

A Study on Entrepreneurial Intention Based on Theory of Planned Behaviour (TPB)

Ali Al-Ghani^{a*}, Basheer Al-Qaisi^b, Waleed Gaadan^c

^a*Ghani Academia, Seri Kembangan, Selangor 43300, Malaysia*

^{b,c}*UMP, Nilai, Negeri Sembilan 71800, Malaysia*

^a*Email: alialghani98@gmail.com* , ^b*Email: basheeralqaisi20@gmail.com* , ^c*Email: wgaadan@gmail.com*

Abstract

In the global fast changing socio-economic environment, entrepreneurship is an important position in the economy. Entrepreneurship has become a critical factor of the economic growth and plays an influential role in the standard of living in the country. Therefore, the purpose of this study is to identify the relationship between attitude towards behaviour, subjective norm and perceived behavioural control towards entrepreneurial intention among final year student in Kolej Kemahiran Tinggi Mara (KKTm) Batu Pahat, Johor. In addition, this study uses quantitative methods by distributing questionnaires to respondents among students. Based on the Krejcie & Morgan sample size table, 155 respondents should be involved in this study. However, only 111 successful questionnaires were returned. The Statistical Packages for Social Science (SPSS) software is used to analyze data. The analysis consists of descriptive analysis and correlational analysis. The result shows that there is significant relationship between attitude towards behaviour, subjective norm and perceived behavioural control towards entrepreneurial intention among final year student in Kolej Kemahiran Tinggi Mara (KKTm). This study is important to expand the understanding of the researchers toward the entrepreneurial intention among students.

Keywords: Attitude towards Behaviour; Subjective Norm; Perceived Behavioural Control; and Entrepreneurial Intention.

1. Introduction

The unemployment rate of fresh graduate student issue has been concerned by the policy makers and academicians [1]. The rapid growth of the population is not in line with economic growth and it will create competition in seizing employment opportunities. Based on the statistic released by the Department of Statistics Malaysia recently, the unemployment rate in Malaysia in January 2017 was 3.5 percent.

* Corresponding author.

In 2016, the unemployment rate recorded was 3.4 percent. It shows that, the unemployment rate in Malaysia is increases by 0.1 percent compared to 2016. Although the amount of increase is only 0.1 percent, if there is no one overcome this problem properly, the rate may increase from year to year. The unemployment rate in Malaysia is not critical, but however, the solution must be made to reduce the rate.

Entrepreneurial carriers had become an area of more concern by governments, students and the universities [2] because entrepreneurship is an important source of economic growth [3]. Entrepreneurial intention is defined as a state of mind that people wish to create a new firm or a new value driver inside existing organizations [4]. Psychologist has been proven, intention as a best predictor of a planned behaviour, particularly when the behaviour is difficult to observe or when it involves an unintentional interval of time [5]. Without intention, action or behaviour are cannot be occurred [6].

Theory of Planned Behaviour (TPB) is a model to predict an individual's intention to engage in specific behavior [7]. Many research use Theory of Planned Behaviour (TPB) including health behavior, action planning and self-management to identify the intention based on the three variables consisted in the model [8]. TPB further posits that intention provides a cognitive link between the three antecedents and subsequent behaviour [2]. For example, a person or individual must first feel to create a new venture which is personal what he wants and he desire (attitudes), socially desirable and acceptable by people around him (subjective norms) and assumed the creation of the new venture is within his competence and feasible (perceived behavioural control). Therefore, this research will study about the entrepreneurial intention among students by adopting Theory of Planned Behaviour (TPB). In this study, attitude toward behaviour, subjective norm and perceived behavioural control as predictors variable to determine the entrepreneurial intention among student.

2. Methodology

Quantitative research methods have been used in this study to achieve objectives which include the use of questionnaires to collect quantitative data. This research is used to identify the entrepreneurial intention among student based on Theory of Planned Behaviour (TPB).

2.1. Research Design

Descriptive method is used as a research design on this study. Therefore, the research design used survey form as a method to collect the data.

2.2. Research Framework

The conceptual framework model proposed that all the independent variables are tested to determine whether they have significant relationship to dependent variable. Attitude toward behaviour, subjective norm and perceived behavioural control from Theory of Panned Behaviour [9] are tested against entrepreneurial intention.

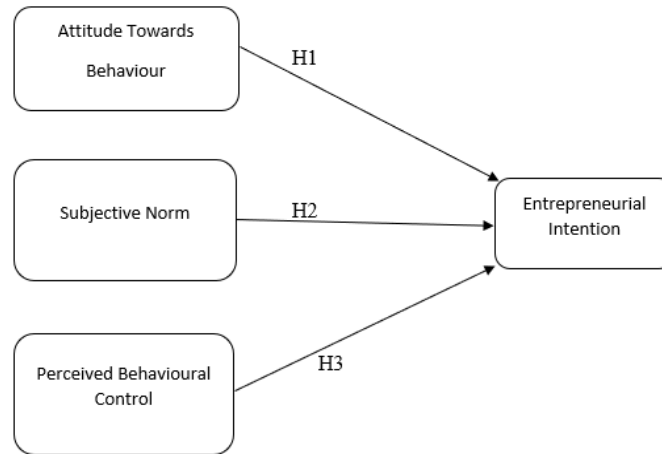


Figure 1: Research Framework.

2.3. Population and Sampling

The portion of the population that is studied is called a sample of the population. Therefore, the population of this study is based on the final year Kolej Kemahiran Tinggi Mara (KKTM) in Batu Pahat, Johor. The population of final year students were 253. The size of the sample was 155 students and had a return rate of 111 questionnaires. In this study, the sampling framework is a set of elements in which a researcher can choose a sample of the study based on population targets.

2.4. Sampling Method

The sampling technique used in this study is convenience sampling. This technique is selected in this study to make it easier for researcher to select sampling units. Student from Kolej Kemahiran Tinggi Mara (KKTM) Sri Gading, Batu Pahat is selected as a sample in this study. After the required sample size has been calculated, every sample will be recorded and selected from list of sample.

2.5. Statistical Analysis

Descriptive analysis and correlation analysis were used to analyze information on attitude towards behaviour, subjective norm and perceived behavioural control on entrepreneurial intention among Kolej Kemahiran Tinggi Mara (KKTM) students. Data was entered and analyzed in SPSS software. Meanwhile, correlation analysis is a technique for finding relationships between the two variables.

3. Result and Discussion

The findings from research conducted through all activities that have been done to achieve the overall objective of the study. The purpose of this study is to study the entrepreneurial intention among student based on Theory of Planned Behaviour (TPB). This analysis is carried out using the Statistical Packages for Social Sciences (SPSS) version 20.

3.1. Response Rate

The questionnaire was randomly distributed to Kolej Kemahiran Tinggi Mara (KKTM) Sri Gading both by hand and online. 150 questionnaires have been distributed to identify the relationship between attitude towards behaviour, subjective norm and perceived behavioural control towards entrepreneurial intention among students. However, there were 111 questionnaires collected from the respondents. Thus, the response rate in this research are 71.6%.

3.2. Reliability Test

The reliability test is a method for checking a scale’s internal consistency. Cronbach’s alpha coefficient is used as the indicator to check the degree of consistency [10]. The value of Cronbach’s alpha for all constructs/variables must be above 0.6 [11].

Table 1: Reliability Test.

	Variables	Cronbach’s Alpha	No. of items
ATB	Attitude Towards Behaviour	0.909	5
SUB	Subjective Norm	0.836	5
PBC	Perceived Behaviour Control	0.895	6
EI	Entrepreneurial Intention	0.902	5

Table 1 shows the Cronbach’s Alpha for all the variables. The Cronbach’s Alpha for attitude towards behaviour (ATB) is 0.909 which indicates the reliability level of attitude towards behaviour (ATB) is high. Next, the Cronbach’s Alpha of subjective norm (SN) is 0.836 which is the independent variable has a high reliability test. Perceived behavioural control has a high reliability test which is 0.895 and it indicates a high level of reliability. Lastly, from the table shows the level of reliability for entrepreneurial intention which is 0.902. In a nutshell, all the variables have a high level of reliability.

3.3. Descriptive Analysis of Mean for Each Variables

3.3.1. Analysis of Mean of Attitude towards Behaviour

Table 3 shows the mean score and the standard deviation of the influential variables which is attitude towards behaviour (ATB) among respondents. Based on the table, the highest mean score is 3.86 which is ATB3, if I had the opportunity and resources, I’d like to start a business.

Table 2: Attitude towards Behaviour.

No. Item	Mean	Standard Deviation	Level
ATB 1	3.68	1.063	High
ATB2	3.67	0.947	Moderate
ATB3	3.86	1.049	High
ATB4	3.77	0.997	High
ATB5	3.56	1.006	Moderate
Sum of Mean	3.71	0.867	High

Next, ATB4 shows high level of mean score which is 3.77 which is, being an entrepreneur would entail great satisfaction for me. Followed by, ATB1 with high level of mean score, 3.68 which contributing to, I would rather be my own boss than have a secure job. On the other hand, ATB2 indicates a moderate level of mean which is, a career as an entrepreneur is attractive for me with score 3.67. Lastly, ATB5 is a moderate level of mean which is, I believe that if I were to start my business, I will certainly be successful with score 3.56.

3.3.2. Analysis of Mean of Subjective Norm

Based on Table 3, the highest level of mean is SN4 with 3.85, which is contributing to in my university, students are actively encouraged to pursue their own ideas. Next, SN5 shows the second highest level of mean with 3.69, which is, there is a well-functioning support infrastructure in my university to support the start-up of new firms.

Table 3: Subjective Norm.

No. Item	Mean	Standard Deviation	Level
SN1	3.62	0.864	Moderate
SN2	3.44	0.911	Moderate
SN3	3.55	0.817	Moderate
SN4	3.85	0.886	High
SN5	3.69	0.902	High
Sum of Mean	3.63	0.682	Moderate

Followed by, SN1 with 3.62, parents are positively oriented towards my future career as an entrepreneur with indicates moderate level of mean. SN3 shows a moderate level of mean with mean score 3.55 which is, I believe that people, who are important to me, think that I should pursue a career as an entrepreneur. Finally, SN2 shows the lowest mean score which is 3.44, friends see entrepreneurship as a logical choice for me.

3.3.3. Analysis of Mean of Perceived Behavioural Control

Based on Table 4, the highest mean score is 3.68 which is PBC5, if I want, I could become self-employed after my studies. Next, PBC6 shows moderate level of mean score which is 3.60 which is, to start my own firm would probably be the best way for me to take advantage of my education.

Table 4: Perceived Behavioural Control.

No. Item	Mean	Standard deviation	Level
PBC1	3.14	0.942	Moderate
PBC2	3.16	0.996	Moderate
PBC3	3.24	0.917	Moderate
PBC4	3.32	0.945	Moderate
PBC5	3.68	0.786	High
PBC6	3.60	0.927	Moderate
Sum of Mean	3.36	0.747	Moderate

Followed by, PBC4 with moderate level of mean score, 3.32 which contributing to, if I tried to start a firm, I would have a high probability of succeeding. On the other hand, PBC3 indicates a moderate level of mean which is, I know how to develop an entrepreneurial project with score 3.24. Next, PBC2 is a moderate level of mean which is, to keep a firm working well is easy for me, with score 3.16. Lastly, PBC1 shows a moderate level of mean with 3.14 which is, to start a firm would be easy for me.

3.4. Relationship between Attitudes towards Behaviour, Subjective Norm, Perceived Behavioural Control and Entrepreneurial Intention.

As the collected samples are not normally distributed the non-parametric statistic technique is used. Spearman Correlation method is used to evaluate the correlation between the Attitude towards Behaviour, Subjective Norm and Perceived Behavioural Control towards Entrepreneurial Intention.

The following Table 5 shows the correlation between Attitude towards Behaviour and Entrepreneurial Intention. Significant value of the elements is less than 0.01. There is a strength relationship between the attitude towards behaviour and entrepreneurial intention and a positive correlation ($r= 0.635, p< 0.01$). Therefore, students with high attitude towards behaviour have greater entrepreneurial intention.

Table 5: Correlation of Attitude towards Behaviour and Entrepreneurial Intention.

		ATB	EI
ATB	Correlation Coefficient	1.000	.635**
	Sig. (2-tailed)	.	.000
	N	111	111
EI	Correlation Coefficient	.635**	1.000
	Sig. (2-tailed)	.000	.
	N	111	111

**.

Table 6: Correlation of Subjective Norm and Entrepreneurial Intention.

		SN	EI
SN	Correlation Coefficient	1.000	.642**
	Sig. (2-tailed)	.	.000
	N	111	111
EI	Correlation Coefficient	.642**	1.000
	Sig. (2-tailed)	.000	.
	N	111	111

**.

Table 6 indicates that the correlation coefficient between subjective norm and entrepreneurial intention and the relationship is positive which is ($r = 0.642$, $p < 0.01$). There is large relationship between subjective norm and entrepreneurial intention. This shows that the students with high subjective norm will have greater entrepreneurial intention.

Table 7 indicates that the correlation coefficient between perceived behavioural control and entrepreneurial intention is ($r = 0.512$, $p < 0.01$). Thus, there is a strength relationship between perceived behavioural control and entrepreneurial intention. Students with high perceived behavioural control have greater entrepreneurial intention.

Table 7: Correlation of Perceived Behavioural Control and Entrepreneurial Intention.

		PBC	EI
PBC	Correlation Coefficient	1.000	.512**
	Sig. (2-tailed)	.	.000
	N	111	111
EI	Correlation Coefficient	.512**	1.000
	Sig. (2-tailed)	.000	.
	N	111	111

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

4. Discussion of the Findings

There is positive relationship between attitudes towards behaviour on entrepreneurial intention. In Lithuania, similarly found that attitude towards entrepreneurship is one of the main factors of entrepreneurial intention among students to start-up business [12]. This result implies that the more positive attitudes the student have towards entrepreneur behaviour, the more intention they will have on entrepreneurship.

This result is consistent with [13,14], which reveals the significant between attitude toward behaviour and entrepreneurial intention. It indicates that the students have favourableness of being self-employed. When the students have a more positive view about the outcome of getting a business to be started, the more favourable their attitude toward the behaviour and subsequently, the stronger their intention to take the initiative to start-up a business.

From the findings, subjective norm has positive relationship on entrepreneurial intention. According to [15], the subjective norm had a significant relationship with entrepreneurial intention among undergraduate students in Public University in Malaysia. This is because family and friends are the person that have a great influence on individual career choice because they are considered as fund provider and role models. Hence, the more the support from family, friends and people surrounding them, the greater the entrepreneurial intention is.

Although, students with entrepreneurial parents tend to report the formation of entrepreneurial intention [2], has made a research among business students in Bangalore stated that, the more supportive the subjective norm, the higher intention to be performed. If the targeted behaviour is more attractive to the individuals (students), the intention of the individuals (students) will be higher. Therefore, the perceived opinion of key persons whether to encourage or not to encourage them in entrepreneurship as their future careers, is one of the reasons which called the subjective norm. Based on the result, there is a significant relationship between perceived behavioral control and entrepreneurial intention. This can be explained that the higher the perceived behavioral control of an individual, the greater the entrepreneurial intention. From the findings, researchers have obtained p-value ($0.000 < 0.01$) which means that there is a significant relationship between perceived behavioral control and entrepreneurial intention. For example, a study from [12] in Malaysia, shows that perceived behavioural control affects entrepreneurial intention among students. Hence, if the students perceived that it is easier to become an entrepreneur, it will motivate them to become an entrepreneur. This finding is similar to that of [3]. A study in

Bosnia stated that, PBC was the most highly rated type among the Theory of Planned Behavioural (TPB) model. It also significantly and positively influenced entrepreneurial intention. Perceived behavioural control can be considered as another type of self-efficacy. These findings suggest that if women have higher beliefs about their own abilities and skills to control the process of creating and running a company, their entrepreneurial intentions will increase.

5. Conclusion

This study has made an understanding on the variables of Theory of Planned Behaviour (TPB) which consist of attitude towards behaviour, subjective norm and perceived behavioural control that affect students' entrepreneurial intention. In this chapter, it includes summary of statistical analysis and major finding of the hypothesis. A managerial implication is provided to increase students' entrepreneurial intention. The limitations and recommendations are stated to support future researchers. Future research is suggested because there is importance to explore new variables or new information regarding the Theory of Planned Behaviour (TPB). Entrepreneurship has a very important position in the hastily changing socio-economic scenario in the world and entrepreneurs play an important role in assisting the development of nation as they will help to reduce the unemployment rate.

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