

*Students' Personal Factors as a Determinant of Entrepreneurial Intention*  
(Faktor-Faktor Peribadi Pelajar sebagai Penentu kepada Niat Keusahawanan)

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*ABSTRACT*

*This study examines the relationship between students' personal factors (i.e., personal attitude and perceived behavioural control) and entrepreneurial intention by using 130 survey questionnaires gathered from students in an economic and business faculty in Malaysian public research university. The outcomes of SmartPLS analysis revealed two main findings: first, personal attitude was significantly correlated with entrepreneurial intention. Second, perceived behavioural control was significantly correlated with entrepreneurial intention. This result demonstrates the personal attitude and perceived behavioural control act as important determinants of students' entrepreneurial intention in the studied organization.*

*Keywords: Personal attitude, perceived behavioural control, entrepreneurial intention.*

*ABSTRAK*

Kajian ini dijalankan adalah untuk mengkaji hubungan di antara faktor-faktor peribadi (sikap peribadi dan kawalan tingkah laku) dan niat keusahawan dengan menggunakan sebanyak 130 soal selidik yang diambil dari pelajar-pelajar di fakulti ekonomi dan perniagaan di universiti penyelidikan awam, Malaysia. Hasil analisis SmartPLS mengemukakan tiga dapatan iaitu: pertama, sikap peribadi mempunyai pekaitan yang signifikan dengan niat keusahawanan. Kedua, kawalan tingkah laku mempunyai pekaitan yang signifikan dengan niat keusahawanan. Dapatan kajian ini menunjukkan sikap peribadi dan kawalan tingkah laku bertindak sebagai penentu yang penting terhadap niat keusahawan pelajar-pelajar dalam organisasi pendidikan.

Kata kunci: Sikap peribadi, kawalan tingkah laku, niat keusahawan

## INTRODUCTION

Entrepreneurship thrives to be one of the topics that require the most amount of attention from researchers and academicians by understanding the importance of entrepreneurship for social and economic development of Malaysia. This study will focus on students' personal factors in higher educational entrepreneurship. Generally, personal referring to an individual's character, appearance or private life in an inappropriate or offensive way (Oxford Learner's Dictionary of Academic English 2014).

There is evidence that personal factors have a significant impact on the students. Studies conducted by Malebana and Swanepoel (2015) and Soomro and Shah (2015), which discovered that personal factors may affect students' personal attitude and beliefs on entrepreneurship. While, studies done by Debarliev, Janeska-Iliev, Bozhinovska and Ilieva (2015) and Tegtmeier (2012) shows that personal factors may enhance students' confidence and ability toward entrepreneurship and start a new business.

An analysis of current literature highlights that personal factors consists of two main categories: personal attitude and perceived behavioural control (Elali & Al-Yacoub 2014; Krueger, Reilly & Carsrud 2000). According to many scholars such as Ajzen and Fishbein (2000) and Soomro and Shah (2015), personal attitude is generally viewed as positive or negative personal valuation toward the object, behaviour or concept. On the other hand, Gird and Bagraim (2008) and Moriano, Gorgievski, Laguna, Stephan and Zarafshani (2012) show that perceived behavioural control define as individual's confidence and self-efficacy to achieve a goal.

Interestingly, a careful observation reveals that students who have higher personal factors may have a significant impact on entrepreneurial intention (Debarliev et al. 2015; Mei, Zhan, Fong, Liang & Ma 2015). In an organizational behavior perspective, entrepreneurial intention is often defined as individual's initial desire or willingness to begin a business (Thompson 2009). As a result, positive personal factors may strengthen students' entrepreneurial intention toward entrepreneurship.

Although the nature of this relationship is significant, little is known about the role of personal factors as an important determinant of entrepreneurial intention in the entrepreneurship research literature. This is due to several factors. Firstly, the results from past studies only provide general guidelines to the practitioners. Hence, for this study the researcher seeks to give specific and detailed findings to practitioners

for further research. Secondly, the findings of this research will play their part as important inputs for undergraduate university students when it comes to deciding about their future career path. By recognizing their qualities, strengths, weaknesses and intention, they will have, and make, better choices for their own profession development. Thus, they can identify with their own personal attitude and perceived behaviour control that will in turn guide them in figuring out their intention to become an entrepreneur or not in the future. Therefore, this condition simulates the researchers to fill in the gap of literature by measuring the effect of students' personal factors on entrepreneurial intention.

## OBJECTIVES OF THE STUDY

This study has two main objectives: first, to examine the relationship between personal attitude and entrepreneurial intention. The second objective is to examine the relationship between perceived behavioural control and entrepreneurial intention.

## LITERATURE REVIEW

### Relationship between personal attitude and entrepreneurial intention

Ajzen's (1985), theory of planned behaviour posits that students' way of thinking or feeling about something that reflected their behavior. This idea is in line with the literature related to motivational factors. For example few studies that using a direct effects model to examine the relationship between personal attitude and entrepreneurial intention using different samples, such as 355 final year commerce students from two universities in South Africa (Malebana & Swanepoel 2015), 291 Chinese tourism students from two major universities in South China (Mei et al. 2015) and 247 commerce students from two universities in Western Cape (Gird & Bagraim 2008). These studies proved that the personal evaluation (e.g., good or bad, like or dislike) of the students toward entrepreneurship will influence their entrepreneurial intention to being an entrepreneur (Ajzen & Fishbein 2000). Thus, it was hypothesized that:

H1: Personal attitude positively related to entrepreneurial intention.

## Relationship between perceived behavioural control and entrepreneurial intention

Ajzen's (1985), theory of planned behavior explains students' personal belief or personal confidence on becoming an entrepreneur. This idea received strong support from the motivational factors' literature. For instance, several recent studies were conducted using a direct effects model to study perceived behavioural control based on different samples, such as perceptions of 440 undergraduate university students in Macedonia (Debarliev et al. 2015), 208 students in German university (Tegtmeier 2012) and 222 university students from International University Malaysia (IIUM) (Muhammad et al. 2013). These studies found that students' self-efficacy (e.g., confidence, capabilities and skills) had influenced their intention to become an entrepreneur (Moriano et al. 2012). Thus, it was hypothesized that:

H2: Perceived behavioural control positively related to entrepreneurial intention.

## METHODOLOGY

### Research Design

This study applied a cross-sectional research design which allowed the researcher to integrate the personal factors literature and the actual survey as a means to collect data for this study. Using this data collection procedure will help the researchers gather accurate data, decrease bias and estimate the prevalence of outcomes (Sekaran & Bougie 2013). This study was conducted from an economic and business faculty in Malaysian public research university because they are close towards business related field and hence their intention is increased toward entrepreneurship. At the early stage of this study, a survey questionnaire was drafted based on the personal factors literature. Next, a back translation technique was applied to translate the survey questionnaires into English and Malay versions in order to increase the validity and reliability of research findings (Creswell 2014).

### Measures

The survey questionnaire consists of three parts: first, personal attitude had 6 items adapted from the personal factors literature (Heuer & Kolvereid 2014; Linan & Chen 2009). Second, perceived behavioural control had 5 items adapted from the personal factors literature

(Autio et al. 2001; Heuer & Kolvereid 2014; Linan et al. 2011; Linan & Chen 2009; Mueller 2011). Finally, entrepreneurial intention had 7 items adapted from the entrepreneurial intention literature (Linan et al. 2011; Linan & Chen 2009; Maes et al. 2014; Pihie 2009). All these items were measured using a 7-item scale ranging from "strongly disagree" (1) to "strongly agree" (7). Demographic variables were used as controlling variables because this study emphasized on students' attitudes.

### Sample

This study applied a purposive sampling technique to collect 130 usable survey questionnaires of students from an economic and business faculty in Malaysian public research university. This sampling technique was applied because it is cost-effective, time-effective and restricted to specific people who can give the desired information and fit in with a criteria set by the researcher (Sekaran & Bougie 2013). The survey questionnaires were answered by participants based on their consent and on a voluntary basis.

### Data Analysis

The SmartPLS was used to assess the validity and reliability of the instrument and test the research hypotheses. The main advantages of using this analysis technique are ; first, the ability of the technique to analyse both reflective measurement model and formative measurement model are based on the path analysis; second, it allows the usage of non-normal distribution or skewed distribution data and, reflective small sample size and user friendly (Hair et al. 2017). The SmartPLS path model was employed to assess the path coefficients for the structural model using the standardized beta ( $\beta$ ) and t statistics ( $t > 1.65$ ). The value of  $R^2$  is used as an indicator of the overall predictive strength of the model. The value of  $R^2$  is considered as follows: 0.75 (substantial), 0.5 (moderate) and 0.25 (weak) (Hair et al. 2017).

## FINDINGS

From the sample profile, the majority of respondents were female (83.1%), age from 21-25 years old (51.5%), malay (80%), Malaysian (97.7%), CGPA more than 3.0 (89.2%), year 2 (36.9%), management programs (37.7%), educational qualification from matriculation/foundation (62.3%), moderate; level of interest to be an entrepreneur (58.5%), yes; parent start a business

(64.6%) and some; know any successful entrepreneurs (79.2%).

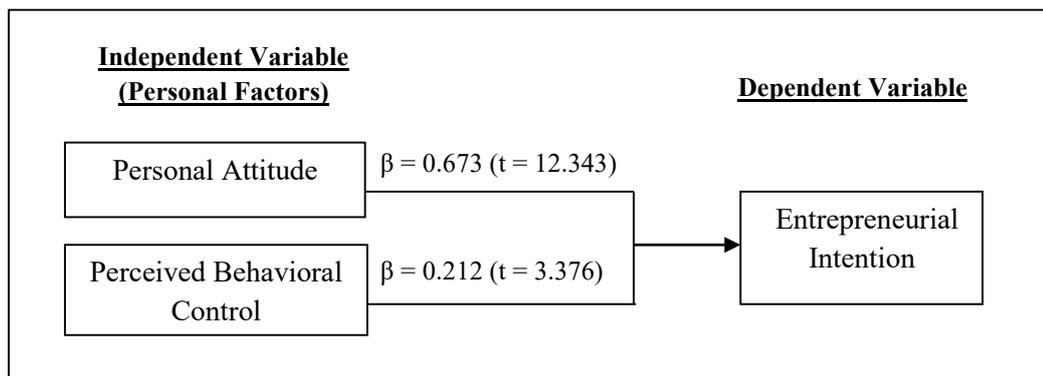
The mean values for personal attitude, perceived behavioural control and entrepreneurial intention were from 5.046 to 5.797, showing that the levels of all constructs extending from high (4) to the highest level (7). The values of composite reliability for personal attitude (0.935), perceived behavioural control (0.879) and entrepreneurial intention (0.948) were higher than 0.60, showing that the instrument had high internal consistency (Hair et al. 2017).

Further, the values of average variance extracted (AVE) for personal attitude (0.706), perceived behavioural control (0.594) and entrepreneurial intention (0.724) were greater than 0.5, indicating that these constructs met the acceptable standard of convergent validity (Hair et al. 2017). Meanwhile, the value of variance inflation factor (VIF) for the connection between the independent variable (i.e., personal attitude and perceived behavioural control) and the dependent variable (i.e., entrepreneurial intention)

was 1.486 and this value was less than 5.0, showing the data were not influenced by serious collinearity problem (Hair et al. 2017). In overall, the results confirm that the instrument has satisfactorily met the criteria of validity and reliability analyses.

Figure 1 shows the outcomes of SmartPLS path model for testing the direct effects model. Specifically, the results of testing the research hypothesis highlighted three significant findings: first, personal attitude was significantly correlated with entrepreneurial intention ( $\beta = 0.673$ ,  $t = 12.343$ ), thus H1 was supported. Second, perceived behavioural control was significantly correlated with entrepreneurial intention ( $\beta = 0.212$ ,  $t = 3.376$ ), hence H2 was supported. In terms of explanatory power of this model, the inclusion of personal attitude and perceived behavioural control in the analysis had explained 66 percent of the variance in entrepreneurial intention. Therefore, the results confirm that personal attitude and perceived behavioural control are important antecedents of entrepreneurial intention.

FIGURE 1. The Outcomes of Testing H1 and H2



Note: Significant at  $*t > 1.65$

## DISCUSSION

The present study proposes a conceptual framework based on entrepreneurial literature on students' entrepreneurial intention. The findings of this study have confirmed that the measurement assessment model has fulfilled the required standard of validity and reliability. Moreover, the structural model analysis has also confirmed that students' personal factors act as direct predictors of entrepreneurial intention among undergraduate students of FEP, UKM. In addition, there is positive relationship between students' personal factors (i.e., personal attitude and perceived behavioural control) and entrepreneurial intention. The findings of

this study are supported by the notion of Ajzen's Theory of Planned Behavior.

## IMPLICATIONS AND CONCLUSION

The study tested a conceptual framework based on the higher educational entrepreneurship research literature and by tested using SmartPLS path analysis model. The findings of this study prove that personal factors highly interrelated with entrepreneurial intention. The outcomes of testing the research hypotheses revealed that involvement in personal attitude and perceived behavioural control were positively and significantly

correlated with entrepreneurial intention, therefore H1 and H2 were accepted, respectively.

This study provides three important implications: theoretical contribution, robustness of research methodology and practical contribution. In terms of theoretical contribution, the findings of this study have provided great potential for understanding the effect of personal attitude and perceived behavioural control in strengthening students' intention toward entrepreneurship. This research also was supported by Debarliev et al. (2015) and Soomro and Shah (2015).

With respect to the robustness of research methodology, the survey questionnaire used in this study had satisfactorily met the standards of validity and reliability analyses. This may lead to produce accurate and reliable research findings. Meanwhile, with regards to the practical contribution, the findings of this study may be used as important inputs for university students for their future career path. This objective may be realized if the students recognize their qualities, strengths, weaknesses and also intention to have better choices for their own professional development.

This study confirms that personal factors (i.e., personal attitude and perceived behavioural control) have an impact on entrepreneurial intention. Thus, current research and practice within personal factors model needs to consider the personal attitude and perceived behavioural control as key driving forces of the personal factors domain.

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