

YOUNG ADULT RESPONSES TO ENTREPRENEURIAL INTENT

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ABSTRACT

The existence of enterprising activities in the economy will further increased the country's gross domestic income, job opportunity and living standard of the citizen. It is importance to encourage the young adult to take up the challenges to be an entrepreneur. The students with high entrepreneurial intention will tend to start up a business of their own in future. This research is conducted to explore the factors that influence the entrepreneurial intention among students in higher education. This paper is attempt to assess the significance of students' attitudes, family role models, academic major, perceived university environment and perceived educational support in influencing the university students' entrepreneurial intention. A total of 787 samples were collected from the first degree students at Universiti Malaysia Sabah. The samples had to answer questionnaires consisting of demographic and Likert-scale questions. Multiple regression analyses were conducted to analyse the data collected. The results confirmed that attitude is the most significant variable that correlated with the entrepreneurial intention of young adults. The findings had provided some insight into understanding the entrepreneurial intention of young adults.

Keywords: Entrepreneurial Intent; attitude; role model; university environment.

Introduction:

Today, entrepreneur has become one of the most dynamic forces in developing nations and reinforces world's economic growth. According to Romer (1994), entrepreneurial activity is seen as an engine of a nation's long-term economic growth. The importance of entrepreneurs and entrepreneurship are long recognized by researches, such as Frederick *et al.*, (2006) and Engle *et al.*, (2010). Especially when in the tough economy, the young adults are trying something bold and starting a new business, and then these new businesses can create jobs, spur innovation, and grow local economy (Mishory, 2011).

In view of the urge to encourage young entrepreneurs, the Malaysian government set various policies to encourage the young adult to run their own business. For instance, introduce entrepreneurship course to all public university students. The government believes that higher education institutions are an ideal place to promote entrepreneurial culture in Malaysian societies. Recently, Malaysian government has launched a new program name 1Malaysia Young Entrepreneurs Challenge (1MYEC) on 28 Mac 2011. This program aimed to acculturate entrepreneurship spirit among the university students and encourage them to participate in entrepreneurship programs (MITI, 2011).

Therefore, the main focus of this study is to identify the key factors that likely to influence the decision of young adults, especially the universities' students to start a new enterprise in future. The purpose of this research is to give more information to public administrators on how to design and plan effective activities for supporting young adults to become future entrepreneurs. Moreover, the in depth understanding about the university environment factors can become a guide for university educators to design and develop an effective entrepreneurship course.

The study begins with a review of the literature, followed by a description of the conceptual framework and methodology, then presents and discusses the results in details. The limitations of the study and some suggestions for further research will be explained too. Finally, the paper concludes with proposed implication of the study to academicians, educators and policy makers.

Literature Review:

Although there is still no universally accepted definition of 'entrepreneurship', the definitions are still revolve around the notion of starting up or attempting to start up a business, despite the various explanation of entrepreneurship (Nabi *et al.*, 2006). Intent can be defined as "a state of mind directing a person's attention toward a specific object or a path in order to achieve something" (Vesalainen and Pihkala, 1999, p.3). Entrepreneurial intention is thus refer as the intentions of setting up one's own business in the future (Van Gelderen *et al.*, 2008). Bird (1988) stated that entrepreneurial intentions can be refer to a state of an individual mind, which directs and guides them toward the development and the implementation of new business concept. A number of researches that concentrated on factors affecting entrepreneurship were carried out, such as personality traits (Franke and Lüthje 2004; Hisrich and Peters 1995; Johnson 1990; Bonnett and Fuhrmann 1991), abilities and experiences (Bird, 1988) and planned behaviour (Ajzen 1985, 1987, 1991; Ajzen and Fishbein, 1980; Davidsson, 1995; Autio, *et al.*, 2001; Franke and Lüthje, 2004). There are contradictory findings about the role of personal characteristics (Brockhaus *et al.*, 1986; Robinson *et al.*, 1991).

Previous researchers have proven that entrepreneurial intent is the primary predictor of future entrepreneur (Katz, 1988; Reynolds, 1995; Krueger *et al.*, 2000). According to Krueger *et al.* (2000), entrepreneurial activity can be predicted more accurately by studying intention rather than personality traits or situational factors. The decision to set up a new business venture can be regarded as a planned behaviour and there is a strong relationship between intentions toward behaviour and actual act (Ajzen, 1991). The theory of planned behaviour is based on the premise that much human

behaviour is planned and is therefore preceded by intention toward that behaviour (Fishbein and Ajzen, 1975). Understanding the intentions towards any purposeful behaviour is essential to our understanding of the antecedents of that behaviour (Ajzen and Fishbein, 1980). Basu and Virick (2008) argued that intention is an accurate predictor of planned behaviour, especially in cases where behaviour is difficult to observe, rare, or involve unpredictable time lags, and the entrepreneurial intention fulfilled these characteristics. Autio *et al.* (2001) stressed that intentions explain approximately 30% of the variance in behaviour. However, Robinson *et al.* (1991) argued that planned behaviour can be changed both across time and across situations in virtue of the individual's interaction with the environment.

A numbers of research on personal and environment-based determinants of entrepreneurial intent such as personality traits, attitudes toward entrepreneurship, or social environment have been extensively discussed (Begley *et al.*, 1997; Brandstätter, 1997; Davidsson, 1995; Robinson *et al.*, 1991; Segal *et al.*, 2005). Fishbein and Ajzen (1975) defined attitude as an individual's positive and negative feelings (evaluative affect) about performing the target behaviour. While Wu and Wu (2008) stated that personal attitude is a reflection of beliefs and opinions held by an individual about the behaviour. According to the theory of planned behaviour, the individual's attitudes have an impact on behaviour via intention (Schwarz *et al.*, 2009). Autio *et al.* (2001) pointed out that attitudes have been shown to explain approximately 50% of the variance in intentions. Attitudes have been recognised as independent variables that predicted the variance in entrepreneurial intention by previous researchers (Kolvereid, 1997; Schwarz *et al.*, 2009; Lüthje and Franke, 2003; Autio *et al.*, 2001).

Autio *et al.* (1997) provided an insight into the role of general attitudes in entrepreneurial career choice. They reported that general attitudes toward achievement, autonomy, money and change, and attitude toward entrepreneurship positively influence the entrepreneurial conviction (the perceived ease of starting and running a new venture). Among the variables, attitude toward achievement and autonomy were found to be influential predictors. However, attitude toward competitiveness was not able to predict the entrepreneurial conviction in their study. In a survey done among Austrian universities' students, Schwarz *et al.*, (2009) found consistent results that individuals with a positive general attitudes toward change and money, and attitude toward entrepreneurship may be more likely to want to be entrepreneur but general attitude toward competitiveness did not predict the entrepreneurial intention significantly. Study done by Rajzman (2001) suggested that latent entrepreneur (individuals who often think of starting a business but do not do so for various reasons) were more willing to assume risk, prone to thrive on challenges, and they preferred business ownership than wage or salary employment. Attitude toward entrepreneurship was found to be the most significant determinant of entrepreneurial intention (Schwarz *et al.*, 2009; Autio *et al.*, 2001). According to Lüthje and Franke (2003), attitude toward entrepreneurship was the most important determinant of the intention to become self-employed and this attitude is influenced by the personality (i.e. risk-taking propensity and internal locus of control) of the respondents. A positive personal attitude towards start-up is a good starting point to stimulate entrepreneurial behaviour, irrespective of student's educational background (Wu and Wu, 2008). Henderson and Robertson (2000) stated that the primary reasons for young respondents to consider setting up their own businesses are "being one's own boss" and "to make money". However, Douglas (1999) and Douglas and Shepherd (2002) revealed that attitude toward income (money) does not contribute significantly to the entrepreneurial intention.

Grundsten (2004) reported that environmental factors have some bearing on an individual's entrepreneurial activities. Environmental factors refer to the attributes of an individual's social environment, such as role model and social identification, which play a role as an antecedent of one's intention (Grundsten, 2004). Previous researches showed that role models are assumed to have an important impact on career development of young adult. (Van Auken *et al.*, 2006; Krueger *et al.*, 2000; Scherer *et al.*, 1989b). According to Van Auken *et al.* (2006), active interaction between the

role model and respondent can provide positive experiences that significantly influence career intentions and this influence can be especially strong during early adulthood. Scherer *et al.* (1989b) suggested that studies have shown that between 35–70 percent of entrepreneurs had entrepreneurial role models. Researchers also proved that the role model(s) in the family will strength the entrepreneurial intention among the young adult (Aizzat *et al.*, 2009; Raijman, 2001; Scott and Twomey, 1988; Van Auken *et al.*, 2006). Raijman (2001) found that individual with close family members in the business world were 2.1 times as likely to wish to open a business than those with no relatives in the business world, and that the close family members who own businesses may provide access to relevant information, markets and other necessary resources for business formation. Parental role models and experience led to the perception to be an entrepreneur (Scott and Twomey, 1988; Scherer *et al.*, 1989a). Scherer *et al.*, (1989a) revealed that up to 65 percent of entrepreneurs had one or more entrepreneurial parents and the role model performance was not as important as having a role model. Father is the most significant role model in the family who influence the students' desire to own a business (Van Auken *et al.*, 2006). Previous studies also found that siblings provide essential supports, information and advices, and as role models in the decision-making and career development process of young adult (Blustein *et al.*, 2001; Schultheiss *et al.*, 2001; Schultheiss *et al.*, 2002). Another study done by Aizzat *et al.* (2009) in Malaysia suggested that the existing of 'successful' entrepreneurs among family member is positively related to entrepreneurial intention. They also proposed that the number of role model (family, friends or colleagues) was positively related to entrepreneurial intention. Contrary to previous studies, Franco *et al.* (2010) found that the students' social background (i.e. having entrepreneur in the family or among friends) have no significant impact on the entrepreneurial intention of students.

Franke and Lüthje (2004) proposed that academic context is an important part of the students' environment, as universities are in a position to shape and encourage entrepreneurial intentions. University activities of initiation, development and support somehow "trigger" the intentions of students to become entrepreneurs and prompt them toward more ambitious start up plans (Franke and Lüthje, 2004). Schwarz *et al.* (2009) found that a positive perception of university actions to foster entrepreneurship will leads to a stronger willingness to start up an own business in the future. They also stated that only the university environment emerges as an intent predictor. University course on entrepreneurship and small business management as well as incubators located on campus appear to be a central role in waking students' enthusiasm and interest in business ownership (Schwarz *et al.*, 2009). Previous studies also revealed that the supportive university environment is one of the factors influence the students' interest in becoming an entrepreneur in the future (Autio *et al.*, 1997; Turker and Selcuk, 2009). If a university provides adequate knowledge and inspiration for entrepreneurship, the possibility of choosing an entrepreneurial career among young people might increase (Turker and Selcuk, 2009). Clark *et al.* (1984) studied a medium sized American university and found that almost 80% of the students who enrolled in an introductory entrepreneurship course were considering to start up their own business, and 76% of these students stated that the entrepreneurship course had a very strong effect on their decision to found a new business. The US students believe that the lectures provide knowledge and skills pertaining to entrepreneurship (Lüthje and Franke, 2002).

A lot of empirical research also done on education enhances entrepreneurial efficacy of students as well as encouraging and supporting them to start-up their own business (Fiet, 2000; Segal, *et al.*, 2005; Wilson *et al.*, 2007). According to Wilson *et al.* (2007), education will enhance students' entrepreneurial efficacy such as opportunity seeking, resource assembling, and leading the business to success through attitude, knowledge and skills that provided to them. Education also can enhance entrepreneurial efficacy of students through learning activities, business plan development, running a real small business (Fiet, 2000), and increasing their desirability to start-up a new venture (Segal, *et al.*, 2005). In Zaidatol (2009) study also stated that entrepreneurship related courses and training are needed to increase the university students' entrepreneurial intention and entrepreneurial efficacy.

Ewert and Baker (2001) suggested that higher education differentially prepares people humanistic and technical; and individual in different academic major fields who grasp different knowledge which may act as a mediate role for entrepreneurship abilities. Guerrero *et al.* (2006) reported from a study of Spanish university students that entrepreneurial-related major students scored the highest results in the inclination towards entrepreneurship. Schwarz *et al.* (2009) found that students registered in the study of ‘business’ have a higher entrepreneurial intention than students in the field of ‘humanities’ and ‘sciences of technology’, the likely reason is that the business students have the most extensive possibilities to learn entrepreneurship. In contrast, Wu and Wu (2008) found out that the intentions of becoming an entrepreneur of “Engineering” students is higher than students from the others majors, i.e. the entrepreneurial-related major and non-entrepreneurial related major.

Methodology:

Model and Hypotheses:

Based on the previous studies, a research model of entrepreneurial intention that incorporates the education environment, attitudes and family role models factors were developed. The independent variables constructed in the proposed model are perceived university encouragement, perceived educational support, academic major, attitudes and entrepreneurial role model in the family, while the dependent variable is entrepreneurial intention variable. The model is to predict the entrepreneurial intention among the young adult (Refers figure 1).

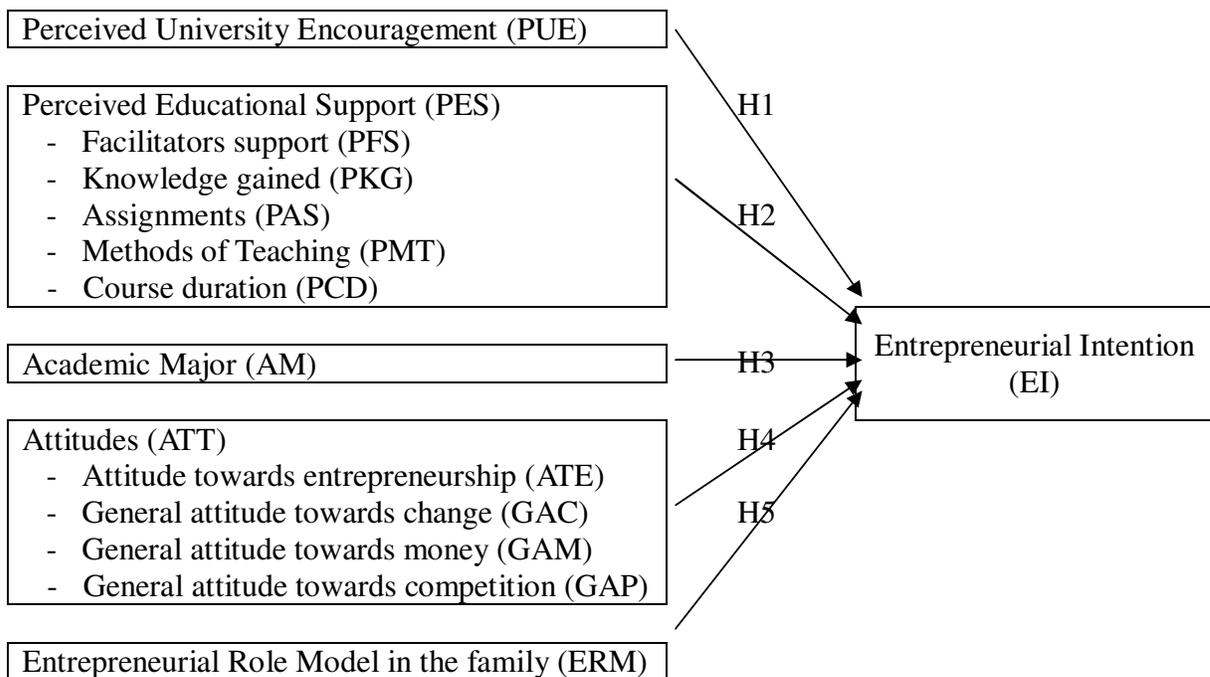


Figure 1: A Proposed Model of Entrepreneurial Intent

Franke and Lüthje (2004) proposed that academic context (university environment) is an important part of the students' environment to shape and encourage entrepreneurial intentions. Previous studies also revealed that the supportive university environment is one of the factors influence the students' interest in becoming an entrepreneur in the future (Autio *et al.*, 1997; Turker and Selcuk, 2009). Schwarz *et al.* (2009) also proposed that a positive perception of university actions to foster entrepreneurship will leads to a stronger entrepreneurial intention. Lecturers provide entrepreneurial knowledge and skills to strengthen the entrepreneurial intention among students

(Clark *et al.*, 1984; Lüthje and Franke, 2002; Turker and Selcuk, 2009). Hence, the following hypotheses will be tested:

H1: The higher the perceived university encouragement, the higher the intention to be an entrepreneur.

H2: The higher the perceived educational support, i.e. (a) facilitators, (b) knowledge, (c) assignments, (d) method of teaching and (e) course duration, the higher the intention to be an entrepreneur.

Previous researchers, such as Guerrero *et al.* (2006) and Schwarz *et al.* (2009) have reported that entrepreneurial-related major or business major students have a higher willingness to be entrepreneur in future. However, the results found by Wu and Wu (2008) was inconsistency with previous study. In view of the above, the following hypothesis will be tested:

H3: The students who are major in business related field have higher intention to be an entrepreneur.

Attitudes have been recognised as precious variables that predicted the variance in entrepreneurial intention by previous researchers (Kolvereid, 1997; Schwarz *et al.*, 2009; Lüthje and Franke, 2003; Autio *et al.*, 2001). Attitude towards entrepreneurship was particularly important in determining the entrepreneurial intention among respondents (Autio *et al.*, 1997; Schwarz *et al.*, 2009; Autio *et al.*, 2001; Lüthje and Franke, 2003; Wu and Wu, 2008; Henderson and Robertson, 2000). Students who have the desire to be entrepreneurs will tend to choose to set up new business in the future. Autio *et al.* (1997) and Schwarz *et al.* (2009) have confirmed that general attitude towards change is a significant predictor of intention to be entrepreneur. Researchers, such as Autio *et al.* (1997), Schwarz *et al.* (2009) and Henderson and Robertson (2000) proposed that individual with a positive attitude towards money will have a higher entrepreneurial intention. In contrast, Douglas (1999) and Douglas and Shepherd (2002) revealed that attitude towards income (money) does not contribute significantly to the entrepreneurial intention. Besides, individual with a higher attitude towards competitiveness will fulfill the desire to win by founding own firms (Schwarz *et al.*, 2009). However, attitude towards competitiveness was not able to predict the entrepreneurial intention in previous studies (Autio *et al.*, 1997; Schwarz *et al.*, 2009). Therefore, the following hypothesis will be tested:

H4: The higher the attitudes, i.e. (a) attitude towards entrepreneurship, (b) general attitude towards change, (c) general attitude towards money and (d) general attitude towards competition, the higher the entrepreneurial intention to be an entrepreneur.

Previous researches also reported that young adults, who have entrepreneurial role model(s) in the family will have a higher entrepreneurial intention (Aizzat *et al.*, 2009; Rajiman, 2001; Scott and Twomey, 1988; Van Auken *et al.*, 2006; Scherer *et al.*, 1989a). Another study done by Aizzat *et al.* (2009) also suggested that the number of role model (family, friends or colleagues) was positively related to entrepreneurial intention. Contrary to previous studies, Franco *et al.* (2010) found that the students' social background (i.e. having entrepreneur in the family or among friends) have no significant impact on the entrepreneurial intention of students. The following hypothesis will be tested to understand further the impact of role model on the entrepreneurial intention among the young adults.

H5: The more entrepreneurial role models in the family (ERM), the higher the intention to be an entrepreneur.

Data Collection:

The population of this study are 2,500 second year students from University Malaysia Sabah who have taken the course, Fundamentals of Entrepreneurial Acculturation in the 2009/2010 academic session. 1000 students were selected to answer the self-administered questionnaire. About 80% of the respondents answered and returned the questionnaire. 787 respondents remained in the sample after eliminated the incompletely filled out questionnaires.

Measurement:

The self-administered questionnaire was divided into five sections. The first section of the questionnaire required respondent to provide their demographic characteristics, such as gender, age, races and faculty studied in. The second section asked respondents whether their close family member, i.e. father, mother, brother and sister are entrepreneurs. The next section needed respondents to rank their interest and likelihood to be an entrepreneur in future. Review of previous researches showed that an index measure of short and long term intention was being used to measure the entrepreneurial intent (Davidsson, 1995; Autio *et al.*, 2001; Schwarz *et al.*, 2009). In this study, three items were used to measure the interest to set up a new business as well as the likelihood to set up a business in the short term (2 years) and long term (5 years) from the time when the survey was carried out. The items were adopted from Autio *et al.* (2001) and Schwarz *et al.* (2009). All items in sections were measured on a Five-point Likert-scale, with 1 = “completely uninterested” to 5 = “strongly interested” or 1 = “very improbably” to 5 = “very probably”, depending on questions. The fourth section consists of items to measure the perceived university encouragement and perceived educational support. Items in this section were modified from Schwarz *et al.* (2009), Jaafar and Abdul Aziz (2008), and Turker and Selcuk (2009). The last section consists of items to measure the attitudes of the respondent, which were adopted from Schwarz *et al.* (2009). All items in sections four and five were measured on a Five-point Likert-scale, with 1 = “strongly disagree” to 5 = “strongly agree”.

Results and Discussion:

The data obtained were analyzed using the Statistical Package for Social Sciences (SPSS) version 17. The data was initially tested with frequency and descriptive statistics to understand the demographic information of the respondents and the descriptive data of each items used in the questionnaire. After that reliability analysis and factor analysis tests were conducted to test the reliability of each variable. Multiple regression analysis was then used to test the hypotheses. The assumptions of regression, i.e. autocorrelation, normality, homoscedasticity, multicollineality and linearity of independence variables were verified before making any interpretation of the statistical results.

		Frequency	Percent %
Gender	Male	255	32.4
	Female	532	67.6
Races	Malay	282	35.8
	Chinese	218	27.7
	Kadazan / Dusun (Natives)	95	12.1
	Indian	18	2.3
	Others	174	22.1
Major in higher education	Business and Economics	193	24.5
	Social Sciences	323	41.1
	Sciences	271	34.4
Entrepreneur role model in family	Father	180	22.9
	Mother	154	19.6
	Brother	71	9.0
	Sister	54	6.9
Number of entrepreneur role model in family	0	473	60.0
	1	208	26.4
	2	79	10.1

	3	15	1.9
	4	12	1.5

Table 1: Frequency of Respondents

Frequency and Descriptive Data:

The sample consisted of 67.6% female and 32.4% male students from the university. Malay being the largest races (35.8%), follow by Chinese (27.7%) and Kadazan and Dusun (natives, 12.1%). 41% of the respondents are major in social sciences degrees such as education, art and humanities, another 34.4% of the respondents are major in sciences degrees, e.g. chemistry, engineering and biotechnology. The rest of the respondents (24.5%) are major in business and economics. About 180 or 22.9% of the respondents said that their father was entrepreneur and 154 or 19.6% of the respondents said their mother was entrepreneur. Most of the respondents (60%) did not have an entrepreneur role model at home. 208 respondents had one close family member who was an entrepreneur, while the rest of the respondents had two or more family members who were entrepreneurs. Refer Table 1 for details of the frequency results.

The mean score of the three items used to measure the entrepreneurial intention of students are moderate, with the first item “How interested are you to set up your own business?” scored the highest mean (mean = 3.820, s.d. = 0.856). The mean score of item 2 was the lowest (mean = 3.246, s.d. = 0.972) indicated that the students might need more time to prepare in order to set up a new business. (Refer Table 2 for details.)

Item No	Items	Mean	Std. Deviation
1.	How interested are you to set up your own business?	3.820	0.856
2.	How likely is it that you will set up a business during the next 2 years?	3.246	0.972
3.	How likely is it that you will set up a business during the next 5 years?	3.750	0.856

Table 2: Entrepreneurial Intention of Students

Table 3 shows the mean score and standard deviation of the items used to measure the independents variables. Perceived university encouragement is measured by one item only. The perceived educational support and attitudes are measured by 13 items and 7 items respectively. All the mean scores are above three, except for item 16 “The subject thought needs to be rearrange” with mean = 2.552, s.d. = 0.828. Item 16 is a reverse question which was recoded before the mean was calculated. Item 8 “The course had exposed students to basic skills required for entrepreneurs” scored the higher mean (mean = 4.053, s.d. = 0.682).

Item No.	Items	Variable	Construct	Mean	Std. Deviation
4.	My university, people are actively encouraged to pursue their own ideas.	Perceived University Encouragement	PUE	3.795	0.810
5.	Supervisor is helpful & guide me well.	Perceived Educational Support	PFS	3.756	0.910
6.	Lecturer is helpful & guide me well.		PFS	3.765	0.896
7.	The courses provide students with the knowledge required to start a new company.		PKG	3.876	0.746
8.	The course had exposed students to		PKG	4.053	0.682

	basic skills required for entrepreneurs.			
9.	The course had exposed yourself to the important basics knowledge of entrepreneurship.	PKG	3.938	0.717
10.	The course had provided enough knowledge to be an entrepreneur.	PKG	3.418	0.865
11.	The assignment had provided a good lesson for students.	PAS	3.789	0.801
12.	Practical project provided me with exposure to the real business environment.	PAS	3.957	0.834
13.	The subject thought was very clear.	PMT	3.754	0.798
14.	You were happy with teaching methods.	PMT	3.581	0.844
15.	The arrangement of the course was good.	PMT	3.564	0.818
16.	The subject thought needs to be rearrange. (reverse)	PMT	2.552	0.828
17.	14 weeks duration allowed for the course was enough.	PCD	3.314	1.021
18.	I'd rather be my own boss than have a secure job.	ATE	3.593	0.920
19.	I'd rather found a new company than be the manager of an existing one.	ATE	3.254	0.974
20.	I find working in a stable and routinized environment boring.	GAC	3.220	1.033
21.	I need constant change to remain stimulated, even if this would mean higher uncertainty.	GAC	3.216	0.926
22.	If you have high income, that is a sign that you have had success in your life.	GAM	3.325	1.089
23.	It is important for me to make a lot of money.	GAM	3.900	0.905
24.	I work harder in situations where my performance is compared against that of others.	GAP	3.832	0.815

Table 3: Descriptive Analysis Results of the Questions

Reliability Analysis:

Cronbach's Alpha test was conducted to check the reliability of the variables, except the perceived university encouragement, course duration and general attitudes towards competition which are single item variables. The Cronbach's Alpha value for entrepreneurial intention, facilitators support, knowledge gained, assignments and methods of teaching are above 0.70, indicating that the measures are reliable and acceptable. However, item 16 was dropped in order to increase the alpha value of the methods of teaching. Even though the values for the attitudes variables are slightly lower, between 0.60 and 0.66, the measures are still acceptable and can be used in the study. Factor analysis was conducted to further confirm the reliability of the variables. The results of the factor loadings for most of the items are above the required threshold of 0.60, which indicate that the measures are acceptable.

Although the reliability test is not able to be conducted for the single item variable, this does

not necessarily undermine the analysis. A scale must be reliable to be valid and possess practical utility (Peterson, 1994). According to Nunnally (1978), unreliable scales will cause random error (type II error), so the ‘true’ correlations are masked. If correlations are found, the reliability problem is not important (Schmidt and Hunter, 1977).

The mean score of all the variables are above mid-point. The mean of assignments is the highest (mean = 3.873, s.d. = 0.732), while general attitude towards change has the lowest mean (mean = 3.218, s.d. = 0.847). The entrepreneur role model in the family varies from 0 to 4. In order to do the regression analysis, the entrepreneur role model was recoded into a range from 1 to 5. Thus, the mean and standard deviations for the entrepreneur role model were 1.583 and 0.861 respectively. Table 4 shows the descriptive and reliability results of the variables.

Variables	Item No.	Item Drop	Factor Loadings	Cronbach's Alpha	Mean	Std. Deviation
Entrepreneurial intention (EI)	1	-	0.811	0.725	3.605	0.720
	2		0.774			
	3		0.830			
Perceived University Encouragement (PUE)	4	-	0.622	-	3.795	0.810
Facilitators support (PFS)	5	-	0.760	0.809	3.761	0.828
	6		0.757			
Knowledge gained (PKG)	7	-	0.776	0.786	3.821	0.590
	8		0.807			
	9		0.757			
	10		0.501			
Assignments (PAS)	11	-	0.538	0.751	3.873	0.732
	12		0.588			
Methods of Teaching (PMT)	13	Item no. 16	0.693	0.826	3.633	0.706
	14		0.580			
	15		0.600			
Course duration (PCD)	17	-	0.549	-	3.314	1.021
Attitude towards entrepreneurship (ATE)	18	-	0.671	0.645	3.424	0.785
	19		0.749			
General attitude towards change (GAC)	20	-	0.770	0.658	3.218	0.847
	21		0.734			
General attitude towards Money (GAM)	22	-	0.766	0.604	3.613	0.847
	23		0.836			
General attitude towards competition (GAP)	24	-	0.571	-	3.832	0.815
Entrepreneurial role model (ERM)	-	-	-	-	1.583	0.861

Table 4: Descriptive and Reliability Analysis Results

Regression:

Multiple regression analysis was conducted to test the relationship between the independent variables and dependent variable, the students’ entrepreneurial intention. Details of the regression

analysis results are presented in Table 5. The results of the analysis showed that perceived university encouragement is a significant predictor ($t = 5.681, p = 0.000$) but only predicted about 3.90% of the variations in entrepreneurial intention at 5% significant level. Hence, H1 is accepted. The result confirmed the finding by Schwarz *et al.* (2009).

Another regression analysis was conducted to determine the relationship between perceived educational support and entrepreneurial intention. This variable contributed significantly ($F = 17.881, p = 0.000$) and predicted approximately 10% of the total variations in entrepreneurial intention. However, only knowledge ($t = 4.046, p = 0.000$) and assignments ($t = 3.254, p = 0.000$) are significantly associated with entrepreneurial intention at 5% significant level. The other three factors, facilitators support, methods of teaching and course duration are not significant predictors of entrepreneurial intention. Hypotheses H2b and H2c are accepted and thus, H2 is partially accepted.

The students major in different degrees were recoded into two groups, i.e. the business related major and non-business related major before conducting the regression analysis. The result showed that academic major is significant ($t = 4.209, p = 0.000$) but weak predictor (2.2%) of the entrepreneurial intention. H3 is also accepted. The result is consistence with the study done by Kolvereid and Moen (1997) that students major in business-related field have a higher intention to be entrepreneurs.

Another test was conducted to validate the relationship between the attitudes (i.e. attitude towards entrepreneurship, general attitude towards change, general attitude towards money and general attitude towards competition) and the entrepreneurial intention. Attitudes are significant predictor ($F = 79.242, p = 0.000$), which predicted 28.8% of the total variance of entrepreneurial intention. Both attitude towards entrepreneurship ($t = 12.807, p = 0.000$) and general attitude towards competition ($t = 7.652, p = 0.000$) are significantly associated with the entrepreneurial intention at 5% significant level. Both attitudes towards change and money are not significant predictors of the entrepreneurial intention. Hence, H4 is partially accepted since only H4a and H4d are accepted. The acceptance of attitude towards entrepreneurship (H4a) is consistence with previous studies, such as, Schwarz *et al.* (2009), Lüthje and Franke (2003) and Autio *et al.* (2001). In contrast, the acceptance of H4d and rejection of H4b is inconsistency with previous studies. The result of the entrepreneurial role model shows that family role model is a significant predictor of the entrepreneurial intention ($t = 5.437, p = 0.000$) and predicted 3.6% of the variance of entrepreneurial intention. H5 is accepted and this finding is in agreement with the findings of Aizzat *et al.* (2009).

Finally, the last step shows the regression results of all the independent variables on the entrepreneurial intention. The model is significant ($F = 35.524, p = 0.000$) and able to predict 35.5% of the total variance of entrepreneurial intention. Among the variables that are significant are knowledge ($t = 2.732, p = 0.006$) and assignments ($t = 2.222, p = 0.027$) of perceived educational support, academic major ($t = 4.199, p = 0.000$), attitude towards entrepreneurship ($t = 12.001, p = 0.000$) and general attitude towards competition ($t = 6.363, p = 0.000$) of attitudes as well as entrepreneurial role model ($t = 4.462, p = 0.000$). Attitude towards entrepreneurship appears as the most significant predictor of entrepreneurial intention among students. The results confirm previous findings (Kolvereid, 1997; Schwarz *et al.*, 2009; Lüthje and Franke, 2003; Autio *et al.*, 2001) that attitude is an important predictor of entrepreneurial intention among students. Thus, the above suggested model is acceptable to explain the variables that are likely to determine the entrepreneurial intention of young adults.

Independent variables	Beta Coefficients	t-value	p-value	R	R ²	F.	Sig.
Step 1 Perceived University Encouragement				0.199	0.039	32.273	0.000
PUE	0.199	5.681	0.000				
Step 2 Perceived Educational Support				0.320	0.103	17.881	0.000

PFS	- 0.054	- 1.256	0.210				
PKG	0.214	4.046	0.000				
PAS	0.149	3.254	0.001				
PMT	0.040	0.766	0.444				
PCD	-0.113	- 3.199	0.001				
Step 3 Academic Major				0.149	0.022	17.713	0.000
AM	0.149	4.209	0.000				
Step 4 Attitudes				0.537	0.288	79.242	0.000
ATE	0.445	12.80 7	0.000				
GAC	- 0.037	- 1.062	0.289				
GAM	0.000	- 0.021	0.983				
GAP	0.247	7.652	0.000				
Step 5 Entrepreneurial Role Model				0.190	0.036	29.557	0.000
ERM	0.190	5.437	0.000				
Step 6 All variables				0.596	0.355	35.524	0.000
PUE	0.027	0.802	0.423				
PFS	- 0.069	- 1.871	0.062				
PKG	0.128	2.732	0.006				
PAS	0.088	2.222	0.027				
PMT	0.002	0.054	0.957				
PCD	- 0.092	- 3.030	0.003				
AM	0.122	4.199	0.000				
ATE	0.406	12.00 1	0.000				
GAC	- 0.026	- 0.790	0.430				
GAM	- 0.018	- 0.588	0.557				
GAP	0.201	6.363	0.000				
ERM	0.130	4.462	0.000				

Table 5 Regression Results on Entrepreneurial Intention

Limitations and Future Research:

This research faced a few limitations. Firstly, the samples are limited to the students from University Malaysia Sabah only. Samples from other higher institutions should be taken to test this model in future to provide better understanding of the entrepreneurial intention of young adults. Besides, two of the variables, perceived university encouragement and general attitude towards competition are measured by single item only. Even though both variables are significantly correlated with entrepreneurial intention, adding new items will be able to increase the reliability of the measurement. There is also a need to investigate further the impacts of university environment due to the research in this area is still inconclusive. Future research can include other variables such as

resources available, financial support and facilities provided to examine the impact of university environment on the young adult's entrepreneurial intention. The attitudes variables are limited to four different attitudes to develop the correlation between attitudes and entrepreneurial intention. More attitudes (e.g. perception of the attractiveness of entrepreneurship and the personal acceptance of entrepreneurship) should be explored to examine the impacts of attitudes on entrepreneurial intention.

Conclusions and Implications of the Study:

The study has provided new insight to understand the factors which affect the young adults' entrepreneurial intention. The results emphasize again the importance of attitudes, education, academic major and family role models on the entrepreneurial intention of young adults. The study has precious implications to the academicians, educators and policy makers. Educators can plan and develop a more effective entrepreneurship training education system by applying the proper entrepreneur knowledge and assignment. Policy makers can develop various activities and programmes that will reinforce the positive attitudes towards entrepreneurship and enhance further the entrepreneurial intention among the young adults. Besides, policy makers can encourage successful entrepreneurs to become the role model and share their experience with young adults. Academician can apply this model further to test further the entrepreneurial intention of young adults in different perspective and construct.

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