

**INFLUENCES OF ROLE MODEL,
DESIRABILITY AND FEASIBILITY
FACTORS TOWARDS
ENTREPRENEURIAL INTENTION:
A STUDY AMONG UNDERGRADUATE
STUDENTS IN KOTA KINABALU**



SITI ASLINA BINTI ALBUMIN

UMS
UNIVERSITI MALAYSIA SABAH

**SCHOOL OF BUSINESS AND ECONOMICS
UNIVERSITI MALAYSIA SABAH
2007**

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DECLARATION

The materials in this thesis are original except for the quotations, excerpts, summaries and references, which have been duly acknowledged.

SITI ASLINA BINTI ALBUMIN
PS04-002(K)-119
13th JULY 2007



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ABSTRACT

In this research, the purpose of this study is to analyze the influences of role model, desirability and feasibility factors towards entrepreneurial intention among undergraduate students in Kota Kinabalu. This paper determines the factors of influences in activities that role models might engage in and how it influences the respondents. On the other hand, the perceived desirability and feasibility also play an important aspect in determining the entrepreneurial intention. This study will also look into how demographic factors such as gender, work experience and family background influence the relationship between influences of role model, desirability and feasibility with entrepreneurial intention. The results may be of interest to instructors, who teach entrepreneurship classes, business owners, and consultants, to know more about the significant of role model in influencing the student's career option. Perhaps more important, the results provide insight into desirability and feasibility factors such as attitude, social norms and self-efficacy among students which affect on their intention to pursue in the same career of his/her role model or to prefer another career.



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ABSTRAK

FAKTOR PENGARUH PERANAN INDIVIDU, KESUNGGUHAN DAN KEBOLEHLAKSANAAN TERHADAP KEINGINAN KERJAYA KEUSAHAWANAN DI KALANGAN PELAJAR-PELAJAR UNIVERSITI DAN KOLEJ DI KOTA KINABALU

Kajian ini bertujuan untuk mengenal pasti kesan faktor-faktor pengaruh peranan individu, kesungguhan dan kebolehlaksanaan terhadap keinginan kerjaya dalam bidang keusahawanan. Kajian ini dijalankan ke atas 189 peserta yang terdiri daripada pelajar-pelajar universiti dan kolej di Kota Kinabalu. Analisis yang dijalankan telah dengan mengkaji faktor pengaruh peranan individu terhadap pelajar dari segi keupayaan untuk membuat perkara yang sama dengan individu tersebut dan juga dari segi motivasi. Melalui analisa ini, terbukti bahawa faktor ini mempengaruhi keinginan pelajar dalam keinginan / niat mendalami keusahawanan. Selain itu, analisis juga dijalankan terhadap faktor-faktor dalam kesungguhan dan kebolehlaksanaan iaitu tingkah-laku atau sikap, kepercayaan sosial dan tahap keyakinan diri. Kajian ini menunjukkan terdapat hubungan yang positif di antara tingkah laku dan kepercayaan sosial para pelajar terhadap keinginan dalam bidang keusahawanan. Walau bagaimanapun dalam kajian ini tahap keyakinan diri masih lagi kurang memuaskan di kalangan para pelajar. Ini berkemungkinan disebabkan oleh faktor umur para pelajar yang masih muda dalam menilai sejauh mana keupayaan diri masing-masing dalam kemampuan menyelesaikan masalah dan berhadapan dengan konflik.



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CHAPTER 1

INTRODUCTION

1.1 Introduction

Taken from the previous research, role theory argues that role behavior is learned through socialization (Thomas & Biddle, 1966). It is also noted that socialization is concerned with the learning of behavior at various phases of the life cycle. Role model can directly influence an individual by actively involve in the learning experience. These activities may include advice and support, but may also involve co-participation in shared learning experiences. Role model behavior impacts both the perceived desirability and feasibility of the role for the individual (Krueger & Brazeal, 1994; Krueger, 2000; Krueger, Reilly & Carsrud, 2000).

Role models typically can be the family members, relatives, acquaintances, teachers, and successful entrepreneur. There are people who are influenced in occupying the business line because of the achievement and gaining that earned by the successful entrepreneurs, such as their financial improvement, more experience and getting the attraction of the society.

The decision of involving in business line up is always a challenge for an individual. There are people who are very courageous and dynamic to start a new venture. On the other hand, some of them need to be motivated or influenced by others. The strong influence generally will have a great impact on someone's eagerness to linking in the business world.

1.2 Rationale Of Study

The rationale of this study is to broaden the knowledge on factors that influence entrepreneurial intention. The university / college years are a crucial time for career-related decision-making. Students are faced with the need to choose an academic major as well as to develop career goals for the future (Guerra & Braungart-Rieker, 1999). Career indecision is often thought of as a developmental phase through which university / college students pass on the road to making a career choice (Gordon, 1998). Krumboltz asserts that career indecision is a consequence of unsatisfactory or insufficient opportunities for learning, including vicarious learning through role models (Krumboltz, 1981). The choice of role model involves factors such as similarity (e.g., same gender) and positive attributes of the model. Individuals are most likely to benefit from a supportive, high quality role model relationship. Benefits include greater readiness to make career decisions.

Hence this study is to extend the existing understanding of the influence of role models, desirability and feasibility on students' entrepreneurial intention.

1.3 Problem Statement

A role model influence is one of the keys to entrepreneurial intentions. This is overstated by the changing attitudes and beliefs of the role model. Role models could affect entrepreneurial intentions if they changed attitudes and beliefs of a persons' perceived ability to be successful in a new venture. What influences that really have an impact on student's career decision towards entrepreneurial intention? Who is the most significant role model for these students? Therefore the author of this research conduct this research to know more about the influences of role model as well as the desirability and feasibility factors towards entrepreneurial intention.

Since the rational of this study is to expand the fundamentals on factors that influence entrepreneurial intention among students, the major question of this study is as follows:

1. Is there any relationship between influences of role model and entrepreneurial intention?
2. Is there any relationship between desirability and feasibility and entrepreneurial intention?
3. Is there any relationship between demographic variables and entrepreneurial intention?

1.4 Research Objectives

There are three objectives of this research.

- i. To examine the relationship between entrepreneurial intention and influences of role model.
- ii. To examine the relationship between entrepreneurial intention and perceived desirability and feasibility among students.
- iii. To examine the relationship between entrepreneurial intentions, influences of role model, desirability and feasibility when moderated by demographic variables.

1.5 Scope Of Study

This research will be conducted among the respondent of undergraduate students who have been taking business course in several public and private universities/colleges in Kota Kinabalu Sabah, which are Universiti Malaysia Sabah (UMS), Universiti Teknologi Mara (UiTM), Polytechnic Kota Kinabalu (PKK), Universiti Tun Abdul Razak (UNITAR), INTI International University College, and Cosmopoint.

1.6 Significance Of Study

The significance of this study is to provide insight into differences in attitude, social norms, self efficacy and related influences of role model towards intention to be an entrepreneur. It will look specifically on the relative influence of role models on students. On the other hand, it will also give a better understanding of who is the most significant role model among undergraduates here in Kota Kinabalu.

1.7 Definition Of Key Variables

Definition of key variables will give the exact meaning of the terms that will be used throughout this research.

1.7.1 Entrepreneurial Intentions

In the present study, Krueger's (1993) stated that the definition of entrepreneurial intention to mean the commitment to start a new business. In the psychology literature, intentions are the single best predictor of planned behavior (Bagozzi et al. 1989). Another definition by Bird (1988, 1992) is intention as a state of mind that focuses a person's attention, experience, and behavior toward a specific object or method of behaving.

Alternatively, Krueger (2000) posited that intentions were a function of perceived desirability and feasibility of an act, and asserted that perceptions related to desirability are learned.

1.7.2 Influences of Role Model

Role models serve as someone whose life and activities contribute to learning role behavior (Basow & Howe, 1980). It is also noted that role models is a person who

provide an observational learning experience for the individual (Scott & Twomey, 1988; Scherer, Adams, Carley & Wiebe, 1989; Lent, Brown, & Hackett, 1994).

Social learning theory focuses on the learning that occurs within a social context. It considers that people learn from one another, including such concepts as observational learning, imitation, and modeling (Ormrod, J.E. 1999). This learning behavior can be described in the social learning theory (Albert Bandura) who is considered the leading proponent of this theory.

1.7.2.1 Ability To Replicate

Bandura (1977) explain that ability to replicate is the behavior that the model has just demonstrated which means the individual produces a behavior.

1.7.2.2 Motivation

Motivation refers to the rewards and punishments. Environment delivers a consequence (e.g., reward or punishment) that changes the probability the behavior will be emitted again. (Bandura, 1977).

1.7.3 Perceived Desirability

Refer to the degree to which he/she feels attraction for a given behavior (to become an entrepreneur) (Liñán, 2005).

1.7.3.1 Attitude

Attitude refers to the degree to which the individual holds a positive or negative personal valuation about being an entrepreneur (Ajzen, 2002, Kolvereid, 1996).

1.7.3.2 Social Norms

From Ajzen's Theory of Planned Behavior, social norms refer to the perceived social pressure to perform or not to perform the behavior. In particular, it would refer to the perception that reference people would approve of the decision to become an entrepreneur, or not (Ajzen, 2001).

1.7.4 Perceived Feasibility

Defined as the degree to which people consider themselves personally able to carry out certain behaviour. The presence of role models, mentors or partners would be a decisive element in establishing the individual's entrepreneurial feasibility level (Liñán, 2005).

1.7.4.1 Self-efficacy

Albert Bandura defines self-efficacy as an individual's perceived ability to execute some target behavior. It also stated that, self-efficacy is a strong driver of goal-oriented behavior (Baum and Locke, 2004, Bandura, 1997, 2000). Another definition of self-efficacy is as a person's belief in his or her capability to perform a task (Gist, 1987) influences the complex process of new venture creation. Yet, Chen et al. (1998) defined self-efficacy in the context of entrepreneurship as the strength of a person's belief that he or she is capable of successfully performing the various roles and tasks of entrepreneurship.

1.7.5 Demographic Variables

Demographic variables are derived from the common question used in the personal information of an individual.

1.7.5.1 Gender

Gender will categorized the sexual characteristics between male and female toward their opinion of the issue.

1.7.5.2 Work Experience

Work experience is the experience that a person has working in a specific field or occupation. It relates to work competencies gained in a workplace where the acquisition of skills, knowledge, application and attitudes is related to tasks, processes and the work environment.

1.7.5.3 Family Background

The aspect of family background includes the family income and parental education. The effect of family background on person's attitude towards entrepreneurship will reflects that those coming from an entrepreneurial background are more likely to view entrepreneurship more positively.

1.8 Organization Of Thesis

This thesis will comprises of four chapters, chapter one is the introduction that will explain about the problem statement, objectives of study, scope and significance of study and the definition of key variables, chapter two concerning on the literature review which will discuss about the previous research related to the topic being analyzed, chapter three will be the research methodology and framework, where the research framework and design will be clarified, as well as the sampling and instrument design, data collection method and data analysis methods, chapter four is the analysis of result and finally the discussion and conclusion including the limitations of this study.

LITERATURE REVIEW

2.1 Introduction

This literature review deals with the issues of entrepreneurship intentions by examining some of the issues of entrepreneurial intentions as they relate to influences of role model. The major elements involve are the relationship between dependent and independent variables. Those who choose to take up these opportunities in the form of improved productivity and increased markets can be seen as having an entrepreneurial intention.

2.2 Theoretical Background

The evolution of entrepreneurial intention models had started in the eighties and nineties, the six main models developed in this field are: The Entrepreneurial Event Model (Shapero, 1982), The Theory of Planned Behavior (Ajzen, 1991), Entrepreneurial Attitude Orientation (Robinson, Stimpson, Huefner, & Hunt, 1991), Intentional Basic Model (Krueger & Carsrud, 1993), Entrepreneurial Potential Model (Krueger & Brazeal, 1994) and Davidsson Model (Davidsson, 1995a, b).

There are many theoretical interest was devoted to this very consistent finding of entrepreneurial intention. Recently, however, it has been highlighted in contributions that take a social learning perspective on entrepreneurship (Boyd & Vozikis, 1994; Krueger, 1994; Krueger & Brazael, 1994; Scherer et al., 1989; 1991). This has led to an interest not only in the presence of role models, but also on the qualitative aspects. Scherer et al. (1989) found that inadequate presence of a role

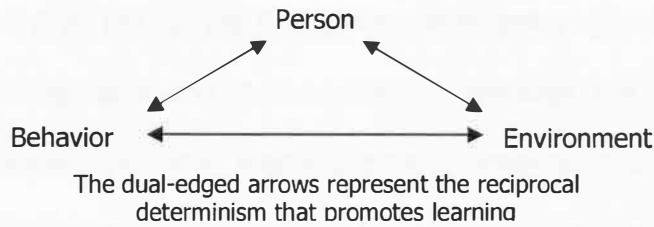
model, and the role models' perceived performance, had separate and additive positive effects on entrepreneurial preparedness and entrepreneurial career expectancy. Krueger (1993) found a positive relationship between perceived positive ness of the role model experience and perceived desirability of founding a firm.

2.3 Theoretical Framework

In this research the there are two construct that will be used to measure entrepreneurial intention. First is the influence of role model which is based on the social learning theory of Albert Bandura (1977). The general principles of social learning theory are:

1. People can learn by observing the behavior of others and the outcomes of those behaviors.
2. Learning can occur without a change in behavior. Behaviorists say that learning has to be represented by a permanent change in behaviour; in contrast social learning theorists say that because people can learn through observation alone, their learning may not necessarily be shown in their performance. Learning may or may not result in a behavior change.
3. Cognition plays a role in learning. Over the last 30 years social learning theory has become increasingly cognitive in its interpretation of human learning. Awareness and expectations of future reinforcements or punishments can have a major effect on the behaviors that people exhibit.
4. Social learning theory can be considered a bridge or a transition between behaviorist learning theories and cognitive learning theories.

Figure 2.1: Social Learning Theory (SLT)



Source : Bandura, A.(1977)

The second construct is the model based on Krueger and Brazeal's Model (1994) which will be used to measure the perceived desirability and feasibility. This model is one of the latest robust models that it is the combination of the two most relevant antecedent's models (Ajzen, 1991; Shapero, 1982). Krueger and Brazeal's model state that this construct embraces the two attractiveness components of the Theory of Planned Behavior: attitude toward the act and social norms as well as self efficacy.

Behavioral beliefs are assumed to influence attitudes toward the behavior. Each belief links the behavior to a certain outcome, which is already valued positively or negatively. Therefore, people automatically acquire an attitude toward the behavior. In this way, people form favorable attitudes toward behaviors believed to have desirable consequences and negative attitudes toward behaviors associated with undesirable consequences (Ajzen, 1991:191).

In the case of social norms, normative beliefs constitute their underlying determinants. Normative beliefs are concerned with the likelihood that important referent individuals or groups approve or disapprove of performing a given behavior (Ajzen, 1991:195). On the other hand, Shapero (1982) examines the concept of desirability using data on the family, peer groups, ethnic groups, and educational as well as professional contexts of potential entrepreneurs. These normative beliefs are weighted by the strength of the motivation to comply with them