

Entrepreneurial Intention of University Graduates: Effect of Confucianism

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Abstract

In Malaysia, the Chinese dominates the business and entrepreneurship sector. This includes those inheriting the family business and some are first generation entrepreneurs. Thus, this paper aimed to delve into the factors influencing entrepreneurial intention among Chinese undergraduates. The factors scrutinized in this study were based on the Theory of Planned Behaviour (attitudes, subjective norms and perceived behaviour control) and lastly the influential Confucian's value. This research was carried out among 300 Chinese undergraduate students studying around Klang Valley. The data collected from the questionnaire distributed is analysed using SPSS. The findings from the analysis revealed that there is a significant and positive relationship between attitude, perceived behaviour control, and Confucius value in Chinese culture with entrepreneurial intention among undergraduates since the p value was 0.000, 0.013 and 0.000 respectively. Subjective norm which is reflected on family support, showed no impact on entrepreneurial intention. Therefore, it is concluded that Chinese in Malaysia still do practise Confucianism and attitude as well as perceived behaviour control do determine the involvement of these youngsters in business or entrepreneurship.

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1. Introduction

Over the past decades, there is a new arrival of entrepreneurs, and the generation is coming and having a better performance than the older generations. The age of those entrepreneurs is around 20-35 years old which is much younger than the boomers' generation with age of 35 above. Most of them are called as millennial entrepreneurs. An interview with Remi Frank, the international head of the key client group at BNP Paribas provided two reasons for the situation. First is the difficulties to start a business has dropped than previous time. Second is because of the younger generation is more open to failure than boomers. However, they either follow parents as an example or to be the first trier in starting a business without a family business exposure. Statistic showed 22% were the first generation entrepreneurs, but for boomers, it is more than 45%. This showed that there is a relationship between prior experiences and intention, which further translates into action [1].

In Malaysia, young generations made up 43% of the country's population. In order to control the unemployment rate and increase the interests in entrepreneurship, the government of Malaysia encourages young graduates to start their own business with an initial capital provided. Limitation in employment opportunities and high competition are the challenges that Malaysia youngsters are facing, it also a reason for these young people to have an intention towards entrepreneurship [2].

The Theory of Planned Behaviour model was formed to explain how attitudes of a person towards behaviour, the subjective norm, and the perceived behavioural control, were the origin of intention [3]. Personal attraction can be also called attitude towards behaviour. It refers to the degree of perceptions of an action among individuals' satisfactory [4]. Subjective norms are often referred to as the pressure in an environment that will affect the intention towards an action. Perceived behaviour control refers to either self-efficacy or perceived ease of the intention of an action. An

individual's belief in the degree of control of behaviour will increase the confidence and intention to act such behaviour. In a research done by Fitzsimmons and Douglas[5] using Chinese people as sample, found out that the Chinese desire more independence and less risk. Therefore, Chinese will make sure almost everything is under control.

A study by Jun Yan, and Sorenson [6] found that Confucius value which included in Chinese culture has an influence in the economic growth in South East Asia. One of the beliefs of Confucianism stated that one's ethical behaviour is relying on the reciprocity. And this reciprocity is called in mandarin "Shu" by Confucius. It is the foundation of the morality, and guidance for people across their whole life. The saying is: 'do not do to others what you would not have them do to you.' [7]. It is not a kind of religion, but a belief which influence Chinese culture for thousands of years, also a worldview with standard principles among Chinese society and families with a proper norm. Although there is no direct link between Chinese culture and entrepreneurial intention, entrepreneurial attitudes are somehow shaped by indigenous culture which measured in a term of starting a business, and independent [8]. In a recent research done by Siu and Lo [9], reported that there is a strong relationship between Chinese collectivism and entrepreneurial intention with perceived social norms, attitude towards a new business may be possible effect of entrepreneurial intention, and entrepreneurial self-efficacy may be the important support towards entrepreneurial intention. Therefore, it is concluded that theory of planned behaviour may has a strong effect on entrepreneurial intention with a Chinese culture, and attitudes have a stronger relationship other than subjective norm and entrepreneurial self-efficacy with entrepreneurial intention.

In this study, the factors towards entrepreneurial intention based on a culture among Chinese, and the most influential Confucian's value in Malaysia is investigated. Moreover, the research also aimed to find out the difference among Chinese between people with Confucius value background and without in terms of attitudes towards starting a business, support from family and friends, and entrepreneurial self-efficacy based on Theory of Planned Behaviour approach.

2. Methodology

2.1 Research Design

Type of research used in this study is quantitative research method. Quantitative approach is a research strategy that centres in collection and analysis of data and is used to describe the characteristics of many groups which include survey methods. The benefit of doing quantitative approach is that the study requires getting information from large group of people and able to generate statistics and opinion to finalize a finding. The data that are collected is converted into numerical form to identify the relationship between the independent

variables (IV) and the dependent variables (DV). Attitudes, Subjective Norms and Perceived Behavioural Control that are consisted in the Theory of Planned Behaviour along with Confucius value in Chinese culture were the independent variables while the entrepreneur intention of undergraduates was the dependent variable. Relationship H1, H2, H3 and H4 represented attitudes, subjective norms, perceived behavioural control and Confucius value in Chinese culture has influence on the entrepreneurial intention. The conceptual framework is shown in Figure 1. In this research, the independent variables were the factors that influence the entrepreneurial intention as shown in Figure 1.

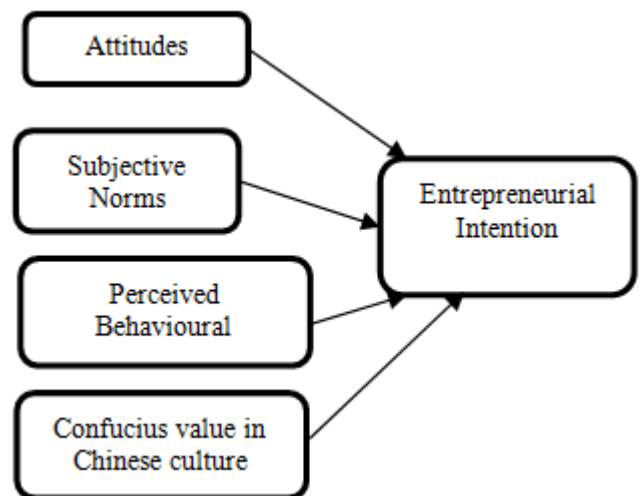


Figure 1: Conceptual Framework

2.2 Research Location and Population

Overall study is conducted at universities around Klang Valley, Malaysia. The reason that the research location is located at Klang Valley is because it is an international education hub in Malaysia.

2.3 Data Collection Method

In this study, we have used primary data, which is collected from the survey method to get the data on individuals' intention on entrepreneurial. Prior to distributing the actual questionnaires, a total of 30 questionnaire copies were distributed to volunteers that were willing to participate in a pre-test and provide precise feedback if any problem or error been found [10]. Based on the outcome of the pre-test, the questionnaire is finalized and then distributed in the form of online survey to 300 Chinese undergraduate students that are studying in Klang Valley. Questionnaire is chosen as a method for data collection since it less costly and can be collected in a shorter time frame. It also generates higher response rate. Respondents can easily provide their feedback using smartphone, tablet or laptop to complete the survey.

2.4 Data Analysis

Data analysis is used to test the relationship between the independent variables and the dependent variables. It is useful for researcher to organize collected data to achieve their research objective. In this study, IBM SPSS version 20 is used for the data analysis. SPSS (Statistical Package for the Social Sciences) is software that is commonly used in research for statistical analysis. This software is specifically design to analyse quantitative data and it can identify any mistake or error during the research process [11]. Thus, it is helpful tool for researcher to use when conducting in a quantitative research. The analysis that has been carried out includes reliability analysis, normality test, Pearson Correlation Analysis, and regression analysis.

3. Result and Discussion

3.1 Reliability Analysis

Cronbach's alpha is used to conduct reliability test [12,13]. Cronbach's alpha reliability analysis is the most common method used when researcher want to access the internal consistency of the survey that made up with multiple Likert-type scales and items [14-16].

For independent variables, the result of attitudes was 0.911 and consisted of 5 items, the subscale of subjective norm consisted of 4 items and the result was 0.752, perceived behavioural control subscale consisted of 4 items as well but the result was 0.914, and Confucius Value in Chinese Culture subscale consisted of 5 items and the result was 0.638. For dependent variable which is entrepreneurial intention, the reliability result was 0.940 and subscale consisted of 5 items.

Table 1: Reliability Statistics

Independent Variables	Cronbach's Alpha	N of Items
Attitudes	0.911	5
Subjective Norm	0.752	4
Perceived Behavioural Control	0.914	4
Confucius Value in Chinese Culture	0.638	5
Dependent Variable		
Entrepreneurial Intention	0.940	5

Sekaran and Bougie [17] proposed that if the Cronbach's Alpha is below 0.6, the reliability of result is considered poor. As shown in Table 1, all the results of each variables are higher than 0.6. The closer the result is to 1, the higher the consistency reliability it can be [18]. The result of attitudes, perceived behavioural control, and entrepreneurial intention are higher than 0.9, according to the Cronbach's Alpha Rule of Thumb, the strength of association consider excellent. The result of subjective is considered acceptable. The result of Confucius Value in Chinese Culture is considered questionable. It may be caused by some reasons. The questions set may not be clear enough for respondents to have a better

understanding. The language use in the questionnaire is both in English and Mandarin, which may cause the respondents to be confused while looking at different languages.

3.2 Normality Test

The normality test is conducted to make sure that the sampling distribution of the research is normally distributed. Normality is important for researches that are using regression [19]. Normality test is conducted when the research adopt regression as one of the data analysis [20]. The skewness and kurtosis of both dependent and independent variables show in Table 2.

Table 2: Skewness and Kurtosis of Dependent and Independent Variables

Dependent Variables	Skewness	Kurtosis
Attitude	-0.572	-0.046
Subjective Norm	-0.276	0.331
Perceived Behavioral Control	0.038	-0.636
Confucius Value in Chinese Culture	0.203	-0.577
Independent Variables		
Entrepreneurial Intention	-0.417	-0.405

As the result shows in Table 2, the Skewness was within -1.0 to +1.0 and the Kurtosis was within -2.0 & +2.0. Hence, it is proven that all the variables are normally distributed to the respondents.

3.3 Pearson Correlation Analysis

Pearson's Correlation Coefficient analysis is conducted to identify the relationship between theory of planned behaviour and entrepreneurial intention, and the relationship between Confucius Value in Chinese Culture and entrepreneurial intention. Table 3 showed the correlation matrix of the independent variables and dependent variable.

Table 3: Correlations

	Attitudes	Subjective Norm	Perceived Behaviour Control	Confucius Value in Chinese Culture	Entrepreneurial Intention
Attitudes					
Subjective Norm	.580**				
Perceived Behavior Control	.602**	.602**			
Confucius Value in Chinese Culture	.569**	.511**	.568**		
Entrepreneurial Intention	.710**	.504**	.578**	.595**	

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

According to Table 3, the dependent variable, entrepreneurial intention has shown a strong positive correlation towards attitudes ($r=0.710$), subjective norm ($r=0.504$), perceived behavioural control ($r=0.578$) and Confucius Value in Chinese Culture ($r=0.595$). If the correlation coefficient is between $0.50 < r < 1.00$, the correlation is strong and positive.

3.4 Regression Analysis

The regression analysis is tested to assess the moderating effect of Confucius Value in Chinese Culture towards the relationship between theory of planned behaviour and entrepreneurial intention. The result is shown in Table 4.

Table 4: Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	-.540	.279		-1.939	.054
1					
MeanA	.563	.068	.480	8.269	.000
MeanSN	.027	.076	.020	.353	.724
MeanPBC	.146	.058	.148	2.506	.013
MeanTCC	.368	.088	.228	4.160	.000

a. Dependent Variable: Mean EI

The model is considered statistically significant since the p-value is less than 0.05. The regression model of attitudes ($p=0.000$) is significant, hence it can be concluded that there is a relationship between attitudes and entrepreneurial intention. In other words, there is a positive relationship between attitude and entrepreneurial intention among undergraduates.

The regression model of subjective norm ($p=0.724$) which is much higher than 0.05, means subjective norm does not have a significant relationship with entrepreneurial intention. Therefore, there is no significant relationship between subjective norm and entrepreneurial intention among undergraduates.

Perceived behavioural control has a p value =0.013 which means there is a relationship between perceived behavioural control and entrepreneurial intention. Hence, there is a significant relationship between perceived behaviour control (self-efficacy) and entrepreneurial intention among undergraduates.

The regression model of Confucius Value in Chinese Culture ($p=0.000$) is significant. This means there is relationship between Confucius Value in Chinese Culture and entrepreneurial intention. Therefore, there is positive relationship between a higher level of experience of Confucius value in Chinese culture and entrepreneurial intention among undergraduates.

3.5 Overall Discussion

Based on the result it can be concluded that attitudes towards starting a business, perceived behavioural control

(self-efficacy), and Confucius value in Chinese culture have a significant and positive relationship with entrepreneurial intention. Whereas, subjective norm (family support) is not a significant variable that will affect the entrepreneurial intention. In most of the studies, attitudes are an effect that will influence the entrepreneurial behaviour or intention [21-22]. In a research, Sabah [21] found that the positive relationship between theory of planned behaviour and entrepreneurial intention are supported as well as the research done by Chin et al.[23]. In the study of Mohamed et al.[24], it was stated that in theory of planned behaviour, subjective norm and perceived behavioural control developed an interest on the entrepreneurial intention, but not attitudes. They also proposed in their research that in different education background, people's attitudes could change towards entrepreneurial intention. Through the findings of the current studies, it is inferred that attitudes of Chinese people in Malaysia has a strong effect on entrepreneurial intention. It can be concluded that in Malaysia, Chinese people are keeping Confucius value in Chinese culture and still practicing it even Malaysia is a collectivism country. Thus, in Malaysia, Chinese people are most likely to run their own business. As conclusion, this study proves that Theory of Planned Behaviour can be applied to entrepreneurial intention of students in Malaysia. However, application of the model to other countries may defer due to the unique local cultures.

4. Conclusion

In conclusion, the research results showed significant and positive relationship between attitude, perceived behaviour control, and higher levels of experience of Confucius value in Chinese culture with entrepreneurial intention among undergraduates. Overall, the findings of this study are consistent with those of prior studies. In accordance to the analysis outcome disclosed, all three out of four independent variables do correlate with the dependent variable. Hence, it is deduced that in Malaysia, family support is not a concern as a subjective norm to influence one's entrepreneurial intention among Chinese undergraduate students.

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