

# Model of Factors Affecting the Entrepreneurial Intention of Students

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## Abstract:

This article introduces the fundamental theories of entrepreneurship and research models of entrepreneurship. Based on the results of synthesis and analysis of previous studies, the authors propose a model to study the factors that affect students' intention to start a business, including 5 factors: (1) Country Support for Entrepreneurship, (2) Educational Support for Developing Entrepreneurship, (3) Conceptual Support for Developing Entrepreneurship, (4) Perceiving feasibility, (5) Attitudes towards entrepreneurial behavior. The results of this study will be the basis for further experimental studies in this field.

**Keywords:** Entrepreneurial intention; model, influencing factors; students, Vietnam.

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## I. INTRODUCTION

In the current period, when the whole world is suffering heavy economic consequences due to the Covid-19 pandemic, promoting youth entrepreneurship is one of the top priorities of policymakers not only in developed countries but also in developing countries. Governments of all countries have devoted many supportive policies and efforts to promote entrepreneurship among young people, especially among students, to encourage them not to work as hired laborers but to create their jobs. In Vietnam, the Government has also recognized the importance of entrepreneurship orientation for students and young people. Project "Supporting students and students to start a business by 2025" (Project 1665) of the Government. Therefore, a series of programs to support and encourage people, youth, and students to start a business, such as VCCI's startup program since 2008, have mobilized 15,000 young people to participate, the Business Association Vietnamese young entrepreneurs, the contest "Lighting up young business talents", the television program to get rich is not difficult... However, in general, the entrepreneurship activity of Vietnamese students is still low, most of the graduates have a trend of registering for recruitment in operating businesses, and very few people want to start a business. According to the survey results of Technasia, there are currently about 1,500 Vietnamese startups working, while every year there are about 400,000 graduates, but up to 225,500 students cannot find jobs. Therefore, studying the factors affecting students' intention to start a business is necessary. This research will partly explain the student's situation of just liking to work, don't like to be the owner, on that basis, some recommendations can be proposed for stakeholders to provide ways to support appropriate, organize practical training activities, and arouse students' entrepreneurial intentions.

## II. THEORY OF ENTREPRENEURSHIP AND THE ENTREPRENEURIAL INTENTION

According to Bird (1988), entrepreneurship is an individual (alone or with others) taking advantage of a market opportunity to create a new business [7]. According to Souitaris et al. (2007), entrepreneurial intention can be defined as the relevance of an individual's intention to start a business [21]. Kuckertz & Wagner (2010) argue that an individual's entrepreneurial intention stems from the fact that they recognize the opportunity, and take advantage of available resources and the support of the environment to create their own business [12]. Or as Gupta & Bhawe (2007) define it as a process-oriented process of planning and implementing a business creation plan.

According to Shapero&Sokol (1982), those who intend to start a business are individuals who are willing to pioneer in seizing attractive business opportunities that they perceive [20]. Students' entrepreneurial intentions come from students' ideas and are properly oriented by educational programs and trainers (Schwarz et al., 2009).

### **III. RESEARCH MODELS OF ENTREPRENEURIAL INTENTION**

#### **3.1. Entrepreneurial event model (Shapero&Sokol, 1982)**

Shapero and Sokol (1982) [20] argue that the establishment of a new business is an event affected by changes in people's lives. According to this study, an individual's decision when choosing to start a new business depends on important changes in the individual's life and his or her attitude towards starting a business (expressed by two aspects of the individual's perception of feasibility; the individual's perception of the desire to start a business).

Research results show that the intention to start a business occurs when an individual discovers an opportunity that they find feasible and wants to take it. For the intention to turn into the act of opening a business, there needs to be a catalyst, which is changes in people's lives. The difference can be in a negative form such as job loss, or dissatisfaction with the current job... or a positive form such as finding a good partner or financial support...

However, whether such changes lead to starting a business depends on the individual's sense of desire to start a business and sense of feasibility.

- Perceived desire to start a business represents an individual's thoughts on the attractiveness of starting a business. This is a feeling formed by culture, family, colleagues, friends, and relatives.
- Perception about the feasibility of starting a business represents an individual's thoughts on the possibility of performing the corresponding behaviors. Financial support, the influence of business idols, partners, and the consulting support of institutions in the process of establishment and operation can increase an individual's perception of feasibility.

#### **3.2. Theory of Planned Behavior (Ajzen, 1991)**

The theory of planned behavior holds that people's behavior is the result of their intention to perform the behavior and their ability to control it. This TPB theory has been widely applied in the research of information systems and marketing before being applied by researchers in the field of entrepreneurship.

According to Ajzen (1991), entrepreneurship is a type of planned behavior. Although individuals start a business to exploit and take advantage of a market opportunity, before deciding to establish a business, an individual must think, enjoy and intend to start a business. business, from which they look for opportunities, finance, and partners. In essence, starting a business or choosing a career is the result of human perception. The act of starting a business takes place if an individual has a positive attitude, thoughts, and plans about that action. A strong intention will always lead to an effort to start a new business, although starting a business may be quick or slow due to environmental conditions. Therefore, entrepreneurial intentions can accurately predict future entrepreneurial behaviors. The study of entrepreneurial intentions can reflect entrepreneurial behavior. [6]

According to this study, the intention to perform a behavior is affected by 3 factors:

- Perceived attitude: shows how negative or positive an individual has about starting a business. It's not simply a personal feeling, but it involves weighing the value of starting a business (it has the potential to be profitable, and has more advantages).
- Social norm: measures the social pressure that an individual feels about conducting or not carrying out entrepreneurial behaviors. Specifically, it is an individual's feelings about whether the people around him support his decision to start a business or not.
- Perceived behavior control is defined as an individual's perception of how difficult or easy it is to complete the behavior of starting a business. This concept is very close to the concept of perceived feasibility (confidence) in the SEE model of Shapero and Sokol because both refer to an individual's ability to complete entrepreneurial behaviors. business. However, the perception of behavioral control differs from the perceived concept of entrepreneurial confidence in that the perception of behavioral control is not merely a premonition of being able to do it. behavior but also a sense of having control over the behavior.

### **3.3. Related researchs**

For many years, the field of entrepreneurship has been and is interesting to many researchers around the world, especially in studying the factors affecting the intention to start a business student. Among them, some prominent studies can be mentioned such as Research by Aldo Alvarez-Risco et al (2021): "Factors Affecting Green Entrepreneurship Intentions in Business University Students in COVID-19 Pandemic Times" - Case of Ecuador. The objective of the present study was to evaluate the effects of educational support on entrepreneurship development, support for entrepreneurship development, and national support for entrepreneurship through effectiveness. Self-employment results in green business intentions among business students in Ecuador. Research by Haris et al (2016). "Study on the factors affecting the intention to start a business of information technology students. The study conducted a survey of 81 IT students at the Information Technology Academy and the University of Kuala Lumpur, Malaysia. Research results show that there are 5 factors affecting entrepreneurial intention, including Access to finance, career opportunities, perception of feasibility, advice from family and friends, and educational environment entrepreneurship spirit. Perera K. H (2011) in the study "Determining factors affecting business intentions of Sri Lankan university students" has shown that: social factors, psychological factors, factors Economic factors, and political and legal factors are prominent factors leading to the path to becoming an entrepreneur. At the same time, this study also shows that students pay less attention to starting a business while paying more attention to other jobs because they do not want to incur many risks and financial problems.

Currently, in Vietnam, in recent years, there have been many studies on the issue of starting a business - starting a business in many subjects, mainly students. Some studies in recent years can be mentioned such as Research by Nguyen ThiBich Lien (2020), on factors affecting students' entrepreneurial intention: A case study of students in the locality Ho Chi Minh City. The research results show that there are 5 factors affecting the entrepreneurial intention of students in Ho Chi Minh city, including Personality traits; Subjective standards; Feasibility perception; Capital; and Entrepreneurship Education. Research by Ngo Thi My Chau on factors affecting the entrepreneurial intention of students majoring in Information Technology in Ho Chi Minh City shows that factors such as perceived desire, market conditions, and financial resources. The main effect, the feeling of feasibility, and the higher education environment have an impact on the intention to start business students.

## **IV. BUILDING A RESEARCH MODEL OF FACTORS AFFECTING THE ENTREPRENEURIAL INTENTION OF STUDENTS**

Based on the analysis of the above models, the authors found that although the approach to the problem of Ajzen (1991) [6] and Shapero and Sokol's (1982) (1982) research in two different directions, However, the results of these two studies show that both models are suitable for studying students' entrepreneurial intentions. That is shown in many research works of later authors, although there are adjustments and changes, they are all based on the foundation of the two models above. Specifically, the study of ZahariahMohd Zain et al (2010) [23], Sesen (2013) [18], Kolvereid and Isaksen (2006) [10], Abdullah Azhar (2010) [4] are all based on the model. Ajzen's research. The study of Schwarz et al. (2009) [17], Shane et al. (2003) [19], Mathisen&Arnulf (2013) [15] is based on the research model of Shapero and Sokol. The study of Wenjun Wang et al. (2011) [22], Arasteh et al. (2012) [5], Fatoki (2010) [8]... is based on the combination of two models. In particular, in addition to the factors suggested by the above two models, the authors Schwarz et al. (2009) [17], Peterman and Kennedy (2003) [16], Fayolle et al. (2006) have added the factor "Education program" into the research model. From the basis of theories and related studies, based on inheritance and selection of factors affecting students' entrepreneurial intention, the author uses the components in Aldo's empirical studies. Alvarez-Risco et al. (2021), Haris et al., Kolvereid and Isaksen (2006), Fatoki et al (2010) and Ngo Thi My Chau (2018) other domestic studies. Based on practical researches on students' entrepreneurial intentions is a solid theoretical foundation, helping to apply the model in accordance with the conditions of research on entrepreneurial intentions during the period affected by the Covid pandemic. Thus, the model proposed by the author includes 5 factors affecting the intention to start a business of students at school, including (1) Country Support for Entrepreneurship, (2)Educational Support for Developing Entrepreneurship, (3) Conceptual Support for Developing Entrepreneurship, (4) Perceiving feasibility, (5) Attitudes towards entrepreneurial behavior.

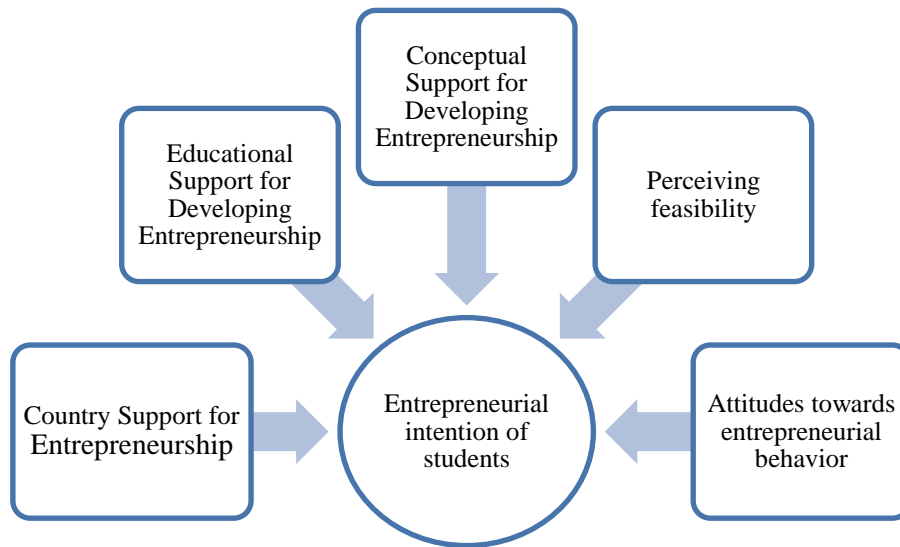


Figure 1 Proposed research model

Based on the proposed model, the authors hypothesize:

- H1: Country support for entrepreneurship has a positive effect on students' intention to start a business.
- H2: Educational support for developing entrepreneurship has a positive effect on students' intention to start a business.
- H3: Conceptual support for developing entrepreneurship has a positive influence on the intention to start a business of students.
- H4: Perceived feasibility has a positive effect on students' intention to start a business.
- H5: Attitude towards entrepreneurial behavior has a positive influence on students' intention to start a business.

According to the model above, the scale of factors affecting students' intention to start a business includes 24 variables belonging to 5 components as shown in Table 1.

Table 1 Components of the scale

Constructs	No. items	Items	Sources
The entrepreneurial intention of students	YĐKN1	I am always determined to start a company in the future	Hariset al. (2016)
	YĐKN2	I seriously thought about starting my own company	
	YĐKN3	After graduating from university, I will start my own business	
	YĐKN4	I want to be self-employed	
	YĐKN5	My career goal is to be an entrepreneur	
Country Support for Entrepreneurship	HTNN1	State institutions and policies to encourage start-ups after the Covid-19 pandemic	Aldo Alvarez-Riscoet al. (2021)
	HTNN2	The country's economy offers many opportunities for startups	
	HTNN3	The law is also a barrier to the management of a company	
	HTNN4	I can raise capital from other sources (banks, credit funds, etc.)	
Educational Support for Developing Entrepreneurship	CTGD1	My university connects students with entrepreneurs	Aldo Alvarez-Riscoet al. (2021)
	CTGD2	My university offers project work focused on entrepreneurship	
	CTGD3	The subjects at the university developed my skills and entrepreneurial abilities	
	CTGD4	My university organize conferences/workshops on entrepreneurship	
	CTGD5	I have been able to participate in competitions organized by the Faculty/school related to business.	
Conceptual Support for Developing Entrepreneurship	HTYN1	My university creates awareness of entrepreneurship as a possible career choice	Aldo Alvarez-Riscoet al. (2021)
	HTYN 2	My university motivates students to start a new venture	
	HTYN 3	My university provides students with ideas to start a new venture	
	HTYN 4	My university provides students with the knowledge needed to start a new venture	
Perceiving feasibility	NTKT1	I believe in success if I start a business	Hariset al. (2016)
	NTKT2	Starting a business is easy for me	
	NTKT3	Starting a business is the best way to take advantage of my intellectual advantage	
	NTKT4	I know how to develop a business project	
	NTKT5	I can afford to be a successful businessman	
			Ngo Thi My Chau

			(2018)
	NTKT6	I believe there will be many opportunities to start a business when the country's economy recovers from Covid	Authors
Attitudes towards entrepreneurial behavior	TD1	I will start a business if there are enough resources and opportunities	Kolvereid and Isaksen (2006)
	TD2	I don't mind taking risks in business	
	TD3	I am interested in starting a business	
	TD4	My goal is to start my own business	
	TD5	I'm seriously thinking about starting a business in the future	

## V. METHODOLOGY

The proposed research method combines a qualitative research method and quantitative research. Qualitative research methods are used in exploratory research, studying secondary documents to build a preliminary scale on the factors affecting students' intention to start a business. Using quantitative research methods to test the scale and measure the influence of factors, analyze data through SPSS 25.0 software including Cronbach's Alpha; Exploratory factor analysis EFA to test the factors affecting the intention to start a business; One-way and multi-way ANOVA analysis to test the mean difference between survey groups; Linear regression analysis to determine the level of impact of factors on students' intention to start a business...

## VI. CONCLUSION

This article presents the fundamental theories of entrepreneurial intention and research models in this area. On that basis, building a research model of factors affecting the intention to start a business for Vietnamese students. The difference between this model compared to the models of previous research authors is that there is a combination of two theoretical models of Ajzen and Shapero and takes into account the educational program element and the role of teachers. The state's incentive to start-ups, especially during the period of influence of the Covid pandemic, has partly impacted the development of startups. This model will help to assess the factors affecting students' intention to start a business, from which it is possible to offer appropriate support methods, organize effective training activities, and arouse students' entrepreneurial intentions. However, this article has the limitation that the survey has not been conducted to test the suitability of the research model as well as to test the proposed hypotheses. This is also the direction in which further empirical studies can be carried out.

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