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THE FACTORS INFLUENCING ENTREPRENEURIAL INTENTION

EXPLORING THE FACTORS INFLUENCING ENTREPRENEURIAL INTENTION

A THEORY OF PLANNED BEHAVIOUR



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Encouragement of entrepreneurship is a crucial strategy for utilising people's enthusiasm, energy, and desire to contribute towards economic development because many individuals, notably young women and men, struggle to find employment opportunities. Entrepreneurship, not only supports economic growth but also accelerates modernisation, has a potential to be a major driver of sustainable development and the creation of good jobs. Starting a business is only one part of what is needed; it also necessitates an innovation process that involves creating a new enterprise with four primary dimensions, which are manpower, organisational, environmental, and process.

Due to their significant contributions to social growth, technological advancement and the creation of new jobs, entrepreneurs are essential to the economic progress. The number of entrepreneurs is currently rising daily throughout the world as a result of dwindling work and career options, future safety precautions, the advantages of entrepreneurship, or perhaps due to people's aspiration to start their own firm and/or carry on the family-business legacy. Improvements in entrepreneurship have drawn a lot of attention from various parties because they are one of the main performance indicators for most nations. Because of this, people highly favour becoming an entrepreneur

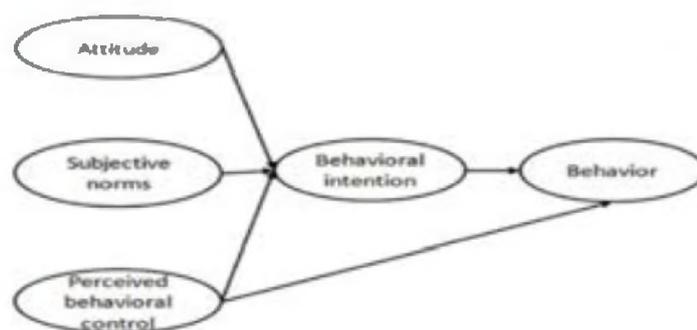
as a job, especially among recent grads. Numerous studies have been done to determine the elements that are most important in motivating people to choose entrepreneurship as their career choice. The Theory of Planned Behaviour (TPB) has been utilised in a majority of studies on entrepreneurial intention (Ajzen, 1991).

The Theory of Planned Behaviour (Ajzen, 1985) has been developed to clarify and support the process of people's decision-making and involvement in a specific business plan. Kolvereid (1996) has asserted that the Ajzen framework (1991) is a key paradigm to explain or forecast people's intentions to become entrepreneurs. The Theory of Planned Behaviour is an expansion of the Theory of Reasoned Action, also known as TRA or ToRA (Ajzen & Fishbein, 1980; Fishbein & Ajzen, 1975), has been necessitated by the original model's limits in addressing activities over which people have imperfect volitional control. The intention of an individual to engage in a certain behaviour is a key component of the Theory of Planned Behaviour, just like what it has been in the

original Theory of Reasoned Action. There are three variables which can be used to explain a person's intention to carry out an action, namely attitudes towards behaviour, subjective norms, and perceived behavioural control (Figure 1).

Attitudes Towards Behaviour According to Ajzen (2005), people's beliefs of the consequences of performing a behaviour determine how they develop their attitudes. Ajzen (2012) has further highlighted that the real or symbolic representations of a behaviour can trigger people to activate their favourable or unfavourable attitudes automatically. The desire to launch a business may be motivated by both intrinsic and extrinsic rewards, such as monetary benefits, independence or autonomy, personal benefits, and family security (Choo & Wong 2006; Vanevenhoven & Liguori 2013). According to some experts, 'pull' variables account for a considerable portion of entrepreneurial motivation (Gilad & Levine, (1986). Hence, those wanting independence, self-fulfilment, prosperity, and other desired outcomes are more likely to find entrepreneurship

Figure 1



appealing (Keeble, 1992; Orhan & Scott, 2001).

Subjective Norms

Subjective norms in the context of entrepreneurship show how much an individual's relevant environment (peers, family, and society) perceives starting a business as a positive or negative action. According to Ajzen's review of the literature, subjective norms are not a reliable indicator of intention (Ajzen, 1991). In the meantime, a study by Falck et al. (2012) has shown that young people, who either have an entrepreneurial parent or school friends or peers who have entrepreneurial parent, report greater business start-up intentions. Krueger et al. (2000) have demonstrated that intentions are significantly influenced by subjective norms.

Comparable studies in China (Yang, 2013; Siu & Lo, 2013), Saudi Arabia (Aloulou, 2016), and India (Roy et al., 2017) have provided empirical evidence that people are more likely to intend to start a business if they believe that their peers, family, and friends support them

in their entrepreneurial endeavours. This is due to the fact that the possibility of receiving social and emotional supports for a choice one makes gives one's behaviour more motivation.

Perceived Behavioural Control

Entrepreneurship's perspective of behaviour control is related to how one views technical skills needed, financial risks, administrative burden, and available resources and skills (Mwiya, 2017). Based on an empirical study, experts in Spain (Linan & Chen, 2009), (Linan et al., 2011), Ukraine (Solesvik et al., 2012), the United States and Turkey (Ozaralli & Rivenburgh, 2016), China (Yang, 2013), and Malaysia (Chual et al., 2016) have determined that the perception of behavioural control in connection to the establishment of new ventures correlates with the level of intention to launch a firm.

It is assumed that people who believe entrepreneurship to be a realistic career option and those who believe that they are personally competent of founding and running a business will pursue an entrepreneurial career.

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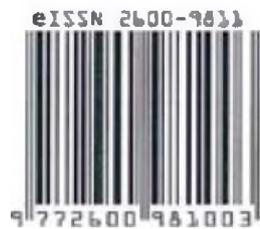
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