Factors that Influence Entrepreneur Intention Aong M40 and T20

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Abstract
This study focusses on identifying factors that affect entrepreneur intention of Higher Education Institute (HEI) students between M40 family and T20 family in Melaka. Several factors such as initiative, seek on opportunities, act on opportunities, information seeking, concern for high quality of work, commitment to work contract, efficiency orientation, systematic planning, problem solving, self-confidence and assertiveness are tested the correlation with entrepreneur intention. A total of 159 respondent from M40 and T20 family around HEI in Melaka were collected to give their response. A structured questionnaire is used to collect data, and Google Form Apps is used to deliver the questionnaire to responders.
The descriptive analysis takes into account both groups' entrepreneur intention levels and entrepreneur intention-related hypotheses were likewise evaluated. The results of the study indicate that entrepreneurial competencies have a significant relationship towards entrepreneurial intention of students from families M40 and T20. The results also show that, among all the characteristics there are two dominant factors that influence entrepreneur intention. As conclusion, the university can focus to the dominant factors to encourage entrepreneur intention among them.

**Keywords:** Entrepreneurship, Entrepreneur Intention, Entrepreneur Competencies, Higher Education, Level Income.

**Introduction**

During the last few decades, entrepreneurship has piqued the interest of both academics and policymakers. The main source of concern is the increased demand for entrepreneurs who can help to speed economic development by creating new ideas and turning them into viable businesses (Turker & Selcuk, 2009). Entrepreneurship, defined by previous scholars as the creation and management of new projects, accepts innovation in products, services, and markets, creates jobs and supports competitiveness, and is therefore believed as one of the key drivers of the economy (Lilleväli & Täks, 2017). It also be defined as persons that can be considered as a business owner who pursue to create value, through the creation or development of economic activity, by discovering and developing new products, processes or markets (Komarkova et al., 2015). Nowadays, entrepreneurship is viewed as one of the best economic expansion strategies to develop country’s economic development and continue the country’s competitiveness in facing the increasing trends of globalization (Keat et al., 2011) For the majority of people, one of the main reasons why entrepreneurship is so popular is because of the beneficial benefits it has on many nations as a catalyst for wealth creation and the creation of job possibilities (Keat et al., 2011). More precisely, entrepreneurship is a key force behind the economic development, innovation, and competitiveness of many countries (Keat et al., 2011). Many years ago, various viewpoints of the entrepreneurial intents of students at Higher Education Institutions (HEIs) were explored and researched (Hou et al., 2019). University students are frequently seen as potential entrepreneurs, but the main factor that may be used to predict their entrepreneurial activity is their entrepreneurial intention (Krueger et al., 2000). The research by Hou F. et al. (2019) also noted that previous study demonstrated that students with entrepreneurship majors had stronger entrepreneurial ambitions than students with non-entrepreneurship majors, and these students tend to start new enterprises after graduation. In accordance with earlier research, entrepreneurship competencies are typically thought to have a favorable effect on entrepreneurial intention (Rideout & Gray, 2013). Additionally, a number of management courses that are favorably linked to university students' entrepreneurial intentions have been developed in HEIs by acquiring knowledge about entrepreneurship, raising entrepreneurial awareness, and enhancing students' entrepreneurial skills and comprehension of the entrepreneurial spirit (Chen et al., 1998). As a result, developing entrepreneurial competencies to support students' entrepreneurial ambitions becomes easy.

Furthermore, previous researcher describes entrepreneurial competencies as a particular set of capabilities that significant to the practise of successful entrepreneurship, fundamental characteristics that include both general and specific knowledge, motives, traits, self-images, social roles, and skills that lead to the birth, survival or growth of ventures (Ferreras-Garcia et al., 2021). Additionally, entrepreneurial competencies are seen as a
higher-level quality that includes personality traits, skills, and knowledge and can be interpreted as the entrepreneur's overall capacity to carry out a work position successfully (Ferreras-Garcia et al., 2021). There are 13 types of entrepreneurial competencies such as the initiative, sees and acts opportunities, persistence, information seeking, concern for high quality of work, commitment to work contract, efficiency-orientation, systematic planning, problem solving, self-confidence, assertiveness, persuasion, and use of influence strategy. Finding entrepreneurial competencies is crucial since it allows firms and higher education institutions to cultivate and enhance them (Ferreras-Garcia et al., 2021). Malaysia has experienced its worst economic downturn since the last one in 1998 as a result of the unusual COVID-19 catastrophe that shook the world in 2020. The introduction of several Movement Control Orders (MCO) to stop the spread of COVID-19 has increased the number of job losses, which has increased the country's unemployment rate by 200 thousand to a record high of 718.1 thousand in 2020 (Department of Statistics of Malaysia, 2021). New workers, in particular recent grads, are not exempt from the pandemic's effects can start to involve as entrepreneur to obtain quick income through the sale of goods or services. However, although the government of Malaysia's initiatives, not many young people in Malaysia have thought about pursuing entrepreneurship as a career (Koe et al., 2021). Thus, it’s very important to understand the factors of entrepreneur’s intention for different households’ income which categorized as B40, M40 and T20. So, this research focused on Factors That Influence Entrepreneur Intention Between M40 and T20 family income among HEIs students in Melaka. All factors that inspire entrepreneur intention identified from Personal Entrepreneurial Competencies (PECs). It’s vital to know the relationship between all factors and entrepreneur intention of HEI student between M40 and T20, also the dominant factors and the results will give alternatives to improve Entrepreneur Intention of HEI student between M40 and T20 family income in Melaka.

Thus, this research has come up with three (3) main objectives:

- To determine the level of Entrepreneur Intention of HEI students among M40 and T20 family in Melaka.
- To evaluate the relationship between All Factors and Entrepreneur Intention of HEI student among M40 and T20 family in Melaka
- To determine the most dominant factor that influence Entrepreneur Intention of HEI student among M40 and T20 family in Melaka

**Problem Statement**

Every year, the number of graduates produced by universities raises the unemployment rate (Sher et al., 2017). In addition, previous research found that one of the major issues facing by many governments in developing and emerging nations, including Malaysia, is unemployment among university graduates (Che Nawi et al., 2022). Policymakers and government officials have been spurred by the issue of graduate unemployment to promote awareness of the importance of entrepreneurship (Otchengco Jr. & Akiate, 2021). Hou, F. et al. (2019) claim that even though there have been several research on students in HEIs who have an entrepreneurial desire, the findings have not yet been able to be combined with methods and results relating to how entrepreneurial intention can be influenced by various circumstances. As a result, he emphasized that more study and comparison studies are still needed. Also, over 70% of unemployed graduates—158.4 thousand people—were in active unemployment, according to Department of Statistic Malaysia (DOSM, 2021), the
figure for the unemployed from the perspective of unemployment duration. Other than that, graduates who had been out of work for less than three months represented the biggest share of this total, at 45.1% (71.4 thousand people). Meanwhile, within three to five months and six to twelve months, respectively, 30.1% (47.6 thousand people) and 14.8% (23,500 people) of them were jobless. Additionally, 10.1%, or 16,000 people, were recent grads who had been unemployed for more than a year. It may be deduced that in 2020, there were 44.0 thousand inactively unemployed graduates—21.7% of the total number of unemployed graduates—who were not actively looking for work. Awani (2021) revealed, a study undertaken by the Department of Statistics found that the Covid-19 pandemic had a major impact on household income and caused more individuals to become impoverished. The number of impoverished families climbed to 639,800 in 2020, up from 405,400 in 2019, based on the Covid-19 impact research on household income in Malaysia for that year. According to Chief Statistician Datuk Seri Dr. Mohd Uzir Mahidin, the pandemic had an impact on household group structure as well. 20% of households from the M40 group with incomes between RM4,850 and RM10,959 migrated to the B40 group (Awani, 2021). The Covid-19 pandemic also had an impact on households in the T20 category, with 12.8% of them moving into the M40 group. Next, the income distribution for B40 and M40 households decreased to 15.9% (2019: 16.0%) and 36.9% (2019: 37.2%), respectively, with a bigger percentage loss in income than the T20 households group. A 0.4 percentage point rise from 2019 was owned by the T20 group, who held 47.2% of income. In addition, the average monthly household gross income decreased by negative 10.3% to RM7,089 from RM7,901 in 2019; it was noted that the decline was caused by households or individuals who had lost or reduced their income, particularly those who had the status of employee, self-employed, or others. Additionally, in addition to the loss of jobs, the hours worked each week were cut, and there was a rise in the underemployment of people with certain skills. This research's findings will therefore be useful to a wide range of stakeholders in order to provide solutions to ensure that students from low-income families (B40, M40, and T20) can upgrade their standard of living through entrepreneurship. According to previous studies, students who have high entrepreneurial aspirations are more likely to start a business than those who have low aspirations (Hazirah et al., 2020). It is crucial to note that university graduates' participation in entrepreneurial endeavours helps the government carry less responsibility for generating employment possibilities in the public sector (Koe et al., 2021). By identifying the antecedents of entrepreneurial intention, investigations on this topic can aid researchers in better learning about and comprehending the entrepreneurial process (Che Nawi et al., 2022).

**Literature Review**

Entrepreneur Intention: Since it can result in commercial activities that have a large potential for creating new jobs for college students, developing human resources, and advancing economic growth, entrepreneurial intention has recently attracted significant attention from academics and politicians (Al-Jubari, 2019; Che Nawi et al., 2022). Identifying entrepreneurial intention may be the first stage in the growth of entrepreneurship because individuals usually show some amount of intention prior to starting their own business (Koe et al., 2021). Entrepreneurial intention can be referred as an individual's inclination to engage in and participate in entrepreneurial activities or behaviour, to be self-employed, or to launch a new firm in the future (Hazirah et al., 2020). As explained by previous of numerous other academics, entrepreneurial intention is the entrepreneurs' personal beliefs and mental state prior to implementing their entrepreneurial behaviour (Krueger et al., 2000).
In Malaysia, the household group is categorized into different income groups, bottom 40% (B40), middle 40% (M40) and top 20% (T20). Based on the Department of Statistics Malaysia (DOSM, 2019) B40, M40, and T20 refer to the household income classification in Malaysia whereas B40 represents lower-income group and household income which is below RM4,850 per month), M40 represents the middle-income group and household that income between RM4,851 per to RM10,970 per month and T20 represents the top 20% of upper class and household income exceeds RM10,971 a month.

Competence incorporates knowledge, skills, abilities, personal traits, and other individual factors that set superior performance apart from average performance in certain specific situations. Competence is a collection of individual behaviours that can be discovered and play a crucial role in accomplishing an ideal job result (Riyanti et al., 2022). Previous researchers stated that entrepreneurial competence is a personal trait linked to standards for effective and exceptional job performance. Additionally, (Syurwana et al., 2022) indicate that this skill is an entrepreneur’s overall capacity for performing his or her job well. They also said that entrepreneurial competence contributes to knowledge, personality traits, talents, and other qualities required for successful job performance. Previous research clarified 20 entrepreneurial competencies; however, after conducting a series of researches, they concluded 13 entrepreneurial competencies but this study only focus on 11 elements namely, initiative, sees and act on opportunities, persistence, information seeking, concern for the high quality of work, commitment to work contract, efficiency, systematic planning, problem solving, self-confidence, and assertiveness (Riyanti et al., 2022).

The following are detailed definitions of each dimension:

- **Initiatives** are acts taken without waiting for orders that go above and beyond what is required or desired by the work environment. Sees and act on opportunities are explained from the accurateness of seeing opportunities that are not always seen but can be found if they were examined carefully. Persistence describes a person’s resolution when facing challenges and complexities, and they conclude to insist and keep trying, even though facing letdown after failure. Information seeking can be observed from the further effort consumed to gather more information for work and decision-making. An individual who is concerned about the high quality of work displays high motivation to guarantee the quality of work or products under his/her accountability. Commitment to working hard is the force and capability of a person to adapt his behaviors to the organization’s needs, priorities, and goals; to act in a way that confirms the achievement of organizational goals. This commitment contains the act of making a personal sacrifice or being eager to do more to finish the job, taking full responsibility for finishing the work for the customer, inspiring colleagues to complete the work, and display concern to realize customer satisfaction. Efficiency orientation is a level of interest in a person’s work that encourages them to work more quickly. While systematic planning is understanding a scenario or problem holistically and determining the central or underlying issues in complex circumstances. Understanding an issue by breaking it down into more specific components (factors) in order to obtain the desired results is known as problem-solving. Self-confidence is the conviction that one can successfully finish a task, project, or piece of labor. Assertiveness is the desire and readiness to lead a group, typically seen in a position of formal authority.

**Methodology**

This is a quantitative study with the title ‘Factors That Influence Entrepreneur Intention Between M40 And T40. Case Study, among Students at Higher Education
Institutions (HEIs) in Melaka.’ The population for this research is from students in HEIs (Public and Private HEIs) which came from M40 and T20 family background in Melaka. This nonprobability sampling method are done through convenience sampling techniques. A total of 159 respondents are our sampling size for this research. Data collection method is by using survey through structured questionnaire and distributed to respondents via Google Form. This data analysis for this research are descriptive, correlation and regression backward analysis (hypothesis testing).

**Findings and Discussion**

**Reliability Test**

This research Cronbach’s Alpha is 0.958 means that this research instrument and questionnaire arrangement have reliability and valid at excellent level.

**Descriptive Analysis**

This research respondents’ profile participated by Diploma Programme 137 (86.2%) respondents and Degree Programme 22 (13.8%) respondents. For gender analysis, shown that 113 (71.1%) female and 46 (29.9%) males. Other than that, this data analysis found that 123 (77.4%) respondents are from public higher institutions and 36 (22.6%) are from private higher institution in Melaka. Most of the respondents are from age above 20 years to 21 years 77 (48.4%) respondents, above 19 years to 20 years 51 (32.1%) respondents, more than 21 years 20 (12.6%) respondents and above 21 years 10 (6.3%) respondent. For family member information, the highest are from family members three siblings 46 (28.9%), four siblings 43 (27.0%), six siblings 20 (12.6%), five siblings 17 (10.7%), two siblings are 14 (8.8%), seven siblings 9 (5.7%), the only child in the family 6 (3.8%) and more than 7 siblings are 4 (2.5%). When we look at the family income, 130 (81.8%) have income between RM4000 to below RM10,000 and 29 (18.2%) have income RM10,000 and above.

**Level of Entrepreneur Intention (Objective 1)**

Under level of entrepreneur intention, from 159 respondents, 0.6 percent of them said they have no intention at all. 17% of respondent said very little intention, 37.7% said somewhat, 40.3% said well intention and another 7% said they have very well intention on entrepreneur. Previous research stated that the attitude, subjective norms, and perceived behavioural control (PBC) all have an impact on a person’s level of intention. The higher the level of entrepreneurial intention that a person displayed, the higher the probability that he or she in enhancing an entrepreneur (Koe et al., 2021).

**The Relationship between All Factors with Entrepreneur Intention (Objective 2)**

Table below show the Hypothesis Testing analysis on this study. Result shown that all independent variables (Initiative, Seeks on Opportunities, Act on Opportunities, Information Seeking, Concern for High Quality of Work, Commitment to Work Contract, Efficiency Orientation, Systematic Planning, Problem Solving, Self Confidence, and Assertiveness) were rejected H null and accepted H alternative (Refer Table 1). These all factors shape intentions by providing individuals with the necessary skills and self-belief to engage in entrepreneurship, while intentions drive the development and enhancement of competencies through motivation and goal-directed behavior. Both factors are crucial for successful entrepreneurship and can mutually reinforce each other in the entrepreneurial process.
Table 1: Correlation Coefficient

<table>
<thead>
<tr>
<th></th>
<th>Pearson Correlation</th>
<th>Sig. (2-tailed)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initiative</td>
<td>.303**</td>
<td>.000</td>
</tr>
<tr>
<td>Seeks on Opportunities</td>
<td>.457**</td>
<td>.000</td>
</tr>
<tr>
<td>Act on Opportunities</td>
<td>.439**</td>
<td>.000</td>
</tr>
<tr>
<td>Information Seeking</td>
<td>.375**</td>
<td>.000</td>
</tr>
<tr>
<td>Concern for High Quality of Work</td>
<td>.329**</td>
<td>.000</td>
</tr>
<tr>
<td>Commitment to Work Contract</td>
<td>.361**</td>
<td>.000</td>
</tr>
<tr>
<td>Efficiency Orientation</td>
<td>.245**</td>
<td>.000</td>
</tr>
<tr>
<td>Systematic Planning</td>
<td>.340**</td>
<td>.000</td>
</tr>
<tr>
<td>Problem Solving</td>
<td>.361**</td>
<td>.000</td>
</tr>
<tr>
<td>Self Confidence</td>
<td>.295**</td>
<td>.000</td>
</tr>
<tr>
<td>Assertiveness</td>
<td>.324**</td>
<td>.000</td>
</tr>
</tbody>
</table>

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

The Most Dominant Factor toward Entrepreneur Intention (Objective 3)

Based on table 2, it shown that for M40 and T20, the most dominant factor toward Entrepreneur Intention among M40 and T20 students are Seek on Opportunities and Act on Opportunities. Entrepreneurs with high intentions actively search for and evaluate opportunities, while the process of seeking opportunities strengthens their intentions by providing validation, motivation, and a sense of purpose in pursuing entrepreneurial activities. The recognition of opportunities can drive entrepreneurial intentions, while acting on those opportunities allows entrepreneurs to validate and refine their intentions. This iterative process of recognizing, acting on, and adapting to opportunities is crucial for entrepreneurial success and the growth of entrepreneurial ecosystems.
Table 2: Regression Backward for M40 and T20

<table>
<thead>
<tr>
<th></th>
<th>Unstandardized Coefficients</th>
<th>Standardized Coefficients</th>
<th>t</th>
<th>Sig.</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Constant)</td>
<td>.439</td>
<td>.374</td>
<td>1.174</td>
<td>.242</td>
</tr>
<tr>
<td>Seeks on Opportunities</td>
<td>.329</td>
<td>.093</td>
<td>.285</td>
<td>3.534</td>
</tr>
<tr>
<td>Act on Opportunities</td>
<td>.329</td>
<td>.107</td>
<td>.249</td>
<td>3.079</td>
</tr>
<tr>
<td>Assertiveness</td>
<td>.131</td>
<td>.074</td>
<td>.132</td>
<td>1.770</td>
</tr>
</tbody>
</table>

a. Dependent Variable: Entrepreneur Intention

As a conclusion, this paper focused on to determine factors that influence entrepreneur intention among M40 and T20 of higher education students. The study identified that initiative, seeks on opportunities, act on opportunities, information seeking, concern for high quality of work, commitment to work contract, efficiency orientation, systematic planning, problem solving, self-confident and assertiveness have significant relationship with entrepreneur intention. These entrepreneurial competencies play a significant role in shaping entrepreneurial intentions. Individuals who possess or acquire the necessary competencies are more likely to develop a strong intention to engage in entrepreneurial activities. For example, someone with high levels of creativity and opportunity recognition skills may perceive numerous business opportunities and, as a result, have a stronger intention to pursue entrepreneurship. However, result stated that among all independent variables, seeks on opportunities and act on opportunities are the strongest variables that influence entrepreneur intention. When individuals believe in their abilities to successfully undertake entrepreneurial tasks and have confidence in their competencies, they are more likely to develop a strong intention to become entrepreneurs. Competencies related to knowledge, experience, and skills provide a foundation for this self-efficacy and confidence.

Future Research

Future study should then be expanded using the quota sampling method to include more universities. This strategy enables the predetermination of the various ethnic groups and faculties, making the results more representative of the student sample and generalizable. The need for independence should be revisited when eliciting the reasons for and against independence from students.

References


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