



Entrepreneur Intentions to Eliminate Youth Unemployment: A Structural Equation Modeling

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The word of Entrepreneurship is like Self-employment and it is positively the instrument of economic development. An entrepreneur creates job opportunities in the market and supports eradicating the youth unemployment rate. The improvement of Entrepreneurship is initiated from enlargement of intention so that the key idea of the study is to examine the intentions of university students of Daffodil International University while setting up their new professional. To attain this determination, Ajzen's theory of Planned Behavior has been applied to test. In the study data was obtained through an online survey questionnaire from the same university have participated where the convenience-sampling technique has applied to get responses from 205 participants. Data analysis was conducted for the model through AMOS to test for structural equation model (SEM) and SPSS to apply descriptive statistics. The output of the overall model showed that Ajzen's theory is highly valuable for this study statistically significant. Recommendations for a comparative study between private and public universities in further to understand the overall perspective of Bangladeshi university students perception.

Key words: *Youth unemployment, Entrepreneurial intentions, Ajzen theory*

Introduction

Today's world is struggling for financial stability to get continuous growth for modern economic development. However, the vulnerable economic process has become more youth unemployment rises. Although, business enterprises are acknowledged offering tactics to help where problems are facing. Accordingly, entrepreneurship could demonstrate as the best way to eradicate youth unemployment, by contributing to innovative creativity based on business needs and cope up by economic downturns. At the looking for a developing country of



Bangladesh were facing challenges to utilizing the youth knowledge shortly to harmonize a quite good number of a young graduate.

Nowadays, the entrepreneurship volume concludes the competitiveness of an organization the vital competencies at the individual level to develop for becoming an entrepreneur. Where competency is that enable the fresh graduates to become an entrepreneur. It would be suitable for any graduate dedicated to entrepreneurship and it also is valuable for any educational institution loyal to develop entrepreneurship competencies between students (Robles & Zárraga-Rodríguez, 2015). The modern world is becoming more competitive and more challenging ever in the job markets were one of the most vital roles of seeking an experienced person before entering into any sector of job. Therefore, there is very little scope and space for the young fresh graduates towards getting a job. But there is a chance during an internship for the fresh graduate which is a huge scarcity due to several graduates, but the most vital 'debates' that exist in the field of Entrepreneurship today (Study et al., 2017).

At the same time, another challenge of the promising microfinance most debate on has emphasized the existence of a self-reinforcing design of contributions how to receive in the early days of a movement to accelerate its success (Colombo et al., 2015). Normally, human being works for a guaranteed wage or operate a firm that unsafe return depends on business proficiency, but after socially learned within the family or outside the family like an occupation different from the one they were in before. A collective productivity surprise can slope developing economy towards growth led by recognized businesses in the early industrialized into the developed country (Chakraborty et al., 2016).

The workplace is moving a fundamental change that jobs are disappearing by such as computers and robots taking over human tasks. Today's it is challenging the jobs that continue are changing drastically a new foundation of information and communication stations. Achievement shortly is for the young generation and individuals and even for countries as a whole that will depend on the ability to bring innovative solutions to new and unexpected problems (Schmidt et al., 2016). However, young graduates must learn to think and to act more creatively. There is a problem and unfortunately, existing, the education systems are not standing up designed to help students be independent as creative thinkers. Therefore, creating a job better than doing a job, which will contribute to the country's economy and persons itself would be self-reliant. Developing countries are becoming more jobs less than developed countries due to creative thinks and act globally on demands because of countries facilities and infrastructure. Where developing country one of the major issues is micro-credit facilities behind big difficulties. In a developing country, fresh graduates are thinking of entering a job more reliable and safe than to be entrepreneurship. Most of them are thinking to start a small business required finance, experience, and unsafe, but It's also a pretty hard-time to be a fresh graduate seeking to enter the job market, but what closely is the



nature a problem facing maximum young people trying to find employment or few are facing to be an entrepreneur's (O'Higgins, 2015).

Scope

The study aims to the submission of Ajzen Theory on youth unemployment from the perspective of entrepreneur intentions of Daffodil International University in Bangladesh.

Objectives

The objectives of this study are to enhance value for research work in the area of entrepreneur intentions through analyzing youth students for creating a new business proposal. However, this study also pursues to identify structural relationships that have a statistically significant impact on students to become an entrepreneur.

Problem Statement

The study endeavor to observe the Theory of Ajzen whether could be convenient in influencing students' choices for the opening of a new business.

Research Questions

- a. Do Ajzen Theory perspectives have a positive impact on the entrepreneur intentions of students?
- b. How do the entrepreneur intentions affect students to eradicate youth unemployment?

Literature Review

The concept of entrepreneurship is a process of outcomes in the foundation of new ventures which is creating such elements that initiative be an entrepreneur (Shah et al., 2015). Entrepreneurship does create a lot of encouraging economic and social spillovers, yet for the policymakers, civil society, corporate leaders, and entrepreneurs themselves can correctly set the perspective for effective economic development is to separate legend from reality and shake free from misconceptions that exist in society as a whole (Isenberg, 2014). Sustainable Entrepreneurship positions for a business determine the concept of sustainability which motivations on cumulative both social and business value that called Shared Value (Gunilla, 2014). However, following in this section has elaborated on Ajzen Theory, entrepreneur intentions, and youth unemployment through subsections is accordingly.



Ajzen Theory

In the theory of Ajzen, there are three sets of appropriate control for attitudes, subjective norms, and perceived behavioral control have shown of salient behavioral, normative, and control beliefs about the behavior (Ajzen, 1991). Subsequently, the following norms have elaborated in the perspective of the university student's intentions accordingly.

Personal Attitude

In Ajzen's theory, the first variable is a personal attitude that has indicated to individually certain perception either positive or negative to be an entrepreneur behavior and it is an invention of intentions based on attitude (Staniewski & Awruk, 2016). Personal attitude toward entrepreneurship has a positive and significant impact on entrepreneur intention (Botsaris & Vamvaka, 2016). Most of the students have positively focused to become an entrepreneur during their studies, although some of them have a positive focus on the service market.

Therefore, attitude varies from person to person where the family financial position or family business encouraged to become entrepreneur intentions high than those who are outside of these two portions. It depends on financial availability from the financial institutions how they invest in youth and fresh graduates.

Subjective Norm

In Ajzen's theory, the second point is the subjective norm, where an individual can encourage by his or her friend or family business to become an entrepreneur (Hui-Chen et al., 2014; Kibler, 2013). However, students are considered entrepreneurs shortly that is a good intention among them. Nevertheless, it is depending on the social standards that vary from country to country, such as developed country's students have more intentions to become an entrepreneur than a developing country. Moreover, developed country student norm has more positive to become entrepreneur, where ultimately youth unemployment rate to eradicate significantly.

Therefore, past studies have to examine the influence of regional factors on the establishment of entrepreneurial intentions within the theory of subject norm (Kibler, 2013). However, the standard of society has an impact on entrepreneur intentions directly.

Perceived Behavioral Control

The third point of Ajzen's theory is perceived behavioral control that depends on individual perception to enter the business plan (Ajzen, 1991). However, perceived control has ended

the performance of behavior by comprised of divisible components that reflect philosophies about self-efficacy and controllability (Ajzen, 1991, 2002). Perceived behavior control is indicated to encourage perceptions of control complete independent contributions to the prediction of intentions and intentions self-possessed with perceived control predicted significantly (de Leeuw et al., 2015). Therefore, it is very important to any individual decision for crucial to the basis of own behavior to start up business and that would be easy near future to become an entrepreneur.

Entrepreneur Intentions

The entrepreneurial intention has played a key role in entrepreneurship academia and practice for the young generation to motivate creating an innovative thing (Tran & Von Korfflesch, 2018). Entrepreneurship is a significant relationship to reduce youth unemployment, which has positively indicated on the country's economy.

Therefore, the entrepreneur's intentions to become a social contribution that mitigates the financial problem by motives of early-stage entrepreneur's changes between crisis and non-crisis periods (Giotopoulos et al., 2017). However, inspiration and the ability to adjust one's knowledge thought, and behavior to achieve entrepreneurial goals and tasks have recently been characterized as entrepreneurial directives (Pihie & Bagheri, 2018). Moreover, entrepreneur intentions have been linked significantly to eradicating of youth unemployment to the success of entrepreneurship education programs (Buana et al., 2017).

Youth Unemployment

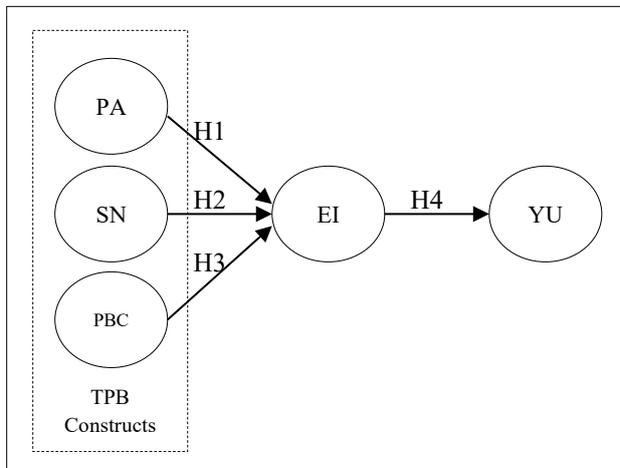
The youth unemployment rate is increasing globally because of the global financial crisis, which has an impact on investing money in the new industry encountered facing by young people entering the labor market and finding permanent employment (Oesingmann, 2017). Youth unemployment is a present social problem in many societies. However, youths often have limited access to information about jobs and limited social influence (Hällsten et al., 2017). Therefore, it is very much important for the young generation to focus on becoming an entrepreneur and think of creativity that the unemployment rate will reduce.

Empirical Literature Review

The theory of planned behavior (TPB) is broadly used to measure entrepreneurial intentions (Alexander & Honig, 2016). The TPB is a valuable tool in understanding entrepreneurial intentions for the majority of students who intend to start a business in the future (Malabana & Swanepoel, 2019). The attitude, subjective norm, and perceived behavioral control towards becoming an entrepreneur that eradicates youth unemployment by entrepreneurial intentions (Botsaris & Vamvaka, 2016; Malabana & Swanepoel, 2019; Tran & Von Korfflesch, 2018).

Therefore, the above discussions have reviewed that Ajzen's theory supported eradication by mediating the role of entrepreneur intention, and the following conceptual framework displayed hypothetically association between them. However, Ajzen's theory of TPB has three constructs hypothetically supported on entrepreneur intentions, and entrepreneur intentions also supported positively toward to eradicate youth unemployment. Therefore, hypotheses are required to test the structural equation model to the following conceptual framework.

Figure 1: Conceptual framework



Methodology

The entire research is conducted for the method of philosophy for positivism by quantitative study method is followed. The following sub-sections have elaborated for designing of research, sampling, target population and respondent, and data execution process.

Designing of Research

In this research, the quantitative method is conducted to get the output from surveyed data collection. Covariance based-structural equation model (CB-SEM) is to examine to analyze for justifying the literature (Mia et al., 2019) to test the theory rather than to develop the theory (J.F. Hair et al., 2010) of dependent constructs by predict variables (Iqbal & Mia, 2021).

The technique of Sampling, Population, and Respondent

The sampling technique has used convenience in the area of educational institutions of Dhaka Bangladesh. However, the target population was selected students of Daffodil International

University having with business, IT, and engineering departments. Subsequently, the target respondent is a student from the mentioned departments accordingly.

Data Execution Process

Data execution was followed by an online survey of 205 samples were recognized with screening and error checking for the data analysis. However, data is required to conduct any SEM analysis before ensuring exploratory factor analysis (EFA) is done (Joe F. Hair et al., 2017). Moreover, EFA has ensured the strength of questionnaires measurement by factors loading with the minimum required of each factor should >0.05 (Iqbal & Mia, 2021) then measurement variable is reliable for confirmatory factor analysis (CFA) to path model analysis (J.F. Hair et al., 2010; Joe F. Hair et al., 2017).

Data Analysis

Data analysis is an important phase that justifying the literatures to finds the predicting variables influenced on endogenous variables (Iqbal & Mia, 2021; Rahman & Mia, 2020). In this following section, empirical data has executed with different tests are corresponding to get the answer of literature to test through empirically of below sub-section accordingly.

Descriptive Analysis

The following table has displayed respondents' profiles for gender, age, and study level that execution of gathered surveyed sample.

Table 1: Cross-tabulation between Gender, Age, and Degree

Gender	Age			Total
	18-24	25-29	30-35	
Male	84	20	6	110
Female	88	6	1	95
Total	172	26	7	205

	Degree studying			Total
	Business	IT	Engineering	
Male	98	8	4	110
Female	87	3	5	95
Total	185	11	9	205

Source: Empirical outputs by SPSS

Therefore, the above table has displayed the highest number of respondents at age 18-24 where degree-studying students have contributed a good number than others.

Reliability and Exploratory Factor Analysis (EFA)

Reliability is the accuracy of measurement for the quantitative analysis to measure the items of the survey questionnaire through Cronbach's Alpha (α) (Cho & Kim, 2015). However, α is showing the strength of survey items by desirable values of 0.70 is just acceptable, 0.80 is good, and 0.90 is excellent (Cho & Kim, 2015; J.Reynaldo A. Santos, 1999). Nevertheless, exploratory factor analysis tells us the data interrelated measures and EFA desirable value should be above 0.50 for each item then factor loadings are ready to conduct CFA analysis (Solutions, 2016; Suhr, 2006). However, the following table has displayed Cronbach's alpha and EFA results that have executed and tested results have shown above cut-off point, which is allowing for the further test.

Table 2: Cronbach's Alpha (α) and Factor Loadings

	PA	SN	PBC	EI	YU
Q4a	.78				
Q4b	.81				
Q4c	.80				
Q4d	.70				
Q5a		.85			
Q5b		.83			
Q5c		.84			
Q6a			.74		
Q6b			.81		
Q6c			.80		
Q6d			.67		
Q7a				.82	
Q7b				.86	
Q7c				.80	
Q7d				.74	
Q8a					.75
Q8b					.85
Q8c					.72
Q8d					.84
Cronbach's α	0.83	0.81	0.80	0.87	0.85
Number of item	4	3	4	4	4

The above test table of EFA with Kaiser-Meyer-Olkin (KMO), has measured of sampling adequacy 0.838 at Bartlett's Test of Sphericity is significant .000 that is <0.001 by cumulative 70.187% for 5 components (Iqbal & Mia, 2020). Therefore, empirical data is ready for SEM analysis.

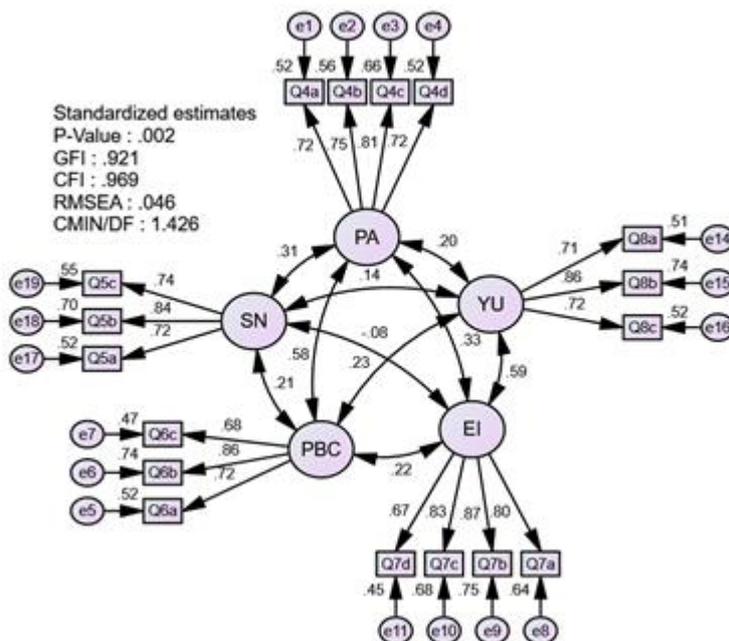
SEM Analysis

In SEM analysis, there are two steps to measure the conceptual model by CFA and Path analysis. CFA is measuring for measurement model and Path is measuring for the structural model (Joe F. Hair et al., 2017). SEM has identified model fit according to some parameters, which are p-value, the goodness of fit indices (GFI), comparative fit indices (CFI), chi-square degree of freedom (CMIN/DF), and Root mean square average (RMSEA). However, good fit indices have indicated with p-value <0.05, GFI value >0.90, CFI value >0.90, CMIN value <5, and RMSEA value should be <0.08 then model become good fit (Awang, 2012; Awang et al., 2015; Joe F. Hair et al., 2017). The following sub-sections have been tested for the CFA and Path analysis.

CFA Analysis

Confirmatory factor analysis is conducted the measurement model how well suited for the measured variable (Miah & Mia, 2021). The following figure has displayed five components of the measured variable.

Figure 2: Confirmatory Factor Analysis (CFA) analysis

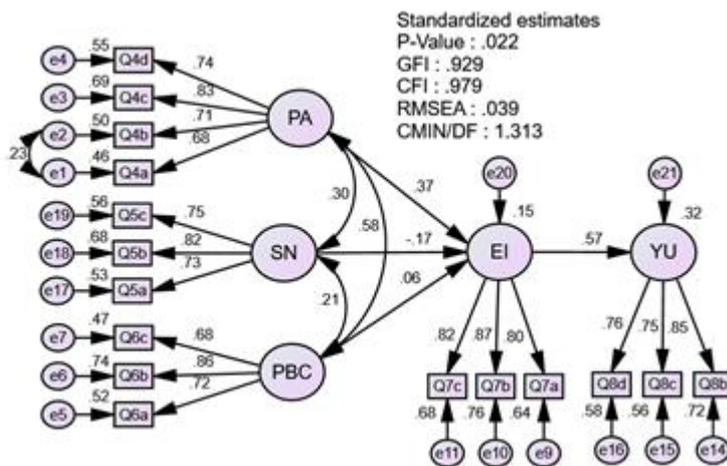


In total 19 items of the measured variable with five components but the CFA model has run with 17 items. Two items have been deleted for each of the PBC constructs and YU construct to get the goodness of fit indices and to confirm for the test of the structural model by Path analysis. However, the goodness of fit parameters for the standardized estimates has reached above the cut-off point (Joseph F. Hair et al., 2014; Mia et al., 2019), where the p-value is 0.002, GFI value is 0.921, and CFI value is 0.969, RMSEA value is 0.046, and CMIN/DF value is 1.426 accordingly.

Path Analysis

The following figure of the structural model has displayed for the predicted variable to be analyzed with AMOS software to test hypothetically between two constructs (Evermann & Tate, 2016; Joseph F. Hair et al., 2014; Mia et al., 2019). However, a predict variable is measured how much influences on the endogenous variable (Joe F. Hair et al., 2017).

Figure 3: A Path analysis



Therefore, the above figure has shown for the path model is statistically significant at a p-value is 0.022 where the GFI value is 0.929, CFI value is 0.979, RMSEA value is 0.039, and CMIN/DF value is 1.313 those are touches at the cut-off point (Joe F. Hair et al., 2017). However, one-modification indices (M.I) have connected between (e1-e2) because to have a good model fit (Iqbal & Mia, 2021). Moreover, three items have been deleted to get also a good fit for the structural model supported. Nevertheless, the following table has also displayed of hypotheses interrelation between constructs.

Table 3: Hypotheses analysis results

Path coefficient	Standardized regression weight (β)	S.E.	C.R. (t-value)	p-value	Result
EI \leftarrow PA	.366	.140	3.276	.001	H ₁ accepted
EI \leftarrow SN	-.172	.090	-2.043	.041	H ₂ accepted
EI \leftarrow PBC	.056	.111	.543	.587	H ₃ not accepted
YU \leftarrow EI	.566	.076	7.194	***	H ₄ accepted

***means p-value is <0.001

In the above table, the critical ratio (C.R.) of t-value has achieved more than the cut-off point of >1.96 except (EI \leftarrow PBC) hypothesis H₃, which is 0.543 that value has achieved less than desirable level with statistically insignificant between of them at p-value 0.587.

Discussion and Conclusion

The initial objectives of this study have enhanced value for research work in the area of entrepreneur intentions through analyzing youth students for creating a new business by testing Ajzen's theory for three phenomena. However, three phenomena have been identified and one does not support the student perceived behavioral control (PBC) toward to be entrepreneur intention. However, two other phenomena supported students' minds being entrepreneur intention. Moreover, entrepreneur intention has a statistically significant on youth unemployment, which has supported eradicating youth unemployment positively. Therefore, the first research question has achieved of Ajzen Theory perspectives have a positive impact on the entrepreneur intentions of students partially and second research question has achieved statistically significant with positive relations between them.

Subsequently, in the education sector students are motivated gradually to change their minds not only to enter the service sectors but also their attitudes and subjective norm become entrepreneur intentions shortly. However, students' perceived behavioral control does not support the intention of the entrepreneur. However, the research has focused only on one university student, which has limitations for this study and in the further study could be more depth and more strong results to survey more universities.



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