

Chapter 16

Has Malaysia Grown a Unicorn? Examining Gen Z Entrepreneurship Intention and Its Propensity Factor

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ABSTRACT

The study aims to determine the mediation influence of self-efficacy towards the relationships between entrepreneurial network, social support, and Gen Z entrepreneurship intention. This study adapted the survey method using a questionnaire. The sample consisted of 400 Gen Z using a multi-stage sampling technique. The population of the study was Malaysian Gen Z, who live in the Central Region of Peninsular Malaysia. The data analysis method is divided into two parts, namely descriptive analysis and structural equation modeling (SEM). The study discovered that self-efficacy mediates the relationships between entrepreneurial network, social support, and Gen Z entrepreneurship intention. This study generates knowledge, ideas, and strategies for developing future entrepreneurial activities and programs. This study was significant due to its effort to understand the phenomenon of entrepreneurship on the psychological characteristics of those who want to start a business.

INTRODUCTION

Unicorn ventures embody a small but high-profile category of entrepreneurial ventures that have captured media attention. As a global phenomenon, they have left a significant mark on the business landscape as they exploit unique markets and technological opportunities (Bock & Hackober, 2020). Startup companies valued at US\$100 billion are known as Unicorns. This follows by US\$10 billion (decacorns) and US\$1 million (minicorns). Grab Malaysia has become the first decacorn in Southeast Asia. Currently, there are more unicorns in Western countries. This phenomenon is new for developing Malaysia, and many experts and some studies have found that Malaysia needs help to create and produce new unicorn ventures. Unicorns are hard to build in Malaysia for various reasons, such as our smaller population, a lower standard of living, and lack of funds and institutional support (Kotha et al., 2022). With the establishment of the MyDIGITAL blueprint, Malaysia aims to attract or grow five unicorns by 2030. This

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matter has urged this study to study the propensity factor that might motivate the younger generation to start a new business venture. With more entrepreneurs who pioneer new ideas and projects, they can provide more job opportunities to the community and reduce the country's unemployment rate.

Unemployment is a significant problem in Malaysia and even all over the world. According to the Department of Statistics Malaysia, the unemployment rate remained at 3.5 percent (%) in March 2023, with the number of unemployed at 588,700. In addition, the unemployment rate for youth aged 15 to 24 is 11.2%, recording 317,300 unemployed (Mahanum, 2023). Excellent academic achievement does not guarantee job opportunities for graduates. This is because the employer does not only consider the grade value; hence many employers are more interested in employing graduates who are seen to have the appropriate skills required to perform the task entrusted (Li, 2022). Introducing entrepreneurship education aims to expose and encourage Gen Z to become entrepreneurs (Soomro & Shah, 2022). Although entrepreneurial careers can offer career opportunities and generate a good income, many Gen Z wants to avoid trying this career for various reasons. Most graduates do not see entrepreneurship as a career, and most graduates are more comfortable being job seekers rather than creating job opportunities (Nungsari et al., 2023). Lack of self-confidence is one of the causes of the lack of involvement in entrepreneurship. Lack of entrepreneurial knowledge also causes the young generation to work under public and private companies or institutions (Setiawan et al., 2022). Therefore, the problems have urged this study to identify factors influencing Gen Z to venture into entrepreneurship. These identified factors can be used to improve current government strategies to contain the unemployment problem in Malaysia.

Entrepreneurship activities are essential in developing the country's economy and improving people's living standards (Kabir et al., 2023). Therefore, the involvement of young people in business is significant and positively affects the national economy. Entrepreneurship intention refers to an individual's thinking about planning, decision-making, and action toward becoming an entrepreneur (Tan et al., 2020). Among the main reasons individuals create a business are good opportunities, personal freedom, increased income, providing jobs for family members, and others. If an individual is thinking of starting a business, they have an idea to form a company by selling products or services already on the market. Most previous studies that research the issue of entrepreneurial inclination are based on the theory of planned behavior (TPB) by Ajzen (1991). This study refers to a theoretical framework of TPB and includes some variations. In the TPB, human behavior is guided by three variables: attitudes toward behavior, subjective norm, and perceived behavioral control (Azjen, 2020). Attitude toward behavior refers to the degree of individual assessment of the behavior (Azjen, 2020). In other words, individuals with a positive attitude toward entrepreneurship will be more likely to become social entrepreneurs.

In comparison, subjective norms are social pressures (e.g., family, peer, colleague, and mentor) to perform or not perform the behavior in question. Perceived behavioral control is the degree of individual control over the behavior that will be conducted (Azjen, 2020). For example, rules and regulations might hinder individuals from becoming social entrepreneurs. It was found that there is a relative importance between attitude, subjective norm, and perceived behavioral control in intention prediction (Saoula et al., 2023). Although many researchers have applied TPB widely, this study has suggested that more than the attitude factors, subjective norms and behavioral control expectations may be needed to explain individual intentions and actions fully. Therefore, additional constructs may be helpful if added to the model. Based on the limitations, other factors such as self-efficacy and entrepreneurial network may explain the Gen Z entrepreneurship intention.

Adopting the TPB, the primary purpose of this study was to identify the interrelationships among entrepreneurial networks, social norms, self-efficacy, and Gen Z entrepreneurship intention. Specifically,

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