Understanding Entrepreneurial Intention (EI): A Case Study of Lenggong Valley, Malaysia.

Siti Asma’ Mohd Rosdi

School of Housing, Building and Planning, Universiti Sains Malaysia

**ABSTRACT**

Entrepreneurial intention (EI) refers to specific actions taken by individual to start a new business which was planned beforehand and preceded by an objective to accomplish it [1,2]. The importance of EI cannot be denied. Researchers have been recognised the significance of EI in the studies of psychology such as EI is a key strand for society in developing the entrepreneurship field, [3,4]. Previous study on EI have been tested on students in higher education [5,6,7,8]. Based on the evidence in the literature, EI has rarely been applied in entrepreneurial setting such as [9,10]. To the best knowledge of the author, none of the previous studies has integrated factors contribute to EI specifically among local community. Although EI has been associated with entrepreneurship behaviour in new business contexts, it is logical to predict the local community intention to start a business. Hence, this research highlighted the factors contributes EI among local community in rural development area.The factors are attitude, social norm and perceive behavioural control (PBC). Although the factors (attitude, social norm and PBC) are well established, previous measurement of these factors may not have been examined among rural EI. Thus, reconsideration they might be offer potential variable in attitude, social norm and PBC. The differences in individual’s behavioural intention or EI in a given situation are because individuals differ in their cognitive processes. The next section will elaborated and concern about the definition of each factor, measurement and the result of factors respectively.

**INTRODUCTION**

EI as the decision to start a new business which was planned beforehand and preceded by an objective to accomplish it [1,2]. The importance of EI cannot be denied. Researchers have been recognised the significance of EI in the studies of psychology such as EI is a key strand for society in developing the entrepreneurship field, [3,4]. Previous study on EI have been tested on students in higher education [5,6,7,8]. Based on the evidence in the literature, EI has rarely been applied in entrepreneurial setting such as [9,10]. To the best knowledge of the author, none of the previous studies has integrated factors contribute to EI specifically among local community. Although EI has been associated with entrepreneurship behaviour in new business contexts, it is logical to predict the local community intention to start a business. Hence, this research highlighted the factors contributes EI among local community in rural development area. The factors are attitude, social norm and perceive behavioural control (PBC). Although the factors (attitude, social norm and PBC) are well established, previous measurement of these factors may not have been examined among rural EI. Thus, reconsideration they might be offer potential variable in attitude, social norm and PBC. The differences in individual’s behavioural intention or EI in a given situation are because individuals differ in their cognitive processes. The next section will elaborated and concern about the definition of each factor, measurement and the result of factors respectively.

**Methodology:**

The quantitative approach have been applied to get the data from 500 respondents. Using the Theory of Planned Behaviour (TPB), this research employed TPB which consists of attitude, social norm and perceived behavioural control are a more comprehensive factors. Attitude refers to the degree to which the individual holds a positive or negative personal valuation about being an entrepreneur [11,12]. The second factor of TPB is social norm. Social norm refers to likelihood that important referent individuals or groups approve or disapprove of performing a given behavior [13]. Perceived behavioural control (PBC) refers to people’s perceptions of their
ability to perform a given behaviour [14]. In this conception perceived behavioral control was intended to reflect perceptions of factors that are both internal (e.g. knowledge, skills, will-power) and external (e.g. time, availability, the cooperation of others) to the actor [16].

The research instruments mainly consisted of attitude (attitude toward money, and personal attitude), social norms (social embeddedness) and perceived behavioural control (emotional intelligence). Attitude was measured based on a scaled used in the study of [17]. In this research social norms question was adapted from [18]. This scale used to measure social embeddedness. This research measured emotional intelligence by adapting emotional intelligence scale by [19]. In this research, emotional intelligence was measured in terms of mood regulation that is the capacity to control negative emotions. The main reasons for applying this scale was due to the fact that it’s reflect controllable behaviour in PBC. EI was measured based on a scaled in the study of [20]. All items were measured by a 5 point likert scale, with 1= “strongly disagree” to 5= “strongly agree”.

RESULTS AND DISCUSSION

As a result, this study provides meaningful information on the factors that influenced EI among local residents in the Lenggong Valley to start a new business. A research on the EI-related factors in the Lenggong Valley were carried out to determine the factors that influence individual to have the intention to start the business. EI-related factors in this research were discussed, namely attitude toward money, attitude toward start-up, social embeddedness and emotional intelligence.

From Table 1, it can be summarised that the highest mean for EI of the sampled local resident in Lenggong Valley is attitude toward money (mean = 3.61). This is followed by emotional intelligence (mean = 3.56), attitude toward start up (mean = 3.34), and following by social embeddedness (mean = 3.11).

Table 1: Variables used to measure EI of the sampled local resident in Lenggong Valley.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Means</th>
<th>Std. deviations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude toward money</td>
<td>3.6160</td>
<td>0.84438</td>
</tr>
<tr>
<td>Attitude toward start up</td>
<td>3.3487</td>
<td>0.97018</td>
</tr>
<tr>
<td>Social embeddedness</td>
<td>3.1140</td>
<td>1.01047</td>
</tr>
<tr>
<td>Emotional intelligence</td>
<td>3.5635</td>
<td>0.71726</td>
</tr>
</tbody>
</table>

Table 2 indicated that all factors showed a positive significant relationship with EI. The positive relationship indicated that the more an individual was willing to start a business the more positively it would affect the EI. It can be said that attitude toward money, attitude toward startup, social embeddedness and emotional intelligence had an influence to the success of start up business in Lenggong Valley.

Table 2: Correlation test between factors of EI of the sampled local resident in Lenggong Valley and EI.

<table>
<thead>
<tr>
<th>Variables</th>
<th>Pearson correlation:</th>
<th>Sig. (2-tailed):</th>
</tr>
</thead>
<tbody>
<tr>
<td>Attitude toward money</td>
<td>0.477</td>
<td>0.000</td>
</tr>
<tr>
<td>Attitude toward start up</td>
<td>0.816</td>
<td>0.000</td>
</tr>
<tr>
<td>Social embeddedness</td>
<td>0.608</td>
<td>0.000</td>
</tr>
<tr>
<td>Emotional intelligence</td>
<td>0.546</td>
<td>0.000</td>
</tr>
</tbody>
</table>

As known, the local residents in the Lenggong Valley show an attitude toward money and attitude toward start-up positively toward EI. In addition, social embeddedness is also essential toward local residents in Lenggong Valley who have an intention to start a business. The local people need support and encouragement from family, friends and other people by embedded in social activity especially in business activity. Cultural values affect entrepreneurial cognitive and EI. Emotional intelligence plays a most important role for individual to start a business. The respondents in the Lenggong Valley were mostly older people and adults who have intelligence to manage their emotions, particularly emotional intelligence to be entrepreneurs. Emotional intelligence is proven to have an impact on the local community’s EI. The ability to manage ad control the emotion is essential to the person who intend to involve in business.

As a result, this study provides meaningful information on the factors that influenced EI among local residents in the Lenggong Valley to start a new business. A research on the EI-related factors in the Lenggong Valley were carried out to determine the factors that influence individual to have the intention to start the business. This research has successfully explored the EI of local residents in archaeological site in Lenggong Valley, Peninsular Malaysia, as it offers some ideas that enable them to start their entrepreneurship venture. At most, the relative importance of each antecedent in the configuration of intention may differ; however, intentions will always be formed based on three motivational antecedents: attitude, social norms, and perceived behavioral control.
Summary:
The purpose of this research was to examine factor contributing to EI among local community in rural tourism development area. By using Theory of Planned Behaviour (TPB), the findings demonstrated that attitude, social norms and perceived behavioural control influence EI. The findings confirmed that attitude toward money; attitude toward start up; social embeddedness and emotional intelligence did impact on EI. In general, this research helped to create a more inclusive global picture of the understanding of local residents behaviour to start a new business. This research provided a useful starting point in investigating EI in rural tourism development area. By using Theory of Planned Behaviour (TPB), the findings demonstrated that attitude, social norms and perceived behavioural control influence EI. The findings confirmed that attitude toward money; attitude toward start up; social embeddedness and emotional intelligence did impact on EI.

REFERENCES


