Examining Attitudinal Determinants of Startup Intention Among University Students of Hospitality and Tourism

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Abstract

Entrepreneurship is seen as a panacea to some of the societal challenges faced by economies nowadays. It is regarded as a source of employment, innovation, competitiveness, and wealth. Research emphasizes the intentionality of entrepreneurial behaviors as these behaviors are voluntary. The intention to be entrepreneur has been studied extensively. However, few studies considered studying hospitality and tourism students, particularly in Malaysia, knowing that tourism sector is an important contributor to the GDP of the country. Therefore, the main objective of the current study is to examine the effects of the attitudinal determinant on entrepreneurial intention. The sample utilized for the study comprised 206 students from one public university in Malaysia. Regression analysis indicated that self-efficacy is the strongest predictor of entrepreneurial intention followed by attitudes towards entrepreneurship and subjective norms. The model explained over 60% of variance in entrepreneurial intention.

Key words: Entrepreneurship, attitudinal determinants, self-efficacy, hospitality and tourism, students, Malaysia

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Introduction

Entrepreneurial activities are often linked to positive economic outcomes including job creation, economic growth, innovation and competitiveness (van Praag and Versloot, 2007). Research highlights the role of entrepreneurship in enhancing individuals and communities’ wealth and well-being (Du & O’Connor, 2018) and how its contribute to resolving some of the socioeconomic challenges such as unemployment. (Thurik, 2003). However, such fruitful outcomes are felt differently on different countries and economies. Despite the perception of impact, it becomes evident today that it is of interest to all including those who shape policies, researchers and educators that more effort is needed to make entrepreneurship a priority and encourage and support more people to start their own business (Al-Jubari, 2019). In fact, many countries agreed that encouraging business start-ups can be the solution for unemployment. Governments are putting much effort to develop policies to counter young unemployment rates by creating a good atmosphere for a business start-up (Park, 2017). This is seen clearly through the proliferation of entrepreneurship education programs (Alharbi et al., 2018). The question of why people would decide on such careers choice has triggered interest among researchers and as a result many researches have been conducted to uncover this phenomenon. This is to understand what makes people start new ventures and what probably could prevent them from engaging in such activity. Despite the many failure stories around (Asante & Affum-Osei, 2019), the number of entrepreneurs is rapidly growing from various segments of the populations. In Malaysia, though the unemployment rate is not striking as it in many other countries, according to recent statistics released by Bank Negara Malaysia, it is around 3.4%, that include more than 10% of youths. The job market is increasingly becoming more competitive and it becomes more difficult to secure a good job particularly for university graduates.

Malaysia has recognized the significant contribution of entrepreneurship to the economy and have initiated many supporting mechanisms and policies to support entrepreneurs including compatible infrastructures, business advisory services and financial platforms as well. Another evidence that Malaysia in favor of supporting entrepreneurs is the establishment of the Ministry of Entrepreneur Development. This has led to reduction of unemployment as a result of many businesses that are being created. Since it is widely known that entrepreneurship is a planned behavior and intentional (Krueger, Reilly, & Carsrud, 2000), then it is important to study entrepreneurship intention in order to understand what makes people act entrepreneurially and start new ventures while others prefer to join normal employment. Particularly, studies on entrepreneurial intention in tourism sector in Malaysia is scanty, knowing that the tourism industry is recognized as one of the major industries in providing foreign exchange earnings and employing people. Statistics shows that number of tourists visiting the country and the total receipts is increasing from year to year. According to Tourism Performance Report (2019), tourist arrivals has recorded an increase of 2.7% than last year. In 2018, the number of tourists entering the country was 6.52 million whereas it increased to 6.70 million in 2019. Also, tourist expenditure increased by more than 16% to RM214 billion. The government has recognized the importance of this sector and its contribution to the overall economy of the country. Therefore, to fill this gap, this study was planned to understand what
determines entrepreneurial behaviors among university students who are enrolled in tourism and hospitality programs. Consequently, the main objective of the current study was to examine the effect of the attitudinal determinant namely attitude, subjective norms and self-efficacy of entrepreneurial intention of tourism and hospitality students in Malaysia.

**Malaysia**

Malaysian population is estimated to be more than 32 million, occupying an aggregate land of 329,847 km², with the population of 76.5 % is urban which is 24,509,005 in 2018. Young population, under 34, represent about 47% of the total population. Youth unemployment remains globally high where it could reach up to four times the adults unemployment rate in some countries. In Malaysia, according to Department of Statistics Malaysia, the unemployment rate as of June 2019 is at 3.3%, where the youth unemployment rate is at least 10%. As compared to other nations in the region, Malaysia and Singapore are holding an average position in the youth unemployment rate. For instance, Brunei Darussalam has recorded the highest youth unemployment rate followed by Indonesia in 2017; 28.8% and 15.6% respectively. A lower youth unemployment rate was recorded in Philippines, Thailand and Vietnam; 7.5%, 3.7% and 7.5% respectively. The entrepreneurship among youth in Malaysia remain low as well. According to report by Global Entrepreneurship Monitor (Guelich & Bosma, 2018), the total early entrepreneurial activity among youth is about 2.8% and 2.5% established business ownership. Also, perceived capabilities and skills were around 25.9%. However, perceived fear of failure is about 31.5%.

**Entrepreneur Intention**

Entrepreneurial intention reflects individuals’ readiness to engage in entrepreneurial activity. It is regarded as the best and immediate determinant of entrepreneurial behavior. According to Ajzen (1991), it is more likely that an activity is being engaged in if strong intention exists. As entrepreneurship is a voluntary action, people will tend to plan and have such cognitive processing before actually acting in that manner. Based on theory of planned behavior, the entrepreneurial intention construct is determined by three factors including attitude, subjective norms and perceived behavioral control. The strength on the intention is really determined by these attitudinal factors.

**Attitude**

Attitude refers to how desirable an activity is perceived by individuals. People normally do a form of evaluation and appraisal of behaviours in questions (Ajzen, 1991). Before engaging in that particular behaviour, people tend to make assessment in favour or not in favour of the behaviour. Based on the theory of planned behaviour, a set of behavioural beliefs are responsible of determining attitude toward behaviours, which usually link to certain outcomes. Favourable attitudes towards a behaviour (i.e., entrepreneurial behaviour) are formed when the behaviour is perceived positively and it has some desirable consequences (Liñán & Chen, 2009). As one of the determinants of entrepreneurial intention, attitude toward entrepreneurship has consistently shown
influence on entrepreneurial intention (Liñán & Chen, 2009; Al-Jubari, 2019). As such, it is hypothesised that:

H1: *Attitude towards entrepreneurship has a positive effect on entrepreneurial intention.*

**Subjective Norms**

Another determinant of intention posited by theory of planned behaviour is the subjective norms. It refers to the perceived beliefs of how people; particularly close ones, would think about behaving or not behaving in a certain way. According to Ajzen (1991), subjective norms is a sort of social pressure on the person and it has two sets of beliefs namely normative and motivation to comply. The normative belief would reflect important people’ approval or disapproval of the action (i.e., entrepreneurial behaviour). The other component is related to individuals’ motivation to comply with such pressures. In other word, will they be willing to behave according to the expectations set by important others? (Krueger et al., 2000). Subjective norm has been reported to be the least significant predictor of entrepreneurial intention (Almobaireek & Manolova, 2012; Autio et al., 2001; Krueger et al., 2000; Liñán & Chen, 2009; Al-Jubari, 2019) among others. Nevertheless, it plays a positive role in the formation of entrepreneurial intention. Therefore, it is hypothesised that:

H2: *Subjective norms has a positive effect on entrepreneurial intention.*

**Self-Efficacy**

Self-efficacy construct is based on the social learning theory (Bandura, 1977, 1982; Wood & Bandura, 1989). People behaviours are looked at through the “reciprocal causation” of factors such as the cognitive, behavioural and the environmental (Bandura, 1977; Chen et al., 1998). These factors interact with each other and affect one another. According to Chen et al, (1998), people perceptions of their selves and the environment could be changed by their behaviours and actions and vice versa. The interplay among those factors is important for the understanding of self-efficacy and what influences it as well as what results from it. This is because self-efficacy influences people’s “choice of activities, goal levels, persistence, and performance in a range of contexts” (Zhao, Seibert, & Hills, 2005, p. 1266). It is believed that having a sense of self-efficacy and believe of one’s ability to accomplish certain tasks will make them more motivated and actively involved in attaining and achieving that task (Bandura, 1977). Subsequently, people actions are highly determined by perception of their abilities and self-efficacy.

Wood & Bandura (1989) define self-efficacy as the “beliefs in one's capabilities to mobilize the motivation, cognitive resources, and courses of action needed to meet given situational demands” p. 408). It has been found that people, generally, engage in activities that they anticipate higher control over it and avoid those which they anticipate low control over (Bandura, 1977). Having high levels of perceived self-efficacy may mean conceptualizing problems as challenges rather than threats or uncontrollable conditions. People with this perception would have less poor emotional arousal towards demanding duties, employ self-enhancing methods, motivate
themselves and display perseverance in tough times or situations (Schwarzer, Ralf & Warner, Lisa Marie, 2013). On the other hand, people with low perception of self-efficacy would think in more self-debilitating ways when engaging in certain behaviours as they take more responsibility of failure than success. This low perception could leave them stressed and depressed (Schwarzer, Ralf & Warner, Lisa Marie, 2013).

As engaging in entrepreneurial behaviour and starting own venture is intentional planned behaviour (e.g., Bird & Jelinek, 1988; Krueger & Brazeal, 1994), self-efficacy seems to be one of the key factors in the intention models and theories such as theory of planned behaviour and the entrepreneurial event model. Chen et al., (1998) defines entrepreneurship self-efficacy as “the strength of an individual’s belief that he or she is capable of successfully performing the roles and tasks of an entrepreneur” (Chen et al., 1998, p. 301). That is, when deciding on career path, people will avoid doing tasks/jobs that they think they are less competent doing and engage in tasks they believe they are more competent doing. In choosing career path, people evaluate their capabilities against the requirements of that career path. In other words, individuals will engage in behaviours that they feel to be more efficacious at doing and avoid others which they know they are less competent in doing (Chen, Greene, & Crick, 1998; Rocío Fernández-Ballesteros, Diez-Nicolás, Caprara, Barbaranelli, & Bandura, 2002).

Many studies have reported the connection between self-efficacy and entrepreneurial intention, where self-efficacy has a positive effect on entrepreneurial intention. For example, a study of entrepreneurial intention of students and business executives found that business founding executives have higher perception of self-efficacy than students. Also, entrepreneurship education has influenced both groups self-efficacy and intention to start a business (Chen et al. 1998).

Self-efficacy has been found to mediate the relationship between role model exposure and entrepreneurial intention of undergraduate students in the US. Female students showed a stronger perception of self-efficacy and entrepreneurial intention (BarNir et al., 2011). The finding of BarNir’s study give support to earlier evidence that parents role model has positively influenced their descendants’ perception of self-efficacy and entrepreneurial intention (Scherer, Adams, Carley, & Wiebe, 1989). In a study that treated self-efficacy as multidimensional (opportunity, relationship, managerial and tolerance efficacies) found that strong ties of social groups has positively enhanced perception of self-efficacy and intention to be entrepreneur (Chen & He, 2011). In a similar vein, multiple self-efficacies such as creative self-efficacy, learning self-efficacy and entrepreneurial self-efficacy have strong effect on intention through the entrepreneurial cognition (Fuller et al., 2018). It was also found that entrepreneurial self-efficacy played a moderation role in the relationship between sociocultural environments such individualism and collectivism and entrepreneurial intention (Schmutzler et al., 2018). Hsu et al. (2018) recently found that entrepreneurial self-efficacy has stronger effect on entrepreneurial intention when people perceive themselves fit with entrepreneurship. When the fit with entrepreneurship is less or report of no fit, then entrepreneurial intention becomes low without regard to self-efficacy. Based on this, the following hypothesis is offered:
H3: Self-efficacy has a positive effect on entrepreneurial intention

Methods

A convenience sample of 206 students from one public university in Malaysia participated in the current study. Of them, 107 were females (51.9) and the age distribution ranged from 19 – 26 (Mean = 22.87, SD = .61). All were local students and from the Malay ethnicity. The instrument used in this study was adopted from validated sources using a five-point Likert scale ranging from 1=strongly disagree to 5= strongly agree (Table 1). Two variables, entrepreneurial intention and attitudes towards entrepreneurship were measured using a scale developed by (Liñán and Chen, 2009). Entrepreneurial intention was assessed by 6 items whereas attitude was measured by 5 items. Sample items read “my professional goal is to become an entrepreneur” and “being an entrepreneur implies more advantages than disadvantages to me”. The other two variables: subjective norms and self-efficacy were measured using by 3 and 6 items. Sample items read “If I were to start my own business, my parents would be supportive” and “I can originate new business ideas and products” (Shook and Bratianu, 2010).

Table 1 Full list of study measures

<table>
<thead>
<tr>
<th>No</th>
<th>Variables</th>
<th>Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Entrepreneurial intention</td>
<td>I am ready to do anything to be an entrepreneur</td>
</tr>
<tr>
<td></td>
<td></td>
<td>My professional goal is to become an entrepreneur</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I will make every effort to start and run my own firm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I am determined to create a firm in the future</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I have very seriously thought of starting a firm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I have the firm intention to start a firm some day</td>
</tr>
<tr>
<td>2</td>
<td>Attitude towards entrepreneurship</td>
<td>Being an entrepreneur implies more advantages than disadvantages to me</td>
</tr>
<tr>
<td></td>
<td></td>
<td>A career as entrepreneur is attractive for me</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If I had the opportunity and resources, I’d like to start a firm</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Being an entrepreneur would entail great satisfactions for me</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Among various options, I would rather be an entrepreneur</td>
</tr>
<tr>
<td>3</td>
<td>Subjective norms</td>
<td>If I were to start my own business, my parents would be supportive.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If I were to start my own business, my close friends would be supportive.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>If I were to start my own business, my significant other would be supportive.</td>
</tr>
<tr>
<td>4</td>
<td>Self-efficacy</td>
<td>I can tolerate unexpected changes in business conditions.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I can react quickly to take advantage of business opportunities.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I can originate new business ideas and products.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>I can create products that fulfil customers' unmet needs.</td>
</tr>
</tbody>
</table>
I do not have the skills and capabilities required to succeed as an entrepreneur.
I can develop a well-conceived plan and presentation to potential investors.

Note: Removed item is italicized

Results

The descriptive statistics, reliability and construct collections are presented in the Table 2 below. As displayed in the table, all the four variables are reliable where the Cronbach alpha ranged from .70 for subjective norms to .84 for entrepreneurial intention. The mean scores indicated positiveness in the students answers where almost all the mean scores were high in a scale of 5. Further, correlations analysis showed moderate to high significant correlation among the variables, where the lowest recorded correlation was between subjective norms and entrepreneurial intention (r = .55) and the highest correlation was between self-efficacy and entrepreneurial intention (r = .71).

Table 2 Descriptive statistics, reliability and correlation

<table>
<thead>
<tr>
<th>Variables</th>
<th>Mean</th>
<th>SD</th>
<th>Alpha</th>
<th>1</th>
<th>2</th>
<th>3</th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial Intention (6)</td>
<td>4.61</td>
<td>.50</td>
<td>.84</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Attitude Towards entrepreneurship (5)</td>
<td>4.64</td>
<td>.48</td>
<td>.82</td>
<td>.69**</td>
<td>1</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subjective Norms (3)</td>
<td>4.68</td>
<td>.45</td>
<td>.70</td>
<td>.59**</td>
<td>.55**</td>
<td>1</td>
<td></td>
</tr>
<tr>
<td>Self-Efficacy (5)</td>
<td>4.59</td>
<td>.54</td>
<td>.80</td>
<td>.71**</td>
<td>.63**</td>
<td>.62**</td>
<td>1</td>
</tr>
</tbody>
</table>

**p< 0.01; numbers in parentheses are number of items in the measurement

Multiple regression was then employed in order to test the study hypotheses. As shown in Table 3, the results indicated that all the three attitudinal predictors were significant predictors of entrepreneurial intention but with varying degrees of strength. The strongest predictor was self-efficacy (β = 0.405, p < 0.000). The second stronger predictor was attitude towards entrepreneurship (β = 0.373, p < 0.000). The least effect on entrepreneurial intention was from the subjective norms variable (β = 0.121, p < 0.038). According to Cohen’s (1988) interpretation standard, the first two values above indicate large effects of the attitudinal determinants on intention while the subjective norms’ effect is small. Based on these findings, all the three hypotheses were accepted. The three attitudinal factors have resulted in 61% of explained variance in the model (Adj. R2 = .611; F = 108.42, p <0.00).

Table 3 Multiple regression predicting entrepreneurial intention

<table>
<thead>
<tr>
<th>Predictors</th>
<th>Std. β</th>
<th>t-value</th>
<th>Significance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude Towards entrepreneurship</td>
<td>.373</td>
<td>6.44</td>
<td>.000</td>
</tr>
<tr>
<td>Subjective Norms</td>
<td>.121</td>
<td>2.09</td>
<td>.038</td>
</tr>
<tr>
<td>Self-Efficacy</td>
<td>.405</td>
<td>6.56</td>
<td>.000</td>
</tr>
</tbody>
</table>

Adj. R2 = .611; (F = 108.42, p <.00)
Discussion & Conclusion

The main objective of the current study was to examine the effect of the attitudinal factors namely attitude, subjective norms and self-efficacy on entrepreneurial intention of university undergraduates who are taking tourism and hospitality majors. One novelty of this paper is to add self-efficacy as a predictor. The existing studies tend to emphasize perceived behavioral control instead; a factor derived from the theory of planned behavior that has been widely reexamined in intention-based research. To fulfil the objective, a sample of 206 students from one of largest public universities was employed. The results of the multiple regression supported all the hypotheses. Entrepreneurial intention was significantly predicted by self-efficacy, attitude towards entrepreneurship and subjective norms, albeit least contribution from the latter.

The findings of the current study lend support to the theory of planned behavior in the entrepreneurship research. In particular, it has shed light of the important attitudinal factors that shape students’ intentions and behaviors to act entrepreneurially. It shows that self-efficacy, which is treated as the perceived behavioral control variable of the theory of planned behavior. The perceived efficacy indicated that the students feel capable of creating new ventures. perceived self-efficacy is linked to more confidence and persistence in a behavior in question. This is in line with previous studies emphasizing the importance of having a sense of self-efficacy (ref). In Malaysia, for example, the GEM report showed that the self-efficacy is about 35%. Policymakers, educators and educational institutions should focus more on providing more training and courses and exposures to enhance student’s self-efficacy. The other finding to be highlighted is the role of attitude in enhancing students’ perception about entrepreneurship. As a second stronger predictor of the entrepreneurial intention, awareness about entrepreneurship should be the focus in order to inculcate a culture of entrepreneurship and raise awareness about its positive impact and advantages to be reaped by the individuals involved.

To conclude, attitudinal factors such as attitudes, norms and efficacy are important determinants of entrepreneurial intention of hospitality and tourism university students in Malaysia and thus rendering entrepreneurship more advantageous and beneficial. Furthermore, enhancing students’ efficacies could enhance their entrepreneurial behaviors. Noting these interesting findings, the current study is not without limitations. One concern is the generalizability of the findings as data were collected from a single university. Future studies may consider collecting data from various universities including private and public tertiary education institutions.

References


