



**THE IMPACT OF CONTEXTUAL FACTORS ON
ENTREPRENEURIAL INTENTION**

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Abstract

Research in entrepreneurship field has magnetized the interest of many researchers as a tool of development for many countries. The study of the factors that leads people to become entrepreneurs has been a question of many researchers. This study explores the relationship between the contextual factors and entrepreneurial intention. As such, it fits squarely into the literature on the antecedents of entrepreneurship.. This study looks at the educational support, structural support, informal support, and formal support which are determinants of entrepreneurial intention. The data was gathered from 250 undergraduate students at two of the university branch campuses in the Kota Samarahan, Sarawak.. Data collection was based on voluntary basis, informed consent, and anonymity. Regression analyses indicate that entrepreneurial intention is positively correlated with educational support and informal support. In the final section, we discuss these results and discover a future research agenda.

Keywords: Entrepreneurship Intention, Contextual Factors

CHAPTER 1

1.1 INTRODUCTION

The objective of this research study is to determine the impact of some contextual factors on entrepreneurial intention among university student in Kota Samarahan Sarawak. This chapter consists of background of study, research problem, research objective, research questions, and significance of this study and definition of terms.

1.2 BACKGROUND OF STUDY

For many years, the idea to promote and support entrepreneurship to graduate student in the globe become popular. This is because the changes in world economic trends push this idea for the student to stay survive. There are several reason for this matter to happen. Firstly because well-educated entrepreneur seem able to create new business that can grow faster compare to less well educated entrepreneur. The new venture that created successfully recognised by the management practitioner and researcher are result of the importance of education (Kennedy and Drennan, 2001).

The changes trend in the organization worldwide also increasing the desirability to become self-employment or entrepreneur. The changes resulted most likely very fierce competition in the market worldwide, previous advantages such as jobs security and reward of loyalty that have relationship make large organization to offer less appeal (Kolvereid, 1996; Franke, 2004).

Finally unemployment among graduates worldwide have keep in increasing in numbers now and again. High unemployment rate will prompt a country's inadequacy and this is demonstrated by an association known as IMD. They observed that Malaysia's aggressive positioning far and wide has dropped from tenth spot in 2010 to sixteenth spot in 2011 (IMD reports the 2011 World Competitiveness Rankings and the consequence of the "Administration Efficiency Gap", 2011)

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

In this chapter, the researcher will touch on general understanding of existing literature is to provide and to give a concrete idea as a foundation of this study. Therefore in this chapter researchers will explain on entrepreneur in general, entrepreneurial intention, related studies on entrepreneurial intention, proposed conceptual framework, conceptual factor and summarization.

2.1 ENTREPRENEUR IN GENERAL

Entrepreneurship, according to Onuoha (2007), “is the practice of starting new organizations or revitalizing mature organizations, particularly new businesses generally in response to identified opportunities.” Schumpeter (1965) defined “entrepreneurs as individuals who exploit market opportunity through technical and/or organizational innovation”. For Frank H. Knight (1921) and Peter Drucker (1970) “entrepreneurship is about taking risk”. Bolton and Thompson (2000) have defined an entrepreneur as “a person who habitually creates and innovates to build something of recognized value around perceived opportunities”. Hisrich (1990) defined that an entrepreneur is characterized as “someone who demonstrates initiative and creative thinking, is able to organize social and economic mechanisms to turn resources and situations to practical account, and accepts risk and failure”. Thomas and Mueller (2000) argue that the study of entrepreneurship should be expanded to international markets to investigate the conditions and characteristics that encourage entrepreneurial activity in various countries and regions. It is reasonable to expect that entrepreneurs reflect the dominant values of his or her national culture and national culture has definite effect on entrepreneurship