

Determinant Factors of Entrepreneurial Intention among Non-Business Major Undergraduates: A Cross-Cultural Approach

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Abstract

This paper discussed the cross-cultural approach to study on the determinant factors of entrepreneurial intention among non-business major undergraduates. Nowadays, all undergraduates include non-business major had been exposed by entrepreneurship courses in order to expose themselves to self-employability, but there are still lack of entrepreneurial intention among non-business major students. This study intends to determine internal and external factors, as well as cultural norms that can influence entrepreneurial intention among undergraduates, by undermining the difference impact of individualistic nation and collectivistic nation. Internal factors variables of entrepreneurial self-efficacy and attitudes towards starting a business were chosen, while variables of exposure to entrepreneurial education and prior business exposure were selected for undermining external factors that may influence entrepreneurial intention, specifically on non-business major students. Variables taken from theory of planned behavior also will be considered to study the influence in entrepreneurial intention, which are perceived barriers and perceived family support, while cultural subjective norms taken from social cognitive career theory will be use as moderating variable of entrepreneurial intention in studying on cross-cultural. Variable of gender will also being use, as to prove the previous studies that male undergraduates are more intended to be entrepreneur than female undergraduates. This study is going to be done through quantitative survey research, targeting 1000 fulltime prospective undergraduates of non-business majors who had undertook entrepreneurship education related courses, in some public and private universities in both Malaysia (collectivistic) and United Kingdom (individualistic) nations. The selected countries to study on cross-cultural differences would be major limitation for this study, as well as the single cross-cultural variable used to differentiate between collectivistic and individualistic nation that will lead to unsatisfactory result. In future, the same framework of study can be implemented to study the determinants of entrepreneurial intention among primary and secondary school students in cross countries. This study will believed in helping to clarify the impact of entrepreneurship education learned towards making choices of becoming entrepreneurs among undergraduates, It is hoping that this study could assist the government, mainly Ministry of Higher Education (MOHE), in developing structured and holistic entrepreneurial education to produce graduates that has a value, thinking and entrepreneurial attributes and increase the number of entrepreneurs among graduates from Malaysian Higher Learning Institutions (HLI) as catalyst for the achievement of economic transformation.

Key words: Entrepreneurial intention; non-business major undergraduates; cross-cultural; theory of planned behavior; social cognitive career theory.

Introduction

Problem Statement

Entrepreneurship is believed to be a part of solution to poverty, since entrepreneurs were likely to survive by searching for alternative resources rather than relying on employment. Entrepreneurship generates innovation in the delivery of services and improvement in the creation of goods. Therefore, entrepreneurship education is recently encouraged to be implemented in many educational institutions in various countries, including Malaysia. Entrepreneurship education is expected to create a higher number of entrepreneurs and lower the level of unemployment (Setiawan, 2012). Undergraduates who had been exposed by entrepreneurship education are believed to engage in the entrepreneurship field after graduating. The interest in entrepreneurship education at many levels is increasing within universities. Most of the programmes offered by institutions are entrepreneurship courses made compulsory in the syllabus, either for Business majors or Non-business majors (such as Engineering, Information Technology, Hospitality, etc.) in order to expose students to the self-employability field. A majority of institutions are focused on teaching, educating and preparing their students to be employed in the industrial or managerial world as there is a lack of comprehensive policy in supporting the academic entrepreneurship (Soetanto & Pribadi, 2010).

Based on past history, business faculties have served as the pillar department for entrepreneurship courses and are experienced in being able to show and promote the immediate economic significance of their activities to students, alumni, faculty, and local communities. The ability of business faculties in sharing the value of the business education is crucial to the development of human capital skills among undergraduates in realizing them to foresee the benefits of majoring in the business field. The link between entrepreneurship courses and economic value creation has encouraged and supported the creation of the said courses within the non-business undergraduates' major (Olsen & Mykletun, 2012). Thus, the integration of entrepreneurship education components into non-entrepreneurship undergraduate syllabus could lead to enhanced entrepreneurial intention and increased interest in entrepreneurship careers among non-business undergraduates.

From the students' point of view, initiating self-employment after graduation is a complicated decision due to high uncertainty and perceived risk. Many studies have revealed that entrepreneurial intention could be influenced from two sources, internal and external (Soetanto & Pribadi, 2010). Internal factors include a self-efficacy towards self-employability (Drost Ellen, 2010; Bernstein, 2011; Boyd & Vozikis, 1994; Carr & Sequeira, 2007; Gerba, 2012; Soetanto & Pribadi, 2010) and attitudes of students (Drost Ellen, 2010; Carr & Sequeira, 2007; Hamidi, 2008; Malebana, 2014) while external factors cover the external environment that may support or hinder entrepreneurial intention, such as exposure to entrepreneurial education (Drost Ellen, 2010; Bernstein, 2011; Gerba, 2012; Hamidi, 2008; Malebana, 2014; Soetanto & Pribadi, 2010) and prior business exposure (Drost Ellen, 2010; Boyd & Vozikis, 1994; Carr & Sequeira, 2007; Gerba, 2012; Hamidi, 2008; Soetanto & Pribadi, 2010). This research is intended to underpin internal and external factors that support the entrepreneurial intention among undergraduates, specifically on non-business major students.

There were limited studies which had been conducted to determine cultural norms as a factor that influenced entrepreneurial intention among undergraduates. A study done by Devonish (2010) had investigated the effect of entrepreneur intention in the Caribbean, where the governments are familiar with the need to expand the structure and change the mechanism in provinces and encourage entrepreneurship. Furthermore, the instability of the Pakistani government was significantly affecting the entrepreneur intention, while indicating that entrepreneurial experience did have a direct and positive relationship with perceived desirability and perceived feasibility (Sajjad, Shafi, & Dad, 2012). A more in-depth study on cross cultural influences in entrepreneurial intention conducted by Moriano & Gorgievski (2011) mentioned that attitudes toward entrepreneurship were the strongest predictor of entrepreneurial intentions across a culture of six nations, followed by entrepreneurial self-efficacy, while subjective norms appeared to be the least important predictor of students' entrepreneurial intentions across cultures and the only predictors whose influence varied across cultures. Therefore, this study propose to specify the cross cultural influences on entrepreneurship by undermining the different impacts of individualistic nation (i.e United Kingdom) and collectivistic nation (i.e Malaysia), while examining the argument on the universal theory of Planned Behavior (TPB) developed by Ajzen (1991).

Research Objective

The objectives of this study are to:

1. Identify the most determinant factors of entrepreneurial intention among undergraduate students, specifically on non-business majors.
2. Understand the role of entrepreneurship education in influencing self-employability intention among students of non-business majors.
3. Examine the mediating role of theory of planned behaviour (TPB) in the development of entrepreneurial intentions among undergraduates.
4. Discover the argument of universal theory of planned behaviour (TPB) in cross cultural differences among nations.
5. Examine the moderating role of cross-cultural norms in influencing entrepreneurial intentions.
6. Explore the impact derived from cultural differences in influencing entrepreneurial intentions of both individualistic and collectivistic nations.

Research Hypotheses

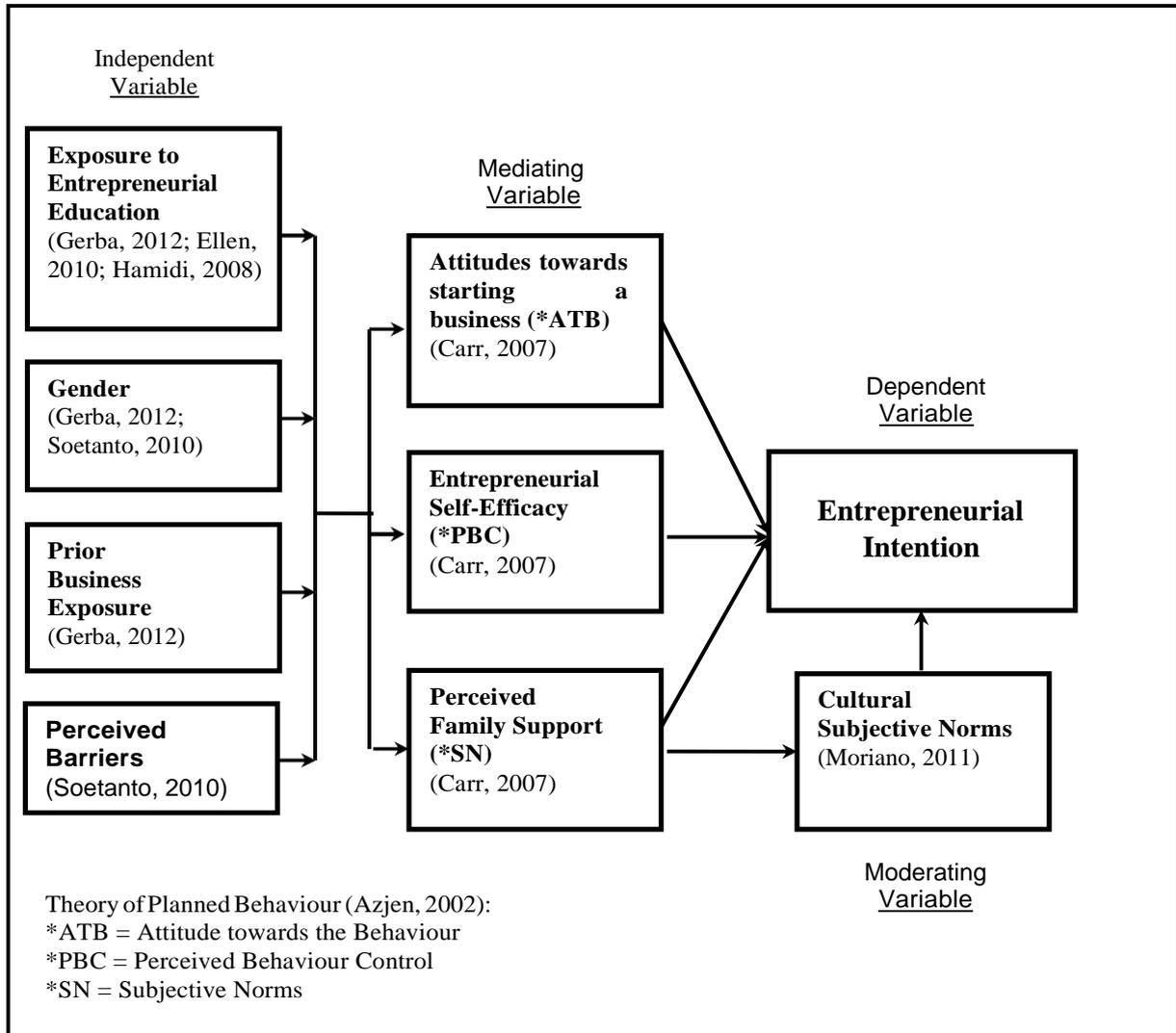


Figure Error! No text of specified style in document.1: Theoretical Framework

H1: Undergraduates of Non-business majors who are exposed to entrepreneurship education are more likely to be self-employed after graduating.

H2: Male undergraduates are most likely to be entrepreneurs than female undergraduates on entrepreneurial intention.

H3: Undergraduates with prior business exposure are more likely to be entrepreneurs than undergraduates with no such exposure.

H4: Undergraduates with a low perceived barrier are more likely to become entrepreneurs after graduating than students with a high perceived barrier.

H5a: Attitudes towards self-employment is positively associated with entrepreneurial intention.

H5b: Perceived family support is positively associated with entrepreneurial intention.

H5c: Entrepreneurial self-efficacy is positively associated with entrepreneurial intention.

H6: Attitudes towards self-employment, perceived family support and entrepreneurial self-efficacy mediates the relationship between entrepreneurial intention and its antecedents.

H7: Perceived family support have stronger effects on entrepreneurial intentions in collectivistic countries than in individualistic countries.

Research Questions

The following are questions derived from this study:

Q1: Is a student from a non-business major more likely to be self-employed after graduating and exposed to entrepreneurship education?

Q2: Are male students more likely to become entrepreneurs than female students?

Q3: Are undergraduates with business exposure are more likely to become entrepreneurs than those with no exposure?

Q4: Are undergraduates with a low perceived barrier more likely to become entrepreneurs after graduating than students with a high perceived barrier?

Q5: Is attitude towards self-employment, perceived family support and entrepreneurial self-efficacy positively associated with entrepreneurial intention?

Q6: Is attitude towards self-employment, perceived family support and entrepreneurial self-efficacy mediates the relationship between entrepreneurial intention and its antecedents?

Q7: Does perceived family support have moderating effects on entrepreneurial intentions in collectivistic countries than in individualistic countries?

Significance of Research

This research is intended to underpin the entrepreneurial intentions among undergraduates of non-business major who had already undertook the entrepreneurship education course, by discovering the major influences in developing their intentions towards self-employability. This research also explores the

significance of cross-cultural norms among countries, whether the undergraduates presume entrepreneurial career decisions based more on personal (such as attitudes and self-efficacy) or social and cultural consideration (such as subjective norms).

This research is important as it will discover the contribution of entrepreneurship education course towards influencing undergraduates of non-business major in choosing self-employability careers, while closing the gap of cross-cultural differences in making the decisions. Therefore, the results will hopefully assist the policy makers and institutions in improvising the entrepreneurship education courses among business and non-business majors, thus, contributing to enhancing society in choosing entrepreneurship as their major career path after graduating from universities.

Literature Review

Introduction

Numerous studies had been conducted in determining influences in entrepreneurial intentions among undergraduates who are undertaking business major in most western countries (Drost Ellen, 2010; Hamidi, 2008; Malebana, 2014; Moriano & Gorgievski, 2011; Z. Solesvik, Westhead, Matlay, & N. Parsyak, 2013) and several Asian countries (Soetanto & Pribadi, 2010), while a few studies were comparing the entrepreneurial intention on both business major and non-business major students (Bernstein, 2011; Gerba, 2012). Furthermore, there is a study which proposed that culture and religion plays an important role in influencing entrepreneurial intentions (Sajjad et al., 2012), whereas a policy made by the government could impact the entrepreneurial among society (Devonish, 2010). A more in-depth research done by (Moriano & Gorgievski, 2011) on cross-cultural approach to further understand entrepreneurial intention, showed that young people choose self-employability career decisions based more on personal rather than social considerations (Moriano & Gorgievski, 2011).

Entrepreneurial Intention

According to Gerba (2012), entrepreneurial intention reflected the state of mind that initiated a person to favorably decide to choose self-employment compared to conventional salary based employment. Based on his finding, he mentioned that students of business major, who undertake entrepreneurship courses in university in general, reported more intention towards entrepreneurship compared to non-business major students who have not taken the entrepreneurship course. The finding concluded that entrepreneurial education had influenced intention towards entrepreneurship by inspiring students' personal attraction towards entrepreneurship, enhancing their internal locus of control and, improving their perceived behavioral control, while improved close counterparts' attitude towards them in seeking self-employability as their career option. (Gerba, 2012).

Social Cognitive Career Theory

Social Cognitive Career Theory (SCCT) was introduced by Robert W. Lent, Steven D. Brown and Gail Hackett, that was derived from Bandura's (1986) general social cognitive theory. SCCT explored a new mechanism in understanding the processes on how humans created intentions, made selections, and pursued different levels of success in either educational or occupational achievements (Lent, Brown, & Hackett, 2000). SCCT combined the role of environmental influences on the establishment and achievement in educational interests, selections, and development. Thus, this research intends to focus

on the role of cross-cultural influences (i.e. individualistic and collectivism) on the establishment in entrepreneurial intention among undergraduates.

A research was conducted to adapt the SCCT framework to explicitly account for different types of self-efficacy in entrepreneurship education. An examination of the influence of academic self-efficacy on academic interest alone is not sufficient to understand the interest development which found that three different types of self-efficacy influence interest in entrepreneurship education, namely 1) Academic self-efficacy, confidence that a student could successfully complete the major, 2) Career self-efficacy, confidence that a student could have a successful career as an entrepreneur, and 3) Self-efficacy or confidence that the student possesses a business idea (Bernstein, 2011). The results found that high self-efficacy for successfully completing the entrepreneurship major, on average, does not necessarily lead to high levels of interest in the major, and self-efficacy associated with having a successful career as an entrepreneur is more closely related to interest in entrepreneurship education than self-efficacy for successfully completing the education (Bernstein, 2011).

Theory of Planned Behaviour

The Theory of Planned Behavior (TPB) developed by Ajzen (1991) was one of the best-established theories to predict intentions, including career intentions. Unlike other models, the TPB offers a coherent and generally applicable theoretical framework, which enables us to understand and predict entrepreneurial intention by taking into account not only personal, but also social factors (Krueger & Brazeal, 1994). The theory argued that such intentionality is driven in part by three factors: perceived behavioral control or the perceived ease to perform entrepreneurial behavior, the general attitude toward entrepreneurship or the extent to which a person has a favorable evaluation of entrepreneurship as a career, and subjective norms or the perceived social norms that entrepreneurship is an acceptable career choice (Clercq, Honig, & Martin, 2012).

Previously, Ajzen (2002) had revised TPB, by theoretically proposing linkages between past behaviour and future behavioral intent. Further research by Carr & Sequeira (2007), who used TPB to serve as an additional means to explain why past behavior might influence behavioral intent and evaluate the influence of prior family business experience on entrepreneurial intent. The results indicated that exposure to a prior family business served as an important intergenerational influence on entrepreneurial intent (Carr & Sequeira, 2007). While another research done by Moriano & Gorgievski (2011) examined the applicability of the TPB model in six different European and Asian countries (Germany, India, Iran, Poland, Spain, and The Netherlands) and tested whether relationships between TPB components are invariant across cultures. They found that only the variance of attitudes towards entrepreneurship differed across cultures (Moriano & Gorgievski, 2011).

Methodology

Research Design

This study is intended to carry out the means of a quantitative survey research. The reason for the choice of the survey is to obtain comparable data from the chosen sample so that similarities and differences can be found. Surveys are relatively efficient ways for collecting large amounts of data and they are used in studies that use individuals as units of analysis. The questionnaires will contain four sections, factors influencing entrepreneurial intention, planned behaviour theory (attitude, perceived behaviour and norms),

cross-cultural norms and control variables. First section will inquire about independent variables, mediating variables and entrepreneurial intention items. The questions will be answered using a five-point Likert-type scale (e.g. 1= strongly disagree, 2 = disagree, 3 = neither agree nor disagree 4 = agree, 5 = strongly agree). Second section will be based on attitude towards starting a business, entrepreneurial self- efficacy and perceived family support. The questions will be answered using a five-point scale, derived from Carr & Sequeira (2007). The third section will focus on cross-cultural norms (such as normative beliefs and motivation to comply) and the total of six-itemed questions will be answered using the seven-point scale (e.g. range from 1 = totally disagree / not at all, to 7 = totally agree / very important), derived by Moriano & Gorgievski (2011). Control variables will include items like gender, age, number of higher education semesters and undergraduate major.

Sampling

Data is intended to be obtained through the survey questionnaire administered to fulltime prospective undergraduates of non-business majors (such as engineering, hospitality, information technology) who had undertaken entrepreneurship education related courses, in some public and private universities in both Malaysia and United Kingdom. Those undergraduates of business majors are excluded from the sampling. Those non-business major undergraduates who have not yet undertaken entrepreneurship related courses are also excluded from the sampling. The samples are expected to reach 1000 respondents through purposive sampling method, with an average of a 70% response rate. A pilot test of around 50 to 70 respondents will be conducted initially to refine the questionnaires.

Data Analysis

Data will be analysed by means of the SPSS using descriptive statistics and hierarchical multiple regression analysis. Descriptive statistics will be used for the frequencies of the sample. The association between independent variables (the attitude towards exposure to entrepreneurial education, gender, prior business exposure, perceived barriers, attitudes towards starting a business, entrepreneurial self-efficacy, perceived family support) and entrepreneurial intention will be tested using hierarchical multiple regression analysis. Before testing the association between the independent variables and the dependent variable, control variables (such as gender, age, number of higher education semesters and undergraduate major) will be entered first, followed by the second regression that included control variables and independent variables. The last regression consisted of the antecedents of mediating variable (TPB), moderating variable (cultural subjective norms) and entrepreneurial intention.

Discussion

Business major students were excluded for this study because according to the research proposed, current business students are future business leaders, thus, the entrepreneurial intention were believed to reside in their mind, which is inappropriate for a further study. Meanwhile, non-business majors were chosen exclusively because they are believed to still be undecided about their career path, either to be employed by the organizations based on their specialty, or to be self-employed by becoming an entrepreneur. As cited by (Roberts, 1991), graduates in specialty disciplines (such as engineering) are more than others expected to be established organizations in dynamic and innovative areas. Furthermore, the study on the entrepreneurial intention of non-business students who had undertook entrepreneurship related courses previously is believed to help clarify the impact of entrepreneurship education learnt towards making the decision of becoming entrepreneurs.

Universities in Malaysia and United Kingdom were chosen as samples to represent Asian and Western nations respectively, in studying cross-cultural impact on entrepreneurial intention. Moriano & Gorgievski (2011) had mentioned in their literature that people from the 'more individualistic' nations of Western Europe consider themselves as autonomous, more differentiated from others and independent from social groups, compared with people in 'more collectivistic' nations like Asian. Collectivistic countries (like Malaysia) tend to perceive themselves as more socially sensitive, interdependent and pursuing group goals rather than Individualistic countries (like United Kingdom), which lean more towards individual goals.

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