Information Management and Business Review (ISSN 2220-3796)
Vol. 15, No. 3, pp. 385-390, September 2023

Determining the Influential Factors Motivating Undergraduate Students to Initiate Entrepreneurial Ventures

Norraeffa Md Taib*, Lina Mazwein Ibrahim, Shahreena Daud, Zarinah Abu Yazid, Noorain Mohd Nordin & Nur Hafidzah Idris
Faculty of Business & Management, Universiti Teknologi MARA, Cawangan Melaka Kampus Bandaraya Melaka, Malaysia
norraeffa@uitm.edu.my*

Abstract: Every day, new startups emerge, and a significant portion of them will experience failure just as quickly. The global rise in population has led to a growing concern about unemployment. However, job opportunities are not expanding at a comparable rate to the overall population increase. Consequently, many unemployed individuals are turning to self-employment as a means to regain their dignity and livelihood. The Theory of Planned Behavior (TPB) Model serves as the underlying theoretical framework, given recent research indicating that intentions can effectively forecast future entrepreneurial activities. This research aims to investigate the intentions related to becoming an entrepreneur in terms of personal attitudes, perceived behavioral control, and subjective norms. The study primarily targets undergraduate students who face the choice of either entering the workforce or pursuing entrepreneurship upon graduation. Employing a descriptive research approach, this study seeks to provide valuable insights and elucidate the connections among attitudes toward behavior, subjective norms and perceived behavioral control that impact entrepreneurial intentions among Malaysian undergraduate students. To assess their entrepreneurial intentions, respondents will complete a structured questionnaire. The study's findings underscore the significance of social entrepreneurship intentions in cultivating students' interest in becoming future entrepreneurs. Insights from this study could provide valuable guidance to educational institutions, policymakers, and entrepreneurship support organizations in designing effective interventions and initiatives aimed at nurturing the entrepreneurial spirit among undergraduate students.

Keywords: *Theory of Planned Behavior, Entrepreneurial Intention, Attitude towards Behavior, Subjective Norms, Perceived Behavioral Control.*

1. Introduction

In today's dynamic and ever-evolving global landscape, entrepreneurship has emerged as a pivotal force driving innovation, economic growth, and job creation. As the world witnesses the emergence of countless startups and entrepreneurial success stories, the role of undergraduate students in shaping the future of entrepreneurship cannot be understated. This conceptual paper delves into the intricate fabric of factors that motivate undergraduate students to embark on entrepreneurial ventures, utilizing the Theory of Planned Behavior (TPB) as a guiding framework.

The Theory of Planned Behavior, developed by Ajzen in 1991, posits that individuals' intentions are significant predictors of their future behavior. In the context of entrepreneurship, understanding the determinants of intention among undergraduate students becomes paramount, as their choices today may well define the entrepreneurial landscape of tomorrow.

The motivation behind this study arises from the recognition that while entrepreneurship is garnering increasing attention in academic and policy circles, a comprehensive understanding of the underlying factors that ignite the entrepreneurial spark in undergraduate students remains somewhat elusive. Unearthing these influential factors is not only academically intriguing but also holds substantial practical implications for educational institutions, policymakers, and society at large.

Moreover, the backdrop of this research is the Malaysian higher education system, a dynamic environment where undergraduate students face critical decisions about their future careers. The choices they make are whether to pursue conventional employment or entrepreneurial ventures that have ripple effects on economic development, job creation and the overall socioeconomic landscape of the country.

This paper adopts a conceptual approach to explore the determinants of entrepreneurial intention among undergraduate students in Malaysia. It seeks to provide a theoretical foundation and framework for future empirical research in this area. Through an in-depth analysis of personal attitudes, perceived behavior control, and subjective norms as proposed by the TPB, this study aims to shed light on the factors that inspire and propel undergraduate students toward entrepreneurship.

Ultimately, this exploration into the motivational factors guiding undergraduate students on their entrepreneurial journeys not only enriches the academic discourse on entrepreneurship but also paves the way for informed educational strategies and policy initiatives that nurture and empower the next generation of entrepreneurs in Malaysia and beyond.

2. Literature Review

Entrepreneurship: Entrepreneurship is defined, as a dynamic mindset for navigating the global economy's challenges and opportunities. It involves proactive identification of market gaps and the transformation of these openings into viable businesses. Central to this approach is a willingness to embrace calculated risks and perceive failure as a valuable learning experience. Entrepreneurs excel at resource management, efficiently allocating financial, human, and temporal resources to foster growth and sustainability. They distinguish themselves through their enduring persistence, adapting and innovating to surmount obstacles on their path to success. This autonomy and creative freedom are powerful motivators for entrepreneurs, allowing them to align their work with their passion and vision.

In the broader economic landscape, entrepreneurship emerges as a cornerstone of sustainable growth and progress. New businesses, ignited by entrepreneurial spirit, act as powerful engines driving job creation in communities and regions. These enterprises provide employment opportunities, not only bolstering livelihoods but also strengthening the social fabric of society. Job growth is not limited to the immediate workforce; it ripples through supply chains and ancillary services, amplifying its impact. Entrepreneurs drive innovation, challenging norms and fostering creative industries. This competitive spirit encourages businesses to adapt and enhance their offerings, benefiting consumers with improved products and services. Moreover, entrepreneurship's impact extends beyond individual ventures, transforming industries and economic landscapes. Innovations create ripple effects, elevating overall well-being and fostering collaboration, making entrepreneurship a catalyst for societal progress and economic transformation.

Entrepreneurship Intention (EI): Entrepreneurship intention (EI) is a multifaceted concept deeply rooted in academic research and theory, reflecting an individual's inner drive and aspiration to embark on a transformative journey of entrepreneurial discovery and innovation. It has been scrutinized and defined from various perspectives, each shedding light on its pivotal role in the entrepreneurial landscape.

As articulated by Westhead and Solesvik (2016), EI represents the very seed of a person's desire, a fervent ambition to nurture and cultivate their entrepreneurial vision. It embodies an unwavering self-conviction, as highlighted by Passaro et al. (2018), serving as a testament to an individual's belief in themselves. It's not merely a fleeting notion but an active commitment, a forward-looking resolve to breathe life into a novel business concept in the foreseeable future.

Beyond being a mental inclination, EI is a dynamic process of exploration, as emphasized by Mohamad et al. (2021) and Badri & Hachicha (2019). It entails the relentless pursuit of knowledge, skills, and resources, akin to a prospector seeking precious gems in uncharted terrain. This phase of knowledge acquisition serves as a critical preparatory step in the entrepreneurial journey, empowering individuals with the tools required to manifest their visions into reality.

Furthermore, as Doğan (2015) underscores, EI serves as a reliable compass, guiding individuals through the intricate maze of entrepreneurial endeavors, and directing them toward the path of potential business development. It bridges the gap between aspiration and action, often motivating individuals to translate their innovative ideas into thriving startups. In the grand tapestry of entrepreneurship, EI represents the first brushstroke on a canvas, the initial blueprint in a grand architectural design, signifying the commencement of

a transformative odyssey where ideas evolve into enterprises, and dreams materialize as real-world innovations. As Tsai et al. (2016) propose, EI is the foundational stepping-stone upon which entrepreneurial actions are constructed, igniting the spark of innovation and propelling individuals into the exhilarating world of entrepreneurship, where opportunities abound, risks are embraced, and the potential for personal and societal growth is limitless.

Theory of Planned Behavior (TPB): The Theory of Planned Behavior (TPB) is a widely recognized psychological theory that can be applied to understand and explain the factors related to student entrepreneurship. The theory of planned behavior (TPB) is the foundation of this research. The theory outlined by Icek Ajzen (Ajzen, 1991) is used to analyze the three elements of TPB as determinants of entrepreneurship intention among undergraduate students. This is a theory that has been used in the social and behavioral sciences to explain a variety of phenomena, and also it explains people's deliberate actions, especially in the context of entrepreneurship (George & Ernest, 2017).

The TPB is an extension of the Theory of Reasoned Action which is outlined by Fishbein and Ajzen (1975). The TPB establishes a connection between intention and behavior (Santoso, 2021). Although the TPB does not predict or forecast actual behavior it predicts intention and has a clear correlation between intention and behavior (George and Ernest, 2017).

Various empirical research was conducted and has been shown to predict entrepreneurship intention most accurately (Al Ghani, A et al., 2022; Soomro et al., 2022; Mahmoud et al., 2020, Santoso, 2021). TPB suggests that individuals' intentions to engage in a particular behavior (Ajzen, 1991) such as starting a business (entrepreneurship), are influenced by three main factors: Personal Attitude toward behavior, Subjective norms, and Perceived behavioral control (Mustafa et al., 2016).

Attitude toward Behavior: Attitude, according to Ajzen's (1991) definition, is a fundamental element of human conduct, encompassing an individual's propensity toward either favorable or unfavorable inclinations in their actions and decisions. This predisposition is intricately entwined with their expectations and beliefs concerning the repercussions of their actions, which can be categorized as either positive or negative, thus molding their overall attitude. In the realm of entrepreneurship, the connection between personal attitudes and entrepreneurial aspirations becomes evident, as observed by Phuong et al. (2021). Those who nurture positive attitudes toward entrepreneurial endeavors are more likely to cultivate ambitions of venturing into entrepreneurship, illustrating a direct and affirmative correlation between one's attitude and subsequent conduct or intentions in the entrepreneurial sphere.

The evolution of positive or negative attitudes is a multifaceted process influenced by a myriad of factors, as underscored by Krueger et al. (2000). These factors encompass individual traits, competencies, demographics, and the broader social and external milieu, collectively contributing to the formation of these attitudes. This intricate interplay highlights the necessity of comprehensively understanding the genesis of attitudes and their impact on entrepreneurial undertakings.

Furthermore, as emphasized by Phuong et al. (2021), students often perceive entrepreneurship as an enticing and coveted career path. This perception is rooted in the conviction that entrepreneurship offers a route to financial autonomy and the potential for considerably higher earnings than traditional employment. The appeal of entrepreneurship lies in the promise of financial self-sufficiency, where income is directly linked to one's exertions and the success of their entrepreneurial endeavors. In an era marked by apprehensions about job security, students are increasingly inclined toward entrepreneurship as a more stable and autonomous professional journey. This outlook is based on the recognition that, as entrepreneurs, they have greater influence over their destinies and can navigate economic uncertainties with flexibility. As a result, the motivation to explore entrepreneurship as a career choice is propelled by the desire for both financial independence and a sense of self-reliance, rendering it an attractive option in the ever-evolving landscape of modern professions.

H1: There is a relationship between attitude toward behavior and entrepreneurship intention among undergraduate students.

Subjective Norms: The second component within the Theory of Planned Behavior (TPB) is the subjective norm, a personal concept rooted in the social context that underscores the decision-making processes inherent in behavioral principles (Ajzen & Kruglanski, 2019). This element places a spotlight on the beliefs and viewpoints of influential individuals within one's social circles, encompassing family, friends, and mentors, about an individual's involvement in entrepreneurial pursuits (Kautonen et al., 2015). Students often experience a sense of either pressure or encouragement from their social network when contemplating entrepreneurship (Ajzen, 2002). They may take into account the level of support they anticipate receiving from their social connections as they embark on their entrepreneurial journey. Having supportive friends and family can significantly bolster their confidence in pursuing entrepreneurial ventures.

Moreover, students may find themselves benefiting from access to resources and guidance within a nurturing entrepreneurial ecosystem, which includes mentors, incubators, and networking events, all of which contribute to enhancing their confidence in pursuing entrepreneurship. Establishing a network of contacts, mentors, and advisors within this entrepreneurial ecosystem can serve as a gateway to future opportunities, collaborations, and potential investors and partners. Additionally, numerous universities offer a wealth of resources and support tailored to student entrepreneurs, encompassing incubation programs, accelerators, and avenues for securing funding, rendering the academic phase an opportune moment to initiate entrepreneurial endeavors. Notably, even the Malaysian government actively promotes entrepreneurship among its citizens by offering a plethora of subsidies and grants, further incentivizing entrepreneurial pursuits.

H2: There is a relationship between subjective norms and entrepreneurship intention among undergraduate students.

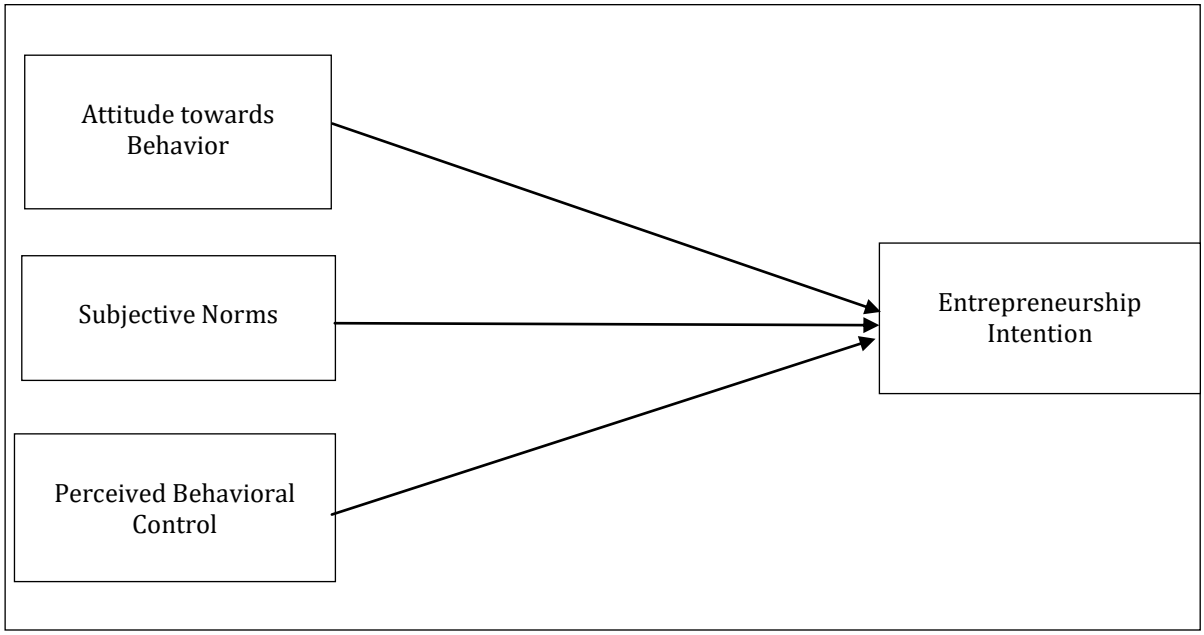
Perceived Behavior Control: Perceived behavior control is a personal belief system that underscores one's perception of the ease or difficulty associated with engaging in entrepreneurial activities, as described by Ajzen (2002). This factor revolves around a student's assessment of their capability to effectively partake in entrepreneurship. Those students with higher levels of self-efficacy possess a strong belief in their ability to adeptly handle the challenges and responsibilities that come with entrepreneurship, including tasks like business planning, marketing, and financial management, especially during the initial stages of a business venture. In this context, individuals with a heightened sense of perceived behavioral control tend to prioritize the ease with which they can navigate these situations, ultimately leading to a greater intention to pursue entrepreneurship, as noted by Maheshwari (2021).

Furthermore, the perception of one's skill set plays a pivotal role in their confidence regarding the intention to initiate a new business, as highlighted by Hsieh et al. (2017). Recognizing and assessing one's abilities and competencies becomes a prerequisite before embarking on the entrepreneurial journey. This introspective assessment not only influences their entrepreneurial intentions but also lays the foundation for their overall approach to entrepreneurship, shaping their readiness and determination to navigate the complexities of business ownership.

H3: There is a relationship between perceived behavioral control and entrepreneurship intention among undergraduate students.

Theoretical Framework: Figure 1 represents the proposed theoretical framework for this study. It will focus on the influence of personal attitudes, perceived behavioral control, and subjective norms that impact entrepreneurial intentions among undergraduate students.

Figure 1: Proposed Conceptual Framework



3. Methodology

The paper attempts to study the factors motivating undergraduate students to initiate entrepreneurial ventures. The proposed independent variables are personal attitude, perceived behavior control and subjective norms while entrepreneurship intention is the dependent variable for this study. The study will use a descriptive research approach to gain fruitful insights as well as to explain the relationship between personal attitude, perceived behavior control and subjective norms that influence entrepreneurship intention among undergraduate students in Malaysia. A structured questionnaire will be distributed to the respondents to assess their entrepreneurship intention. The answered questionnaires will be analyzed using the Statistical Package for Social Science (SPSS) and Structural Equation Model (SEM).

4. Conclusion

In conclusion, as the world witnesses a continuous influx of new startups and grapples with the challenges of unemployment in the face of a growing population, the Theory of Planned Behavior (TPB) Model serves as a valuable lens through which to understand the dynamics of entrepreneurial intentions. This research, focused on Malaysian undergraduate students, sheds light on the critical factors influencing individuals' decisions to embark on the entrepreneurial path. By examining personal attitudes, perceived behavioral control, and subjective norms, we gain insight into the motivations and barriers that shape the entrepreneurial intentions of these students.

The findings of this study emphasize the importance of fostering social entrepreneurship intentions among undergraduate students, recognizing that entrepreneurship can provide a meaningful avenue for addressing unemployment and empowering individuals to regain their livelihoods with dignity. This research not only contributes to our understanding of the factors influencing entrepreneurial intentions but also highlights the potential for educational institutions, policymakers, and entrepreneurship support organizations to play a pivotal role in nurturing and promoting entrepreneurship among the youth. It also offers an opportunity to develop strategies for effectively conveying the benefits of entrepreneurship to students and encouraging their interest in this path.

In a world where innovation and entrepreneurship are increasingly vital for economic growth and job creation, the insights gained from this study offer a promising path forward. By leveraging the knowledge gained here, stakeholders can develop targeted interventions and initiatives that inspire and equip the next

generation of entrepreneurs, ultimately contributing to the sustainable economic development of Malaysia and beyond.

Acknowledgment: The authors would like to thank Universiti Teknologi MARA, Cawangan Melaka for supporting this article.

References

Ajzen, I. (1991). The theory of planned behavior. *Organizational Behavior Human Decision Processes,* 50, 179-21

Ajzen, I. & Kruglanski, A. W. (2019). Reasoned action in the service of goal pursuit. *In Psychol Rev,* 126(5), 774–786.

Al Ghani, A., Al Qaisi, B. & Gaadan, W. (2022). A Study on Entrepreneurship Intention Based on the Theory of Planned Behavior (TPB). International Journal of Formal Science: *Current and Future Research Trends*, 13(1), 12-21.

Badri, R. & Hachicha, N. (2019). Entrepreneurship education and its impact on student's intention to start up: A sample case study of students from two Tunisian universities. *The International Journal of Management Education*, 17(2), 182-190

Doğan, E. (2015). The effect of entrepreneurship education on entrepreneurial intentions of university students in Turkey. *Ekonometri ve istatistik e-Dergisi,* (23), 79-93.

George, A. & Ernest, Y. T. (2017). Does past failure inhibit future entrepreneurial intent? Evidence from Ghana. *Journal of Small Business and Enterprise Development,* 25(5), 849-863.

Hsieh, C., Parker, S. C. & van Praag, C. M. (2017). Risk, balanced skills and entrepreneurship. *Small Business Economics*, 48, 287–302.

Kautonen, T., Van Gelderen, M. & Fink, M. (2015). Robustness of the theory of planned behavior in predicting entrepreneurial intentions and actions. *Entrep Theory Pract,* 39(3), 655–674.

Krueger, J. R. N. F., Reilly, M. D. & Carsrud, A. L. (2000). Competing models of entrepreneurial intentions. *Journal Business Vent,* 15(5–6), 411–432.

Maheshwari, G. (2021). Factors influencing entrepreneurial intentions the most for university students in Vietnam: educational support, personality traits or TPB components? *Journal of Education and Training*, 63(7/8), 1138–1153.

Mohamad, N. H., Ibrahim, B., Selamat, A., Ismail, A. & Kadir, Z. A. (2021). A Protocol for Development of Holistic-Entrepreneur Graduates: Emotional Intelligence Perspectives. *Journal of Technical Education and Training,* 13(1), 35-43.

Mohammed Sani, AbdullahiNadeemKhalid, Umair Ahmed, ElsadigMusaAhmed, Alhassan Musa Gumawa. (2021). Effect of Entrepreneurship Education on Entrepreneurial Intention among University Students. *Journal of Technical Education and Training*, 13(3), 40-53.

Mustafa, M. J., Hernandez, E., Mahon, C. & Chee, L. K. (2016). Entrepreneurial intentions of university students in an emerging economy: the influence of university support and proactive personality on students' entrepreneurial intention. *Journal Entrepreneurship Emerge Economic,* 8(2), 162–179.

Passaro, R., Quinto, I. & Thomas, A. (2018). The impact of higher education on entrepreneurial intention and human capital. *Journal of Intellectual Capital,* 19(1), 135-156.

Phuong, N., Quoc, T., Cup, L. & Lien, L. (2021). The students' attitudes and entrepreneurial intention: evidence from Vietnam universities. *Manag Sci Lett,* 11(3), 783–794.

Soomro, B. A., Shah, N. & Abdelwahed, N. A. A. (2022). Intention and its Influencing Factors: A survey of University Students in Xian's China. *Creative Education,* 3(08), 95-100.

Tsai, K. H., Chang, H. C. & Peng, C. Y. (2016). Extending the link between entrepreneurial self-efficacy and intention: a moderated mediation model. *International Entrepreneurship and Management Journal,* 12(2), 445-463.

Westhead, P. & Solesvik, M. Z. (2016). Entrepreneurship education and entrepreneurial intention: Do female students benefit? *International Small Business Journal*, 34(8), 979-1003.