

Factors Influencing International Student Entrepreneurial Intention in Malaysia

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Abstract

Malaysia is one of the emerging destinations for international students and it has been credited as a major global hub for receiving top quality education, attributed to changes in higher educational policies. From the entrepreneurship courses and training put in place by various universities and Malaysia government for the local students, some foreign students also benefited from it, thereby spurring up their entrepreneurial intention. This study aims to identify those factors that influence their entrepreneurial intention using Azjen's theory of Planned Behavior as background theory.

Keywords

Entrepreneurship, Entrepreneurial Intention, International Students

1. Introduction

“Entrepreneurial intention” or “intent” in general is defined as a state of mind directing a person’s attention, experience and action towards a specific goal, or a path to achieve business goal. Entrepreneurial action has been linked to “intentional behaviour” [1]. The concept of Entrepreneurial intentions exhibits the characteristics that are identified by an individual’s attitude, skills and environmental influences as well as psychological characteristics [2]. Intention to become an entrepreneur or engage in entrepreneurial activities seems to have been exhausted by literatures; likewise, two major theories had been applied to investigate the intention to become entrepreneurs especially among students. These two theories are theory of planned behavior (TPB) introduced by Ajzen and entrepreneurial model by [1]. Meanwhile, recent study by [3] categorizes Ajzen and Shapero’s theories into two clusters namely push and pull forces. According to study, the push factors mean those influences like family background, subjective norms and need for achievement, which push an individual towards entre-

preneurship and pull factors are influences like entrepreneurship education, economic condition which pull people towards entrepreneurship. Same influences can be a pull factor for an individual and also maybe a push factor for another. Push and pull factors have an impact on an individual's motivation towards entrepreneurship. Therefore, this present research tends to investigate such claim among international students residing in Klang Valley, Malaysia using the Theory of Planned behaviour by [4].

2. Factors Influencing Entrepreneurial Intention

The following variables stemmed from the Ajzen's theory of planned behaviour, such as family background, desire for independence, need for achievement, subjective norms and new variables like entrepreneurial education and economic situation, which are not included in Ajzen's theory but based on [5] more literature, will be tested on international students to know if they are determining factors that influence their entrepreneurial intention. The variables are as follows:

2.1. Family Background

Based on Ajzen's Theory of Planned Behavior, the stronger the intention to perform behavior, the more likely the behavior will be performed. Studies by several authors suggest that there is positive relation between family support and entrepreneurial intention of students [6]. Families with business background in most cases encourage and motivate other family members to be involved in entrepreneurial ventures. These set of people have been known to have a higher tendency of initiating new business creation [7].

2.2. Desire for Independence

Researchers [8] observed that nascent entrepreneurs are motivated with the desire to be their own boss. Desire for independence is one of the main features of entrepreneur traits, it enables an individual to make plan for the future and take all the decisions himself. According to [9] students possessing high desire for independence have better chances to be an entrepreneur. Thus as evidence from most previous studies reviewed, we decided to explore this variable in this research.

2.3. Need for Achievement

The works of McClelland [10] popularized this notion of need for achievement as being an essential characteristic of an entrepreneur and contributed to his development. One of the important characteristics of entrepreneurial intention is the need for achievement that is the need to excel and to reach certain purpose or goals in an objective of personal achievement.

2.4. Subjective Norms

Azjen [4] attributes the engagement in a particular behavior as a result of peer

influence as a subjective norm. [11] agreed with this but called it social norm and went ahead to say that this influence can come from parents, friends, or partners. It relates to a person's belief about whether peers and people of importance to the person think he or she should engage in the behavior. Subjective norms are a person's own judgement of the social forces to execute target behaviour.

2.5. Entrepreneurial Education

The efficiency of entrepreneurship education being taught in the universities, on imparting and developing entrepreneurial knowledge is an effective way of stimulating entrepreneurial intention in the mindset of the university students [12]. The research on entrepreneurial education in the university carried out by [13] revealed that entrepreneurial education in the university positively impacts entrepreneurial intention.

2.6. Economic Situation

An extensive [14] suggests that economic situation are important drivers of entrepreneurship. During an economic crisis this role is even strengthened, because of the paucity of business opportunities. The period of economic situation or crisis boost entrepreneurial opportunities. When unemployment is high and rising, the choice to become an entrepreneur depends also on the extent to which self-employment is perceived as a viable second best alternative to unemployment. Economic situation and the prospect of unemployment may lead some people to seek for an alternative.

3. Methodology

A purposive sampling method which is a type of non-probability sampling was employed in this research. This type of sampling was used because the target population is large and dispersed without any form of sampling frame. Self-administered structured type questionnaires were distributed to the international students. This was done to obtain feedback relating to the information needed for achieving the objectives of the study. Recalling the objectives of this study, that is, to identify the factors responsible for entrepreneurial intention among international students residing Malaysia. To achieve this, multiple regression analysis is used in determining the interaction between the independents variable and the dependent variables.

4. Data Analysis

In order to determine which variables influences foreign Students entrepreneurial Intention. The table present the R^2 , Adjusted R^2 and the standard deviation error of the estimate. The R^2 value (Coefficient of determination) which is the proportion variance of the dependent variable, which can be explained by the independent variables. From the model table the value of R^2 is 0.551, and the independent variables explain 55.1% of the variability of the dependent variable

(Entrepreneurial Intention). The F-ratio in the ANOVA table tests if the overall multiple regression model is a good fit for the data. The ANOVA table revealed that the independent variables statistically predict the dependent variable, $F(6, 249) = 51.963$, $p < 0.005$, that means the multiple regression model is a good fit for the data. The detailed result is presented in the **Table 1** below.

The result from the analysis indicated that four of the independent variables are found to significantly predict intention to become an entrepreneur from the sample of international students surveyed. These variables are: need for achievement having ($\beta = 0.381$, $p < 0.005$), subjective norm ($\beta = 0.135$, $p < 0.005$), entrepreneurial education ($\beta = 0.235$, $p < 0.005$) and economy having ($\beta = 0.222$, $p < 0.005$). While other independent variables (family background and desire for independence) failed to predict entrepreneurial intention among the samples surveyed.

5. Conclusion

From the research findings, the study observed need for achievement, subjective norms, economic situations and entrepreneurial education are important factors that predict entrepreneurial intention among the international students surveyed. This study further recommends that, the Malaysian universities and colleges should encourage more foreign students to be involved in entrepreneurial activities by providing entrepreneurial education and training to increase awareness and change the mind-set of students towards instilling entrepreneurial culture and reduce their over reliance on government and other formal sectors. Universities and colleges should organize more entrepreneurial related activities, workshops and programs that can enhance student entrepreneurial intention for example managing small business in campus or during flea market (pasar-malam) and project like business proposal, which provides students the opportunities to get involved and gain prior business experience. This study is also an

Table 1. Multiple regression analysis findings.

	Beta (β)	t-Score	Sig
Family background	-0.045	-0.813	0.417
Desire for independence	0.094	1.537	0.126
Need for achievement	0.381	6.318	0.000**
Subjective norm	0.135	2.867	0.005**
Entrepreneurial education	0.235	4.704	0.000**
Economy	0.222	4.643	0.000**
R ²	0.562		
Adjusted R ²	0.551		
F-Value	51,963		

advantage to scholars because it provides more detailed information about the entrepreneurial intention and activities among foreign students in higher learning institution.

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