employed in the study. The third chapter, methodology, describes the method used to collect data for the research and the Entrepreneurial Intention Questionnaire used in the analysis. The fourth chapter, data analysis as said, analyses the results obtained by the Entrepreneurial Intention Questionnaire. Finally, in the final chapter, chapter five is the study's ending, which includes conclusions and recommendations.

## 1.1 Background of Study

Entrepreneurship determines a country's economic status (Adeoti, 2019; Mirjana et al., 2018; Turulja et al., 2020; Y. J. Wu et al., 2018) and can be considered a nation's asset(Najm Mohamed, 2020). In Malaysia, entrepreneurship is the central pillar of boosting economic growth and aids the labour market by creating jobs and increasing the quality of citizens. Simultaneously, it is one of the engines to stimulate socioeconomic development (Hassan et al., 2020). The world is concerned explicitly with fresh technical advancements that can become profitable businesses. Engineering and science expertise and commercial and entrepreneurial talents are required for these initiatives(Salhieh & Al-Abdallat, 2022). Entrepreneurship has been linked to economic growth and transformation by researchers for quite some time now (Amofah & Saladrigues, 2022; Audretsch et al., 2009; Stoica et al., 2020). Since the favourable outcomes linked with entrepreneurial purpose drive scholars and policymakers alike, they are eager to learn more about it. Entrepreneurial intention is crucial in forming a new start-up (Nguyen et al., 2019). Previous research has looked

into student entrepreneurship and the impact of entrepreneurial education. Some research has also concluded that entrepreneurship education plays a role in shaping students' entrepreneurial intentions. Therefore, universities play an essential role in creating an environment that encourages students to seek multiple career options or be self-employed (Peterman & Kennedy, 2003; Souitaris et al., 2007). As a result of the efforts of the government and other government-related organisations, there is a favourable environment for start-ups to thrive. These are available through organisations such as MDEC, Malaysian Global Innovation and Creativity Centre (MAGIC), and Cradle Sdn Bhd (Sharon, 2018). It is clearly seen that entrepreneurship is vital to a country's economic development (Adeoti, 2019; Sudha, 2015).

To promote an entrepreneurial community, the government highly values fostering entrepreneurial skills among students at all educational levels. Entrepreneurship is highlighted in the second wave (2016-2020) of the Initiative implementation roadmap in Malaysia Education Blueprint 2015-2025 (Malaysia Ministry of Education, 2015). Among recent university graduates, starting one's own business is considered a quick cure to the problem of unemployment. (Othman et al., 2022). Entrepreneurship is taught and practised through a variety of methods, both official and informal, in both the curriculum and co-curricular (Aldianto et al., 2018; Hessels et al., 2020; Othman & Othman, 2019). Since 2013, all students at Malaysian higher education institutions have been obliged to complete an entrepreneurship course, regardless of their study field (Othman et al., 2022).

Due to the importance of entrepreneurship and entrepreneurs in the national development processes over the past decade, universities have offered entrepreneurship courses to develop entrepreneurial and business knowledge and skills to help students benefit the community and the country, particularly in entrepreneurship. Some public universities also established faculty in the entrepreneurship field. University Technical Malaysia Melaka (UTeM), there is the Faculty of Technology Management And Technopreneurship (FPTT). At Universiti Malaysia Kelantan (UMK), there is the Faculty Of Entrepreneurship And Business, and at Universiti Utara Malaysia (UUM), there is the College of Business. These

universities provide entrepreneurship education with facilities and activities to encourage students to enrol in entrepreneurship courses.

In 2013, Fewer than 41.8% of Malaysians thought starting a business was a good career move, and only 11.8% of Malaysians said they planned to create one, according to the Global Entrepreneurship Monitor (GEM) (Malaysia Ministry of Education, 2015). While after the initial implementation of the strategy Holistic, Entrepreneurial and Balanced Graduates, which is also the first agenda in Malaysia Education Blueprint 2015-2025 (Malaysia Ministry of Education, 2015), it is seen that entrepreneurship awareness has increased steadily in Entrepreneurship Action Plan Higher Education Institutions (EAP-HEIs) 2021-2025 (MOHE, 2021).

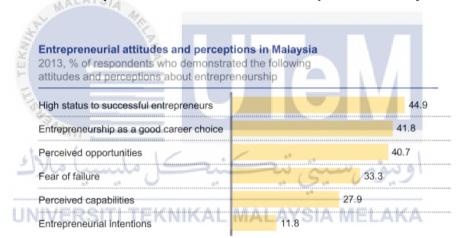


Table 1.1 Entrepreneurial Attitudes and Perceptions in Malaysia

Source: Malaysia Education Blueprint 2015-2025

Table 1.2 Summarized statistics for the four KPIs from 2016 to 2019

Key	:	2016	:	2017		2018		2019	2020
Performance Indicator	TARGET	ACHIEVED	TARGET	ACHIEVED	TARGET	ACHIEVED	TARGET	ACHIEVED	TARGET
<ul><li>Entrepreneurship awareness among students</li></ul>	60%	60% 309,834	70%	75% 390,372	80%	82% 427,343	90%	96.01%  531,513	100%
■ Graduate entrepreneurs	2.50%	2.50% 3,756	3%	3.10% 4,840	3.50%	6,447	4%	4.63% 7,148	5%
■ Student businesses	3%	9,998	6%	5% 19,024	9%	7% 30,888	10%	10.20%	15%
■ Educators with entrepreneurship expertise	300	2,206	600	1,260	900	1,988	1,200	2,079	1,500

Source: Entrepreneurship Action Plan Higher Education Institutions (EAP-HEIs) 2021-2025

According to the Entrepreneurship Action Plan Higher Education Institutions (EAP-HEIs) 2021-2025 (MOHE, 2021), the Ministry of Higher Education (MOHE)'s support for entrepreneurial programmes in HEIs around the country has been effective, as seen in the Entrepreneurship Action Plan Higher Education Institutions (EAP-HEIs) 2021-2025, achievement of KPI 1: Entrepreneurship Awareness among Students, which exceeded goals in the previous three years. KPI 2 demonstrates that the percentage of Graduate Entrepreneurs surpasses the annual objective and has risen every year except 2019. Regarding KPI 3, the proportion of student business has been continuously increasing and has met or exceeded the goals established for 2016 and 2019 while falling short of the goals set for 2017 and 2018. At the same time, KPI 4, Educator with Entrepreneurial Experience, has demonstrated outstanding results (significantly beyond targets). In the study by N.Fabeil et al., 2022, 87.5% of graduates are self-employed due to the existence of knowledge and skills in entrepreneurship.

In this study, the main idea is the intention to enrol in an entrepreneurship course. The intention of enrolment will be examined by three factors that will affect it: attitude, subjective norms and perceived behaviour control. According to the Theory of Planned Behavior(Ajzen & Fisbbein, 1974; LaMorte, 2019), a person's intention

will be affected by three factors: attitude, subjective norms and perceived behaviour control. In the past study, these three factors were included when needed to measure entrepreneurial intentions(Amofah & Saladrigues, 2022; Nguyen et al., 2019; Souitaris et al., 2007). According to the Theory of Planned Behavior, people are more likely to engage in certain behaviours when they know they will be doing so at a given time and location. The hypothesis was developed to characterise all human acts that can be controlled. Their theory stresses that motivation (intention) and competence are both required for behavioural success. It divides beliefs into three categories: attitude, subjective norms and perceived behaviour control (LaMorte, 2019).



#### 1.2 Problem Statement

Graduate unemployment has resulted in several policy implications for higher education in many developed countries, including Malaysia (Husin et al., 2021). The unemployment rate among Malaysian fresh graduates has increased from 3.9% in 2019 to 4.4% in 2020 (Jabatan Perangkaan (DOSM), 2021). One of the ways to solve this problem is by encouraging students to become self-employed, such as entrepreneurs (Victoria Hill, 2018).

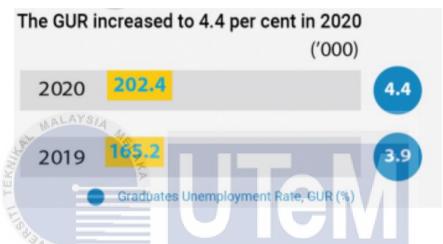


Figure 1.1 Graduates Unemployment Rate from 2019 to 2020 Source: DOSM Statistic Malaysia (Jabatan Perangkaan (DOSM), 2021)

According to Wei et al., 2019, graduates lack the entrepreneurial skills and knowledge to be self-employed. Thus, before becoming an entrepreneur, students will have to involve in entrepreneurship education to learn the needed skills to manage a start-up, employment, and growth of a business and strengthen the entrepreneur intention among students (Othman et al., 2022). Increasing students' entrepreneurship intention is essential to encourage them to become entrepreneurs (Nguyen et al., 2019). Entrepreneurship education aspires to motivate and nurture students to be entrepreneurs (Swarupa & Goyal, 2020). As previous studies have proven that entrepreneurship education in universities plays a vital role in encouraging and enculture the entrepreneurial mindset among students (Amofah & Saladrigues, 2022; Martínez-Gregorio et al., 2021; Nguyen et al., 2019; Swarupa & Goyal, 2020), therefore entrepreneurship education has been promoted nowadays to solve the challenges of unemployment, change in the labour market, and exist in a country's economy (Mei et al., 2020). In short, enrolling in entrepreneurship

educational programmes and learning the skills needed to become an entrepreneur is the first step to becoming an entrepreneur.

This study will use the Theory of Planned Behaviour as the basic framework to understand students' entrepreneurial intentions. Following the Theory of Planned Behavior, students' entrepreneurial intentions are influenced by three factors: their attitude, their subjective norms, and their perceptions of their behavioural control (Ajzen, 1991; Ajzen & Fisbbein, 1974; LaMorte, 2019). Therefore, the factors affecting the intention of student enrollment in entrepreneurship course is also essential (Burch et al., 2019). Studies show that although entrepreneurship education trains students to become entrepreneurs, it will not guarantee. Many entrepreneurs graduate from other programs but are still willing to become entrepreneurs (Koe et al., 2020). As a result, entrepreneurship intention is thought to be positively connected with attitudes, subjective norms, and perceived behaviour control in entrepreneurship education and business. (Burch et al., 2019).

A large number of scholars have well-documented the benefit of entrepreneurship education. However, academic research has focused little on identifying characteristics influencing students' intentions to enrol in entrepreneurship education programmes. Hence, this research will focus on filling this gap by determining the factors affecting the entrepreneurial education intention of students from the perspective of the Theory of Planned Behaviour. Thus, we expect that as an outcome of this survey, respondents will be more interested in enrolling in an entrepreneurship program and as a reference to future researchers' extent the rate of students enrolled in entrepreneurship programs becoming entrepreneurs.

## 1.3 Research Questions

To solve the above highlighted problems, the following research questions have been developed

- I. What are the factors that affecting students' entrepreneurial education intention in the perspective of Theory of Planned Behavior?
- II. Is there any relationship between these factors and students' entrepreneurial education intention?
- III. Which are the most significant factors that could affect students' entrepreneurial education intention?

# 1.4 Research Objectives

Below research objectives are constructed to answer the above research questions for this study:

- I. To determine factors affecting entrepreneurial education intention of students in the perspective of Theory of Planned Behaviour.
- II. To analyse the relationship between these factors and students' entrepreneurial education intention
- III. To examine the most significant factors that could affect students' entrepreneurial education intention