The formation of entrepreneurial intentions: Study in young people in Vietnam

Luu Van Hieu

Abstract: This study aims to determine the extent to which various factors influence the entrepreneurial intentions of young people in Hanoi, based on 372 survey responses. The study also examined factors such as initial capital and self-confidence, finding that they do not significantly impact entrepreneurial intentions. One of the significant factors identified is the influence of startup experience. Additionally, institutional support plays a significant role in shaping the entrepreneurial intentions of young individuals in Hanoi. The study's results highlight key policy implications for both policymakers and educational institutions.

Keywords: entrepreneurial intention, self-confidence, experience in entrepreneurship, institutional support, educational environment, source capital

1. Introduction

The spirit of entrepreneurship, also known as start-up, is the driving force behind the economic growth of a country, as well as a global trend. Inevitably. (Hussin & Aziz, 2021) research indicates that microfinance was the strongest predictor of poverty alleviation in Malaysia. Vietnam is greatly influenced by this tendency, and its atmosphere is becoming increasingly popular in Vietnam.

Entrepreneurship plays an essential role in creative activities, economic development, and job creation for the labor force (Moica et al., 2012). Over 90% of assets and 34 million jobs were created by new enterprises in the 1980s and 1990s (Timmons et al., 2004). According to the source from the Vietnam Chamber of Commerce and Industry (VCCI), the contribution of new enterprises, especially medium and small enterprises, accounted for nearly 50% of the GDP and attracted approximately 90% of new laborers. We can see that promoting start-up activity is an effective solution to dealing with the employment issue, which activates the economy, reduces the unemployment rate, and contributes the tax to the government. As a result, the field of entrepreneurship is being widely paid more attention by researchers, especially studies on the factors affecting the start-up intention of an individual. In Vietnam, the government has also recognized the importance of entrepreneurship orientation for students and young people. It was 2016 that was selected to be “the Year of Start-up Nation”. It has created a convenient environment to assist enterprises in starting up.

In Vietnam, there have been many studies on the factors affecting entrepreneurial intention. However, most of these studies were the objectives of students, which focused on factors such as their attitudes, educational programs, experience, and aspirations. These approaches are still controversial and not consistent with the research results.

One phenomenon that can be easily seen in the entrepreneurial process consists of many elements and classes in society. The group of young people has numerous ideas. However, the way to put their ideas into models to produce and start a business in real life is a long process. Typically, they lack experience, source capital, and skills in the management of enterprises and finance. Therefore, the research team decided to approach it in another way. Namely, the object of the study focused on young people. On the other hand, we want to determine completely different influential factors: assert yourself, take more responsibility, and have self-confidence.

The results after analysis of the study serve as a basis for proposing some recommendations to stakeholders to provide legal institutions, appropriate support methods, and effective training activities. Additionally, it will effectively arouse the entrepreneurial intention of young people in the Hanoi area.

2. Review of Literature and Hypothesis Development

2.1. Entrepreneurial
In Webster’s Dictionary, entrepreneurship is defined as an organizer or a business manager, especially business projects that have many risks and uncertainties. According to Bird (1988), an entrepreneur is a person who starts a new business. Understanding one’s surroundings can assist an entrepreneur in becoming imaginative and sparking new ideas, allowing entrepreneurs to seize opportunities that arise in their environment (Krueger & Carsrud, 1993). According to MacMillan and Katz (1992), an entrepreneur is a person who earns money by starting or managing a risky business (Krueger & Carsrud, 1993). In addition, entrepreneurs are those who build and develop their businesses. They are active in economic activities, adapting to the changes in techniques and creating an innovative culture in the company. In addition, individuals desire self-employment because they recognize that starting up is an appropriate choice and the path to attain ideas, goals, and personal achievements (Barringer et al., 2005). According to Wagner and Kuckertz (2009), entrepreneurial intention stems from how entrepreneurs recognize an opportunity, take advantage of the human resources available, and support the environment to create their own business.

Entrepreneurial intention is often attached to determination, ambition, and aspiration (Zain et al., 2010). Individuals who have the potential to become businessmen will never start a business without prior planning (Ismail et al., 2009). Many scholars have supposed that entrepreneurship is a process to exploit and obtain opportunities for looking for profits. With this meaning, entrepreneurship is a three-step cycle, looking for opportunities, discovering opportunities, and exploiting opportunities. According to Austin et al. (Austin et al., 2006), entrepreneurship takes advantage of business opportunities to make money by initiating innovative modes of operation in an environment constrained by limited resources. Entrepreneurial bias research indicates that entrepreneurs differ from other people in terms of internal personality traits and cognitive psychological processes (Fayolle & Liñán, 2014).

Thus, the entrepreneur is an individual who starts a new business with a mindset and bravery. These factors play a vital role in shaping a person’s business behavior.

2.2. Entrepreneurial Intention

Entrepreneurial intention leads to pursuing an entrepreneurial project or the establishment of a new business venture that is controlled by the self-interest of people. It refers to a self-acknowledged conviction that they intend to set up a new business venture and consciously plan to do so in the future. It is considered to be essential in starting a new journey into entrepreneurial operations. Research by (Kautonen et al., 2015) recognized that desire, self-prediction, and behavioral intentions are key factors in measuring an individual’s interest in entrepreneurial projects. Entrepreneurial intent leading to the pursuit of an entrepreneurial project or environment builds a new enterprise controlled by people’s self-interest. It refers to a self-admitted belief that they intend to establish a new business and consciously plan to do so in the future. Entrepreneurial intention has become a vibrant field in entrepreneurship research. It is an effective way to create the desire of people to carry out something productive and to execute new ventures (Soomro et al., 2019).

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2.3. Capital source and entrepreneurial intention

In any startup field, capital is an important factor contributing to the realization of the business ideas of individuals. (Zain et al., 2010) built a model of factors affecting students’ entrepreneurial intention, including the factor of capital, and the results show the positive influence of capital on the intention for entrepreneurship.

The research result of Nguyen (2012) indicates that four factors affect the entrepreneurial intention of university students, and the degree of these factors’ impact decreases gradually in the following orders: ambition perception, conditions of market and finance, feasibility perception, and educational environment in the university. Meanwhile, most young entrepreneurs use the sponsorship of parents, relatives, and friends in the early stages of starting a business (Quan, 2007). The capital source has a significant impact on entrepreneurship (Phan, 2015). The research also reveals that the entrepreneurial intention of students at universities and colleges has a positive relationship and is significantly affected by capital source and perceived behavioral control (NGO et al., 2022). The authors recommend hypothesis H1 as follows:

Hypothesis 1 (H1). Capital source positively affects entrepreneurial intention.

2.4. Experience and intention of entrepreneurship

Earlier experiences of entrepreneurship affect an individual’s entrepreneurial ideas (Krueger and Carsrud, 1993). Research also indicates that earlier experiences positively connect with self-esteem and attitude toward entrepreneurship (Basu & Virick, 2008). It was indicated that entrepreneurs are more likely to have parents who have their own businesses (Greve & Salaff, 2003). In Malaysia, students’ experience has a positive impact on entrepreneurial intention and has a similar result as the influence of experience on start-up intention (Rasli, 2013). In 10 universities in China, the factor of “feasibility perception” has no influence, while the other three factors, such as desire perception, experience, and education on...
entrepreneurship, have positive impacts on entrepreneurial intention (Zhang et al., 2014). The following hypothesis is proposed.

Hypothesis 2 (H2). Entrepreneurial experience positively affects entrepreneurial intention

2.5. Self-confidence and entrepreneurial intention

This indicates that self-efficacy, personality traits, and attitudes have a positive impact on entrepreneurial intention (Cheng & Liao, 2020). Therefore, we determine that confidence will affect a person's behavior. The results show that self-efficacy, self-personality and self-confidence influence entrepreneurial intention (HhhGaraika et al., 2019).

Stated that entrepreneurial attitudes predict entrepreneurial intentions that lead to individual behavior. (MacMillan & Katz, 1992). An empirical study in the entrepreneurial literature has found that entrepreneurs have higher self-confidence than nonentrepreneurs (Ferreira et al., 2012). Ho and Koh (1992) argued that self-confidence is a needed entrepreneurship characteristic and that self-confidence is related to other psychological characteristics. Empirical studies in the entrepreneurial literature have found that entrepreneurs have higher self-confidence than nonentrepreneurs (Ferreira et al., 2012).

If someone wants to start a successful business, they cannot lack faith or confidence in themselves. Therefore, hypothesis H3 is as follows:

Hypothesis 3 (H3). Self-confidence positively affects entrepreneurial intention

2.6. Institutional support and entrepreneurial intention

Peer influence and institutional support also encourage people to fulfill their professional desires and to make efforts to attain their goals. Institutional support encourages young people to become entrepreneurs. Institutional support connects to entrepreneurial intention by arranging workshops and seminars to improve skills and to encourage networking and awareness (Shahzad et al., 2021).

Research has agreed that government policies on legislation are a crucial factor affecting entrepreneurial intention (Stephen et al., 2005). Through the above findings, we can see that if a country has its institutions and policies to encourage, then it will have many new business models in all fields. On that basis, hypothesis H4 is as follows:

Hypothesis 4 (H4). Institutional support positively affects entrepreneurial intention

2.7. Educational environment and entrepreneurial intention

There is some research that has affirmed that the educational environment has a positive impact on the entrepreneurial intention of university students (Vojak et al., 2006). Education will help students be equipped with the necessary knowledge, skills, and attitudes to pursue a business career (Keat et al., 2011)). Taking part in training programs for entrepreneurship contributes significantly to shaping and developing students' entrepreneurial intentions (Koe, 2016).

Additionally, the educational environment has been confirmed to have a positive influence on students' entrepreneurial intention in many studies (Chau & Huynh, 2020). The results of SEM analysis show that there are five of the main factors affecting students' entrepreneurial intention with decreasing levels of importance, including the source of capital, perceived behavioral control, business development support, entrepreneurial attitude, and educational support. Additionally, the results indicate that subjective norms, personality traits, and concept development support have no impact on students' intention toward entrepreneurship (NGO et al., 2022). The results of the survey showed that educational and structural support factors affect the entrepreneurial intention of students (Wagner & Kuckertz, 2009)

The results indicate that what has been offered is the most necessary demand in entrepreneurship education, such as lectures and seminars. However, networking and coaching activities are expected more by the students. Participation in entrepreneurship education has a positive impact on entrepreneurial intentions (Küttim et al., 2014). According to the research results, the demand for independence is a key factor in the entrepreneurial intention of future engineers and confirms a positive contribution to entrepreneurship education (Barba-Sánchez & Atienza-Sahuquillo, 2018). The paper clearly shows that relational and educational support are two important factors that can influence the entrepreneurial intention of university students (Gelaidan & Abdullateef, 2017). Therefore, hypothesis H5 is as follows:

Hypothesis 5 (H5). Educational environment positively affects entrepreneurial intention.

3. Methodology

The study utilized qualitative methods. A survey questionnaire comprised in-depth interviews with 2 lecturers studying entrepreneurship and 2 entrepreneurs to determine the reasonableness of the scale, as well as their views on the factors affecting "the entrepreneurial intention of young people in Hanoi City. After that, the research sample was conducted within
24 days and collected 454 votes, of which 372 valid votes met the minimum sample size requirement. The outcome was 5 times greater than the observed variables (Heath & Corney, 1973).

Table 1 Characteristics of the survey sample.

<table>
<thead>
<tr>
<th>Information</th>
<th>Percent (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic level</td>
<td></td>
</tr>
<tr>
<td>College</td>
<td>8.4</td>
</tr>
<tr>
<td>University</td>
<td>51.5</td>
</tr>
<tr>
<td>Postgraduate education</td>
<td>40.1</td>
</tr>
<tr>
<td>Planned business sector</td>
<td></td>
</tr>
<tr>
<td>Manufacturing</td>
<td>10.2</td>
</tr>
<tr>
<td>Commercial services</td>
<td>53.9</td>
</tr>
<tr>
<td>Others</td>
<td>35.9</td>
</tr>
<tr>
<td>Gender</td>
<td></td>
</tr>
<tr>
<td>Male</td>
<td>34.7</td>
</tr>
<tr>
<td>Female</td>
<td>65.3</td>
</tr>
</tbody>
</table>

Statistical results on the characteristics of the research sample are shown in Table 1. We see that the university education level is 51.1%, accounting for the highest percentage, followed by the graduate level at 40.1%, proving that young people today have a high level of education, knowledge, and good thinking. The percentage of the planned business sector and commercial service industry is 53.9%, accounting for the highest proportion and proving that today’s young people are active and creative. They keep pace with the tendency of the market economy and the commercialization of services.

For EFA exploratory factor analysis, observed variables were included in the analysis to check the unidirectionality and suitability of the scale. The results of the EFA analysis show that the observed variables converge to the correct original scale with the factor loading coefficients of the variables ranging from 0.694 to 0.861. According to Hair et al. (1998), factor loading (factor weight) is an indicator to ensure the practical significance level of EFA: factor loading > 0.4 is considered important, and reliability > 0.5 is considered to be of practical significance. Therefore, the scale meets the requirement for further analysis.

4. Results and Discussions

According to (Cuieford, 1965), the coefficient α is between 0.70 and 0.90, which is an acceptable range, and greater than 0.90 is a very reliable range.

According to Table 2, we see that the entrepreneurial variable has a Cronbach’s alpha value of 0.881, entrepreneurial experience is 0.864, institutional support is 0.821, both reliability > 0.07, and educational environment is 0.884, so the reliability is within the acceptable range. In addition, the self-confidence variable has a value of 0.931, so the confidence level is very high (with the capital variable there is only 1 variable, so it is not suitable to run the reliability.

The conclusions section serves as the culmination of the research findings and provides a concise summary of the key outcomes and implications of the study. In this section, the researchers present their final thoughts and insights based on the analysis and interpretation of the data. It is an opportunity to address the research objectives and hypotheses and determine whether they were supported or contradicted by the findings. The conclusions should be supported by evidence from the results and discussion sections, highlighting the significance and novelty of the research outcomes. Additionally, this section may also discuss the limitations of the study and suggest potential areas for future research. The “Conclusions” section aims to tie together all the threads of the research and provide a clear and coherent summary of the main findings, ultimately contributing to the broader understanding of the research field and potentially influencing future scientific endeavors.

Table 2 Cronbach’s alpha’s research scale and reliability.

<table>
<thead>
<tr>
<th>No.</th>
<th>Observed variables</th>
<th>Cronbach’s Alpha</th>
<th>Source</th>
</tr>
</thead>
<tbody>
<tr>
<td>CS 1</td>
<td>I can easily raise capital to start a business</td>
<td>0.768</td>
<td>(Keat, Selvarajah, and Meyer 2011),</td>
</tr>
<tr>
<td></td>
<td>I can borrow money from friends and relatives to start a business</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>I can raise capital from other sources such as banks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC1</td>
<td>I have the ability to identify the opportunities to start a business</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SC2</td>
<td>I have the ability to develop viable business models</td>
<td></td>
<td></td>
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5. Research hypothesis results

To test the hypotheses about the factors affecting entrepreneurial intention, regression analysis was performed using SPSS 22 software.

Table 3 Regression analysis results.

<table>
<thead>
<tr>
<th>Coefficients</th>
<th>Standardized Coefficient (Beta)</th>
<th>Sig</th>
</tr>
</thead>
<tbody>
<tr>
<td>Self-Confidence (SC)</td>
<td>0.050</td>
<td>0.027</td>
</tr>
<tr>
<td>Institutional support (IS)</td>
<td>0.233**</td>
<td>0.001</td>
</tr>
<tr>
<td>Experience in entrepreneurship (EE)</td>
<td>0.673***</td>
<td>0.000</td>
</tr>
<tr>
<td>Capital source (CS)</td>
<td>-0.081</td>
<td>0.157</td>
</tr>
<tr>
<td>Educational environment</td>
<td>0.083</td>
<td>0.695</td>
</tr>
<tr>
<td>R</td>
<td>0.861</td>
<td></td>
</tr>
<tr>
<td>R correction</td>
<td>0.741</td>
<td></td>
</tr>
<tr>
<td>F</td>
<td>65.132</td>
<td></td>
</tr>
</tbody>
</table>

Dependent Variable: Entrepreneurial intention (EI). **. Significant at p<.01, two-tailed.

Thus, the regression model has the following formula: \( EI = 0.233 \times IS + 0.673 \times EE + 0.027 \times SC \)
According to Table 3, we see that the capital source factor (β4 = -0.81, p value >0.01) has no impact on the intention to start a business. In addition, the entrepreneurial factor has the strongest impact on the intention to start a business (β4 = 0.673, p value < 0.001). Next is the support factor from institutional support (β4 = 0.233, p value < 0.05). Finally, the self-confidence factor (β4 = 0.050, p value < 0.001).

Therefore, H1 and H5 are not accepted, while H2, H3, and H4 are accepted.

6. Discussions

According to the results in Table 3, the capital source factor does not affect entrepreneurial intention. This result is different from previous studies (Quan, 2007; Thao et al., 2022; Zain et al., 2010) built a model of factors affecting students' entrepreneurial intention, such as the factor of capital. Also, the results show its positive influence on the intention for entrepreneurship. The research of Nguyen (2012) and Phan (2015) have shown the same results.

For young people in Hanoi city, financial problems are not a primary concern for starting a new business because there have been many successful entrepreneurs who have got it only by a little capital source. The thing that decided our entrepreneurship is that we have had a business model already that must be feasible and significantly breakthrough. In addition, young people can now raise capital from risky investment funds.

The results also show that self-confidence has an impact on entrepreneurial intention. This finding coincides with previous studies (Cheng & Liao, 2020; HhhGaraika et al., 2019; NGO et al. 2022; Ho, 1992). According to the statistics, most young people in Hanoi have a high level of education, which means they understand the market and know how to achieve it. They have cultivated the necessary knowledge and skills through the courses related to business or entrepreneurship, so they have already had basic criteria such as knowledge, qualifications, and understanding of the market at a basic level to meet the challenges.

According to the results in Table 3, experience has the strongest impact on entrepreneurial intention. This result is consistent with previous studies (Greve & Salaff, 2003). It shows that when you want to be self-employed, previous experiences must be necessary such as a part-time job, business failure, or family with relatives or parents who own a business or entrepreneurs, which will directly affect the entrepreneurial intention of young people in Hanoi City.

Institutional support has an important impact on entrepreneurial intentions as well. The results are consistent with the study of (Zain et al., 2010) We see that government policies for entrepreneurship, including legislation, mechanisms, policies, and government assistance. They are all factors affecting entrepreneurial intentions significantly.

According to the results in Table 3, the educational environment factor does not affect entrepreneurial intention. This result is different from previous studies (Vojak et al., 2006; Keat et al., 2011; Wagner & Kuckertz, 2009).

In general, entrepreneurship education programs are not systematic in Vietnam. That is because there are several pieces of evidence, which affect students' entrepreneurial intentions. For example, their knowledge is not deep enough, and there is not a variety of monographs on startups. Meanwhile, successful entrepreneurship depends mainly on the support of the government and other investment organizations. It seems that practical experience and creative startup competitions will be ideal places for ideas to be shown and actualized.

7. Conclusions

In this study, the authors investigated and evaluated the factors affecting the entrepreneurial intention of young people in Hanoi. The results of the study have suggested and contributed to policies to promote the entrepreneurship movement as follows:

First, the current problem is that Vietnam lacks entrepreneurial support policies from stakeholders and especially lacks solutions to create an entrepreneurship culture for young people. Therefore, it is necessary to have basic and synchronous solutions to connecting education with business and start-up activities.

Second, develop a standard program of education and training on entrepreneurship right from high school to help young people shape the spirit of entrepreneurship right from the time they are in school. At the same time, the education system needs to adjust to high applicability in the direction of linking reality with theory, linking education and training with practical activities to gain self-control and promote an entrepreneurship culture for every learner.

Third, at higher education institutions, it is necessary to introduce programs and short-term courses on entrepreneurship into the teaching process. Therefore, students can acquire knowledge of business administration, marketing, and necessary skills, such as leadership skills, communication skills, and financial management skills. These are essential skills for a successful entrepreneur. It is also crucial to organize competitions for entrepreneurship and creativity for students to challenge themselves and promote their own ideas.

Fourth, the government and ministries need to enhance the spirit of entrepreneurship and respect entrepreneurs. No one else, it is young people and students with the desire to become entrepreneurs who will help the country develop more.

In addition, the focus on communication and raising awareness of all levels and sectors, especially young people and students, is important. In this step, the role of local authorities and business associations in communication is to popularize
and promote start-up activities and create a strong motivation to encourage young people to be interested in business and development in the entrepreneurship movement.

The government needs to have reasonable support policies such as taxes, invest in many industrial parks, and open commercial centers to create good infrastructure for young people to develop business models. In addition, it is also necessary to have an open and uncomplicated mechanism for procedures of business registration and license and related laws, creating motivation for young people to promote the spirit of entrepreneurship. It is also necessary to establish entrepreneurial clubs with the presence of successful entrepreneurs. Therefore, people all over the world can learn and exchange experiences in entrepreneurship. They will share experiences and challenges on the way to success. Moreover, more investment funds from large corporations and nongovernmental organizations are needed to support the youth's desires. In doing so, start-up activities will take place in a sustainable and continuous way.

However, the study also has limitations. The sample size is insufficient for generalization and evaluation, and certain factors have not been thoroughly analyzed. These areas will be the focus of the authors' future research.

**Ethical considerations**

The study correctly followed the ethical policies for all the questionnaire respondents involved.

**Conflict of Interest**

The authors declare no conflicts of interest.

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