

Investigating The Entrepreneurial Self-Efficacy in the Relationship between Entrepreneurship Education and Student's Self-Employment Intentions: An Empirical Analysis from Malaysia

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Abstract

The rise of self-employment is influenced by a number of personal and environmental factors among which we may distinguish the factors linked to education in entrepreneurship as well as personal characteristics. Given this aspect, the purpose of this paper is to investigate the main factors influencing students' self-employment intentions, paying particular attention to their entrepreneurial self-efficacy. Additionally, the paper aims to explore the effect of entrepreneurial self-efficacy on the relationship between entrepreneurship education and self-employment intention. We conducted a study where results were based on the outcomes of a survey among Malaysian public university students (N = 388). Our four main hypotheses were tested through multiple regression analysis. The findings highlighted that the students with an entrepreneurial self-efficacy reported a positive relationship with self-employment intention. The variables that positively influenced the self-employment intentions of the students were entrepreneurial self-efficacy and entrepreneurship education. Furthermore, this entrepreneurial self-efficacy positively mediates the relationship between entrepreneurship education and self-employment intention. For this reason, emphasis should be placed on both formal and informal entrepreneurial education, which will increase the propensity of young people to choose an entrepreneurial career.

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1. INTRODUCTION

Over the last few decades, unemployment problem and ever-increasing demands of the knowledge-based economy have caused higher education in most countries around the world to undergo significant transformation [1]. In Malaysia, the twenty first century has seen the burgeoning of entrepreneurship education resulting in the growing of newly emerging knowledge-based economy. Realizing the importance of entrepreneurs in the development of

a knowledge-based economy and to solve unemployment problem in Malaysia, efforts are being taken to nurture entrepreneurship in all ways [2]. According to the statistical data from the Department of Statistic Malaysia (2020) [3], the total number of graduates who were still unable to secure an appropriate job in 2019 was 170,300 persons increased 5.5% as compared in 2018 with 161,300 persons. This is the most acute problem faced by our present graduates. The actual situation today is that more and more graduates, particularly young and fresh graduates, are joining the unemployment queue due to the limited job opportunities making public employment opportunities increasingly limited for higher institution graduates [4,5]. Therefore, the central question of entrepreneurship research is why individuals, especially young ones, choose or do not choose an entrepreneurial career, self-employment, or starting their own business.

Theoretical and empirical studies point out that self-efficacy is a key factor in explaining why some individuals are motivated to become entrepreneurs and others are not [6]. In this regard, the research has shown compelling and consistent patterns, reflecting that individuals with higher entrepreneurial self-efficacy tend to exhibit higher entrepreneurial intention and self-employment [7,8]. Entrepreneurial self-efficacy influences choices, aspirations, and effort, as well as perseverance when entrepreneurs face difficulties, and it plays an important role in the development of an intention to establish and manage a new venture [9, 10]. The concept of entrepreneurial self-efficacy is derived from Social Cognitive Career Theory (SCCT). Not surprisingly, the concept of self-efficacy has been extensively employed in the career theory literature to explain perceived career options, stated career preferences, and ultimately, career-oriented behaviors [11,12] In line with this, Bandura et al. [13] included self-efficacy as one of a variety of socio cognitive influences on the career aspirations of children and found that entrepreneurial self-efficacy had the strongest direct effect.

Based on these premises, the aim of this paper is to highlight the impact of entrepreneurial self-efficacy of Malaysian public university students, both directly, on students' self-employment intention, and indirectly, on the entrepreneurship education–self-employment intention relationship. The objectives of the research focus on analyzing student self-employment intentions and identifying differences between SEI students in terms of entrepreneurial self-efficacy (ESE), identifying the direct effect of an ESE, impact of entrepreneurship education (EE) on students' self-employment intentions; and emphasizing the mediating effects of an ESE on the EE–SEI relationship. The topic is of real interest because it has been observed that literature pertaining to impact of entrepreneurship education on the self-employment on the part of the graduating students is still a topic of utmost interest in Malaysia [14,15]. Research into the impact of entrepreneurship education towards self-employment among graduates is still few in Malaysia as compared to Western countries [14,16]. Moreover, there are inconsistency of the findings found from the literature between entrepreneurship education and self-employment intention therefore it warrant further investigation [17-20]. Therefore, we are interested in the extent to which the ESE influenced the SEI of the graduates, and, at the same time, to what extent SEI are influenced by EE. As for novelty, this paper fills the gap in the available research because it focuses on the mediating effect of entrepreneurial self-efficacy on the relationship between entrepreneurship education and the self-employment intention of students. Also, the novelty of the paper suggested a comprehensive model that include entrepreneurial self-efficacy as a mediating role as suggested by Li and Wu [21], Newman et al. [9]; Shi et al. [22], Nowiński et al. [23] in explaining the impact of entrepreneurial education