Entrepreneurial Intention and Its Influence among International Students of Universiti Utara Malaysia.

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ABSTRACT

Entrepreneurship is an essential driver for productivity, economic growth and social development of the country. The study of entrepreneurship has been a primary focus for academicians, policy makers and practitioners. Although the field of entrepreneurship had expanded rapidly, but there remained a lack of understanding between academicians, policy makers and practitioners (business owners and entrepreneurs). This paper focus on academic perspective of entrepreneurship as it reviews the factors that influence entrepreneurial intention among international students of Universiti Utara Malaysia. The objectives of this study are to determine to what extent that personal attitude, entrepreneurial education, family income and religion influence entrepreneurial intention and also to determine whether the students have an intent to start a business in their home country. The result revealed that only two variables (personal attitude and family background) have positive impacts on entrepreneurial intention among international students of Universiti Utara Malaysia.

1. INTRODUCTION

Scholars from virtually all fields of study have perceived the important role of entrepreneurial intention (Shapero, 1975; Bird, 1988; Kolvereid, 1996 and Krueger et al., 2000). Entrepreneurship is an essential driver of a country’s productivity, economic growth, and social development.

Individuals that are exposed to entrepreneurship reported incredible advantages, including higher self-esteem, freedom in making decisions sense of control and challenge (Nickels, McHugh, & McHugh, 2010). According to Bakotic and Kruzic (2010) entrepreneurial advancement has turned out to be one of the principal issues in the public policies of a large portion of industrial countries. In many countries, entrepreneurial intention has become an important agenda of...
universities by encouraging and inspiring students to enrol in education and training programs designed to teach them how to become entrepreneurs. Luthje & Franke (2002) made a comparison of the educational and non-educational business founders. Their research concluded that educational entrepreneurs created new targets in high-tech industries. However, most of non-educational entrepreneurs were involved in non-revolutionary service and production sectors. Besides, higher investments were made in businesses founded by those with university education than by non-academic entrepreneurs.

The recent trend in the labour market, which affects most of the nation is the failure of graduate students to secure jobs. This has paved the way for alternative means of survival; the shortage of job opportunities in both government and private sectors. There are also some difficulties being faced by new graduates in applying the jobs, especially “fresh graduates with no previous work experience” (Zampetakis et al 2013).

Entrepreneurial education seems to be crucial, but currently is not positively entrenched. There is comparatively limited entrepreneurial activity and its explanation is made harder because of factors such as attitudes and aspirations. It is clear that successful entrepreneurs are accorded a high status, however, the lack of successful entrepreneurs' impacts graduates’ attitudes towards entrepreneurial intention (Xavier et al., 2009). Therefore, the objective of the study was: (a) to identify the factors (personal attitude, entrepreneurial education, family background and religion) that influence students’ entrepreneurial intention and (b) to examine how these factors influence entrepreneurial intention.

2. LITERATURE REVIEW

Shapero’s Model Of Entrepreneurial Intentions

Shapero and Sokol (1982) developed a model of the component that impacts entrepreneurial intentions. It is developed in order to define the interaction of cultural and social factors that can lead to a firm creation by influencing individual’s perceptions. Shapero’s Model (1982) of Entrepreneurial Event (SEE) is one of the two intention-based models that are widely recognized. The model points out that the intention to start a business is derived from perception of desirability and the feasibility as well as propensity to act upon opportunities.

They claim that attractive quality, practicality and an affinity to act are the most pivotal components affecting an individual's intention to begin a new business. Additionally, particular attractive quality and perceived self-efficacy was portrayed as an essential establishment for the impression of desirability respectively attainability.

![Figure 1: Shapero’s Entrepreneurial Event Model (Shapero and Sokol, 1982)](image)

**Personal Attitudes And Entrepreneurial Intention**

Personal attitude can be referred as an individual’s perception on the desirability to perform certain behaviours, whether to react decidedly or contrarily towards a specific thought such entrepreneurial. Attitude tends to impact on an individual’s decision towards behaviour.

As indicated by Nicolaides (2011), an attitude towards action can be a measure of the degree of favourable or not favourable evaluation by a person. An understanding towards attitude also can be derived from the perspectives of individual’s attitudes from Ajzen's (1991) Theory of Planned Behavior (TPB). The TPB assumes that people's attitudes towards certain activities are subjective conscious phenomena. On the other hand, the attitude also can be understood by the Value-Attitude-Behavior hierarchy proposed by Homer and Kahle (1988) where people’s behaviour process can be understood by the flow from the values towards attitude and to a specific behaviour. A study by Zakaria, Wan-Ismail and Abdul-Talib (2014) suggested that the attitude of the people influences the behaviour.

Studies show a positive relationship and significant influence of personal attitude and entrepreneurial intention. Dinc and Budic (2016), whose study “The impact of personal attitude, subjective norm, and perceived behavioural control on entrepreneurial intentions of women” found out that there are positive relationship and significant influence on personal attitude and perceived behavioural control on entrepreneurial intention. Other studies which also found out the positive relationship and significant influence of personal attitude and entrepreneurial intention are Dahalan, Jaafar and Mohd Rosli (2015).

In this study, personal attitude refers to the degree of people hold a constructive or a pessimistic value of entrepreneurial behaviour (Miralles, Riverola & Giones, 2012).

Therefore, Hypothesis 1 is stated as follows:

**Hypothesis 1 (H₁): There is a positive relationship between personal attitude and entrepreneurial intention**
Entrepreneurial Education And Entrepreneurial Intention

Entrepreneurial education refers to formal education programs given to students in formal settings such as schools, colleges and universities. Entrepreneurial educations are normally centred within Business Schools. Studies have shown that entrepreneurial education has a positive impact on successful of entrepreneur especially towards the entrepreneurial intention. A study titled "Tracking student entrepreneurial potential: Individual qualities and the propensity for business new startups after graduation in a Portuguese university" by Chris, Carla, & Fernanda (2008) showed that more young people could become successful entrepreneurs if more potential business people were distinguished and developed through their whole educational process.

Another example is by Rasli et al. (2013) whose study on the entrepreneurial intention among the graduates of Universiti Technology Malaysia. The study involved with 400 postgraduate students showed that entrepreneurial intention has a positive impact on entrepreneurial education. The finding showed that entrepreneurial education has been perceived as one of the basic components that help students to comprehend and encourage entrepreneurial attitudes. However, they proposed that the universities should require the training of entrepreneurship to upper level students at the early stage, in order to prepare them to become a successful entrepreneur. This is supported by the study of Bilić I, Prka A, & Vidović G. (2011) which concluded that graduate students who took entrepreneurial courses have a higher level of entrepreneurial orientation. This is similar to the study by Samuel, Ernest and Awauh (2013) who found out that entrepreneurial course must be introduced into higher learning institutions.

Universities should offer entrepreneurial courses that will create a broad range of creativity and innovation for business, and highly personalized paths for varieties of business specialization, including new business, corporate organization, and a socially responsible company. Not only basic entrepreneurial courses should be offered, they should also encourage and give opportunities to either local or international students through leadership and build the team to create economic and social values.

In view of the above argument, more studies on the influence of education would prove to be positive for students to start up a business in the future. Therefore, the second hypothesis is as follows:

**Hypothesis 2 (H2): There is a positive relationship between entrepreneurial education and entrepreneurial intention.**

Family Background On Entrepreneurial Intention

Family businesses are vital tools for economic growth and development through new business startups and existing family businesses (Franz. et. al., 2008). The role of the family in shaping the children to venture in family business can be based on the three main roles; a source of financial and human resources (Zhang, Wong and Soh, 2003), source of information and reliable values (Renzulli, Aldrich and Moody, 2000) and source of role models (Krueger,1993; Pruet, Shinnar, Toney, Llopis and Fox, 2009). Students whose engage in family business activities, will have high confidence to start up their business and have a positive image of entrepreneurs (Frazier & Niehm, 2006). In addition, students who have an experience in small scale business or family business will have high intention to become an entrepreneur (Maina, 2011). Students who have prior experience with the family’s or ancestor’s businesses are well inclined, motivated and influenced and these factors contribute to entrepreneurial intentions of students (Carr & Sequeira, 2007).

Therefore, the hypothesis is proposed as follows:

**Hypothesis 3 (H3): There is a positive relationship between family background and Entrepreneurial intention.**

Religion And Entrepreneurial Intention

Religion can be completely portrayed as an arrangement of beliefs and practices held by an individual and also as ‘an institutionalized belief system that unites a community of believers around social practices, rather than ‘spirituality’ which concerns the individual, potentially in a socially and historically detached way’ (Deneulin & Rakodi, 2011). Religion additionally encompasses cultural or ancestral tradition, history, work, social customs and mythology as well as individual faith and spiritual experience.

The relationship between religion and the initiative to own a business has not been extensively explored and poorly understood (Zelekha,Avnimelech, Sharabi, 2014); only a few studies have been carried out (Audretsch et al., 2009). A study by Audretsch et al. (2009), shows that in the case of India, religion and the tradition of a caste system do influence economic behavior. In the twentieth century, economists proved that there is a relationship between the Protestant and the quest for economic growth. Max Weber also studied about the Protestant Work Ethic and religious affiliation in relation to facilitating access of resources (Dana, L. P., 2009).

Moreover, another study on the impact of religious and economic behaviour is by Barro and McCleary (2003) on the effect of religious participation and beliefs of a country’s rate of economic progress. This study used secondary data from the international survey of 59 countries found out that the growth in economy influence by religious beliefs (belief in hellfire and paradise). However, different religions have different perceptions towards wealth accumulation and innovation (Zelekha, Avnimelech, Sharabi, 2014).

Therefore, various religious value entrepreneurship in different degree (Dana, L. P., 2009), in accordance with a model in which religious convictions impact singular qualities that improve monetary execution.

In view of the above literature reviewed above this hypothesis is proposed:

**Hypothesis 4 (H4): There is a positive relationship between religion and Entrepreneurial Intention.**
3. METHODOLOGY

Data Collection and Sampling

Data collection was conducted in UUM for international students. Primary data were collected through self-administered questionnaire that was distributed randomly among international students of Universiti Utara Malaysia (UUM). A total of 291 questionnaires was distributed, however, only 255 were used in this study.

Firstly, data were collected during class session in several lecture halls. The researcher sought for a permission from the respected class lecturers to allocate some time to distribute the questionnaires before the lectures began.

The rest of the data were collected in the library smart room. This is where most of the data were collected for this study. Students were inquired to volunteer their time to finish the survey for which they will get no reaction, advantage, or delight. On the off-chance that the poll outline makes the errand troublesome because of confounding inquiries, poor headings, or lengthy inquiries, individuals have a tendency not to give their time “to the reason” (Dillman, 2000).

Among the 255 selected responses, 150 were given by male respondents and 102 by female respondents. Most of the respondent age between 21-30 years old which is indicates 68.6% and 40 of them are between 31-40 years old. Most of the respondents are doing their undergraduate program (132), 80 of them doing their master’s program and 40 of them are in PhD programs.

4. DATA ANALYSIS AND RESULT

The information gathered was analysed by using the Statistical Package for Social Sciences Program (SPSS). Descriptive analysis, and correlation were employed in this study. Descriptive will describe the behavior of the respondent regards to gender and other demographic factors. Correlation analysis was used to test the degree of relationship between the variables under consideration either there is strong, weak, zero, positive or negative relationship.

Reliability Analysis

Reliability analysis was performed to evaluate the reliability of information obtained through the questionnaires circulated to the respondents. It to assist and facilitate the researchers to check whether the information gathered could be trusted or not.

As indicated by Nunnally (1978), the validity of the approximate value of 1:00 is the best. A reliability of less than 0.70 was considered as weak and the value within 0.70 was an acceptable value and the value that surpassed the value 0.80 was considered as great reliability.

Table 1: Reliability Analysis

<table>
<thead>
<tr>
<th>Construct(s)</th>
<th>No. of Item</th>
<th>Cronbach Alpha</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal attitude</td>
<td>5</td>
<td>0.821</td>
</tr>
<tr>
<td>Entrepreneurial Education</td>
<td>5</td>
<td>0.680</td>
</tr>
<tr>
<td>Family Background</td>
<td>5</td>
<td>0.782</td>
</tr>
<tr>
<td>Religion</td>
<td>4</td>
<td>0.644</td>
</tr>
<tr>
<td>Entrepreneurial intention</td>
<td>6</td>
<td>0.825</td>
</tr>
</tbody>
</table>

Table 1 shows the reliability of the four independent variables in the range of 0.821, 0.782, 0.680 and 0.644 which are acceptable; these variables were personal attitude, entrepreneur education, family background, and religion. The dependent variable, entrepreneurial intention, is also acceptable as it shows 82.5% alpha.

Correlation

This study applied the Pearson correlation analysis to ascertain the relationship between the independent variables (personal attitude, entrepreneur education, family background and religion) and the dependent variable (entrepreneurial intention). The test result is illustrated below. Table 2 shows the result for the Pearson correlation between personal attitude, entrepreneur education, family background and religion, and entrepreneurial intention. The 2-tailed significance shows that there is a significant relationship at the confident level of 99% where the value of significance is 0.01 or less.

Table 2: Pearson Correlation Analysis

<table>
<thead>
<tr>
<th>Construct(s)</th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Attitude (IV)</td>
<td>Pearson Correlation</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>.469**</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>255</td>
</tr>
<tr>
<td>Entrepreneurial Education (IV)</td>
<td>Pearson Correlation</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>.172</td>
<td>.181</td>
</tr>
<tr>
<td></td>
<td></td>
<td>255</td>
</tr>
<tr>
<td>Family Background (IV)</td>
<td>Pearson Correlation</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>.447**</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>255</td>
</tr>
<tr>
<td>Religion (IV)</td>
<td>Pearson Correlation</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>.172</td>
<td>.900</td>
</tr>
<tr>
<td></td>
<td></td>
<td>255</td>
</tr>
<tr>
<td>Entrepreneurial Intention (DV)</td>
<td>Pearson Correlation</td>
<td>N</td>
</tr>
<tr>
<td></td>
<td>1.000**</td>
<td>.000</td>
</tr>
<tr>
<td></td>
<td></td>
<td>255</td>
</tr>
</tbody>
</table>

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

Based on the table shown, the result indicates that the correlation between personal attitude and entrepreneurial intention is 0.469, while the correlation between entrepreneurial education and entrepreneurial intention is 0.172. Furthermore, the correlation between family background and entrepreneurial intention is 0.447. Lastly, the correlation between religion and entrepreneurial intention is 0.172. The significant relationships between the variables are discussed in the following section.
5. FINDINGS

Hypothesis 1: There is a positive relationship between personal attitude and entrepreneurial intention.

The relationship between personal attitude and entrepreneurial intention was put to the test with the Pearson correlation. The result showed that there is a positive relationship between personal attitudes and entrepreneurial intention as the result acquired proved that the correlation is significant with p < 0.05 (0.000). Therefore, H1 is accepted and the conclusion that can be made is that students’ personal attitudes influence their entrepreneurial intention among the international students of Universiti Utara Malaysia (UUM).

Hypothesis 2: There is a positive relationship between Entrepreneurial Education and entrepreneurial intention.

The hypothesis predicted that entrepreneurial education has a positive relationship with entrepreneurial intention. The result extracted from the Pearson correlation, shows a negative relationship between entrepreneurial education and entrepreneurial intention as the correlation is not significant with p>0.05 (0.181). Therefore, H2 is rejected and the supposition that can be made is that entrepreneurial education is not an important factor that influences entrepreneurial intention among the international students of Universiti Utara Malaysia (UUM).

Hypothesis 3: There is a positive relationship between Family background and entrepreneurial intention.

The relationship between family background and entrepreneurial intention was put to test with the Pearson correlation. The result showed that there is a positive relationship between family background and entrepreneurial intention as the result acquired proved that the correlation is significant with p < 0.05 (0.000). Therefore, H3 is accepted and the conclusion that can be made is that family background do influence the entrepreneurial intention.

Hypothesis 4: There is a positive relationship between Religion and Entrepreneurial intention.

The result predicted that religion has a positive relationship with entrepreneurial intention. The result showed that there is a negative relationship between religion and entrepreneurial intention as the result acquired showed that the correlation is not significant as p>0.05 (0.900). Therefore, H4 is rejected and the conclusion that can be made is that religion cannot influence the entrepreneurial intention of the international students of Universiti Utara Malaysia (UUM).

Based on the results illustrated above, the study found out that there are positive relationships between two of the four independent variables (personal attitude and family background) and the dependent variable (entrepreneurial intention), while the other two independent variables, (entrepreneurial education and religion) have negative effects of entrepreneurial intention.

6. DISCUSSION

To address the research questions, the researcher embarked to meet the objectives of the study to determine how personal attitude, entrepreneur education, family background and religion would influence the students’ entrepreneurial intention.

The hypotheses of this study were tested using correlation coefficient on SPSS 20. The result of the test showed that personal attitude and family background affect entrepreneurial intention and are significant in a positive way, while entrepreneurial education and religion affect entrepreneurial intention in a negative way. The result is as given below.

Table 3: Hypotheses summary and the result of Pearson Correlation test

<table>
<thead>
<tr>
<th>Hypotheses</th>
<th>Pearson Correlation</th>
</tr>
</thead>
<tbody>
<tr>
<td>H1: There is a positive relationship between personal attitude and</td>
<td>Supported at p &lt; 0.05.</td>
</tr>
<tr>
<td>entrepreneurial intention.</td>
<td></td>
</tr>
<tr>
<td>H2: There is a positive relationship between Entrepreneurial Education and</td>
<td>Rejected at p &lt;0.05.</td>
</tr>
<tr>
<td>entrepreneurial intention.</td>
<td></td>
</tr>
<tr>
<td>H3: There is a positive relationship between Family background and</td>
<td>Supported at p &lt; 0.05.</td>
</tr>
<tr>
<td>entrepreneurial intention.</td>
<td></td>
</tr>
<tr>
<td>H4: There is a positive and relationship between Religion and entrepreneurial</td>
<td>Rejected at p &lt;0.05.</td>
</tr>
<tr>
<td>intention.</td>
<td></td>
</tr>
</tbody>
</table>

Hypothesis 1

The first hypothesis deals with the relationship between personal attitude and entrepreneur intention among the international students of Universiti Utara Malaysia. Hypothesis one (H1) states that, “There is a positive relationship between personal attitude and entrepreneurial intention among the international students of Universiti Utara Malaysia”. From the result obtained in Chapter 4, it seems that personal attitude has a significant relationship with entrepreneurial intention.

The result of this study supports previous studies of Kolvereid & Tkachev (1999), Krueger et al. (2000), Scholten et al. (2004), Frazier and Niehm (2006), that found evidence on the positive relationship between attitude and entrepreneurial intention. This study supports previous research which confirms that attitude gives a positive and significant influence to the international students of Universiti Utara Malaysia in entrepreneurial intention. Therefore, it means that the personal attitudes of the international students, especially those with socialite personalities, have a strong entrepreneurial intention.
Hypothesis 2

The second hypothesis deals with the relationship between entrepreneur education and entrepreneurial intention among the international students of Universiti Utara Malaysia. Hypothesis two (H2) states that, “There is a positive relationship between entrepreneurial education and entrepreneurial intention”. From the result obtained, it appears that entrepreneurial education has no significant relationship with entrepreneurial intention. The result of the regression shows that entrepreneurial education has a low value of beta and has no significant influence on entrepreneurial education. The result of the current study showed that entrepreneurial education has a negative and no significant influence on entrepreneurial intention.

Hypothesis 3

The third hypothesis deals with the relationship between family background and entrepreneurial intention among the international students of Universiti Utara Malaysia. The result of regression analysis shows that family background has a significant influence on entrepreneurial intention among the international students.

The result of the study supports previous studies like those of Kolvereid and Isaksen (2006), Liñán and Chen (2009) and Yordanova and Tarrazon (2010) which found evidence of the relationship between family background and entrepreneurial intention. This study supports the previous research which confirms family background has a significant and positive relationship on the entrepreneurial intention of the international students of Universiti Utara Malaysia.

Therefore, the current study result shows that family background gives a strong positive and significant influence on the entrepreneurial intention of the international students of Universiti Utara Malaysia.

Hypothesis 4

The fourth hypothesis deals with the relationship between religion and entrepreneurial intention among the international students of Universiti Utara Malaysia. Hypothesis four (H4) states that, “There is a positive relationship between religion and entrepreneurial intention”. From the result obtained, it appears that religion has no significant relationship with entrepreneur intention. The result of the regression shows that religion has the lowest value of the beta for four independent variables and has no relationship with entrepreneurial intention. It contradicts with several studies which found out that religion has a highly significant impact on entrepreneurial intention (Yousef, Djelloul & Mokhtar (2015); Riaz, Farrukh, Rehman & Ishaque, 2016; Henley, 2016; Wibowo, B. (2017))

CONCLUSION

This study identifies the factors that influence international students’ entrepreneurial intention among the students of University Utara Malaysia (UUM). The factors are personal attitude, entrepreneur education, family background and religion. The findings revealed two of the four variables (personal attitude and family background) have a positive and significant influence on entrepreneur intention among the international students of Universiti Utara Malaysia, while entrepreneur education and religion have no significant influence on entrepreneur intention among the international students of Universiti Utara Malaysia.

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