

What Motivates Youth Enterpneuership? Born or Made

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ABSTRACT

The study aims at understanding the role of entrepreneurship education as a moderator on entrepreneurial motivation and youth entrepreneurial readiness. The human capital, incentive and cognitive evaluation theory form the theoretical framework of the study. Data (n=490) were gathered from Universiti Sains Islam Malaysia (USIM) students through a cross-sectional approach. The study used hypothetical deductive approach through structural equation modelling (SEM). Intrinsic and extrinsic motives as two sub-constructs of entrepreneurial motivation are regressed as the motives of youth entrepreneurship. Findings revealed positive and significant impacts of entrepreneurial motivation (including intrinsic and extrinsic motives) on readiness towards new business start-up. Entrepreneurship education plays a higher moderator role on the entrepreneurial motivation (including intrinsic motives and extrinsic motives) of youth. The study contributes and lends support to literature on motives of creating and sustaining new business ventures. This study contributes on how youth can be fully engaged and developed through various crucial motives. The motives of doing business are very important for successful ventures. As extrinsic motives show higher impact on new business start-up among youth, intrinsic motives are also crucial for sustenance of new business ventures. Evaluating the motives of setting up business will provide researchers and policy makers with an overview of the reasons why youths engage in entrepreneurial activities.

Keywords: Intrinsic/extrinsic motives, human capital theory, entrepreneurship education, incentive and cognitive evaluation theory, entrepreneurial readiness, youth

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INTRODUCTION

Entrepreneurship is getting more attention from stakeholders in business schools, universities and educational institutions as a result of the commitment, intellectual and emotional investment and passion among the educators, instructors and all the people engaged in entrepreneurship education and training (Fayolle, 2013). In the past, various aspects of entrepreneurship were looked into but less attention was placed on the motives of new business start-up with respect to youth. GEM (2014) describes youth entrepreneurship as young individuals between the age of 18-64 who see good opportunities to start a business in the area where they live; believe they have the required skills and knowledge to start a business; are latent entrepreneurs who intend to start a business within three years and account that the fear of failure would not stop them from setting up a business. This definition is also supported by GEM (2015) that young entrepreneurs are those who see opportunities in their environment, have the capabilities to engage in entrepreneurial activities and are undeterred by fear of failure. Prior studies have described youth entrepreneurship as a population of students in the formal educational system or students who follow entrepreneurial programmes offered by non-governmental organisations or other organisations (e.g., Geldhof et al., 2014; GEM, 2015). From the definitions given above, youth entrepreneurs are potential entrepreneurs who are ready and capable to exploit entrepreneurial opportunities without

having any fear of failure. Therefore, how entrepreneurial motivation of youth can lead new business start-up remains an uphill task to be addressed.

Motivation is a need or a desire that energises behaviour and directs it toward a goal (Vallerand, 2004). This desire may energise young individuals towards entrepreneurial activities. A previous study has identified two kinds of motivation-intrinsic or extrinsic (Choo & Wong, 2006). Extrinsic motivation is something outside the person that energises the behaviour such as reinforcement contingencies like earning more money, fame, gain power, tangible rewards, family support and regulations, while intrinsic motivation is something that lies within the person that energises the behaviour like one's interest, passion, curiosity, personal enjoyment, personal challenge and improvement (Emily, 2011). Whether or not this reinforcement contingency serves as a pull factor that attracts individuals towards new business start-up has continued to trigger more debates (Reinholt, 2006). For instance, many issues have been raised on whether individuals should be rewarded by government or parents or through bank loans to set up new ventures or it should be based on individuals' needs to achieve something in life (Jeanne, 2007). Some studies have argued that giving individual incentives may affect intrinsic motives such as personal challenge or passion to create successful businesses (e.g., Richter et al., 2015; Deci et al., 1999). These on-going debates have necessitated one of the motives for carrying

out this research. Thus, this study argues between intrinsic and extrinsic factors as the motivation for new business start-ups.

In order to exploit youth entrepreneurial opportunities, there are various motives that can influence young individuals' decisions to engage in entrepreneurial activities. Various aspects of motives (intrinsic or extrinsic) have been identified in relation to sports, psychology, and health, but less attention has been placed by researchers in relation to youth motives towards entrepreneurial activities (e.g., Oudeyer & Kaplan, 2008; Choo & Wong, 2006). Kautonen (2008) explained further that young entrepreneurs are motivated by pull factors (intrinsic motives) to sustain new ventures more so than push (extrinsic) factors. Pull factors pull individuals into creating sustainable business due their desire to be their own boss, passion to utilise opportunity identification, and desire to achieve in life. These factors have greater levels of sustainability compared to ventures that are created due to tangible rewards attached to it or due to the lack of white collar jobs, or sometimes the relaxation of government identified regulations. Individuals are pulled (desire for independence, achievement motive) into new business start-up, while others are pushed due to fear of becoming unemployed or tangible rewards (maintain income or no other option of earning a living) (GEM, 2008). Therefore, in the process of contributing to the academic body of knowledge, this study aims to examine whether young entrepreneurs are intrinsically or extrinsically motivated to

engage in entrepreneurial activities. This study is essential because it combines human capital theory, incentive theory and cognitive evaluation theory to explain two different motives that can influence new venture creation. This helps us discover what motivates youth entrepreneurs and how motives can be controlled. This study also researches further on the role of entrepreneurship education on motives towards new business start-up. Entrepreneurship education as a moderator has been one of the major contributions of this study.

Human Capital Theory and Entrepreneurship Education

There are various schools of thought in relation to the human capital theory that have been examined in the past; these range from Becker view (increases productivity); Gardener view (multi-dimensional skills); Schultz/Nelson-Phelps view (capacity to adapt); Bowles-Gintis view (human capital as the capacity to work in organizations and obey orders) and Spence view (signal of ability than characteristics). All these views have common characteristics such as innate ability, schooling, school quality and non-schooling investments, training, pre-labour market influence (Acemoglu & Author, 2013). Meanwhile, the human capital theory explains the process of developing new generation of youth through necessary skills and knowledge to create new ideas, new businesses through creative approach (Olaniyan & Okemakinde, 2008).

Olaniyan and Okemakinde (2008) argued that entrepreneurship education is seen as a productive investment in human capital, which is an opposing view of what the theory has said to be more worthwhile than physical capital.

Acemoglu and Autor (2013) argued that entrepreneurial education is one of the essential components of the human capital theory that individuals acquire in order to acquire skills useful for new business set-up or set of technological uses. In essence, it is the duty of parents, government, and region to invest in their citizens in order to encourage more investment in such region or economy. As it is important for firms to invest in developing their workers to set up new branches, and it is also important for youth to be trained appropriate skills in order to prepare them ahead of their futuristic venture. Therefore, entrepreneurial education is a continuous process on the life of every individual who aims to become entrepreneurs.

Benjamin et al. (2012) recognises that every individual's decision to engage in entrepreneurship education in order to set up new business is backed up with either direct cost or opportunity cost. The direct cost involves the actual investment but the opportunity cost involves the alternative forgone. The decisions of youth to set up new business are mostly affected by the opportunity cost such as risk involved in setting up in firms, career options, length of entrepreneurship course, as well as the availability of public and private job and so on. The risk averse individual will be

more concerned with the long-term social benefit than the cost due to passion for such entrepreneurial activities or external supports. This view is supported by another study. Goldin (2014) revealed that human capital is the level of skills possessed by individuals and the level of the skills will continue to gather more momentum if the return to investment is greater than the cost. There are often external factors that often influence youth's decisions to be productive when their human capital increases. These may range from where the entrepreneurship education takes place? Who provides for the course and pay for it? and the role of government and the regional community towards the success of youth in such economy.

The Incentive and Cognitive Evaluation Theory

The incentive theory reveals that individuals' behaviours are more motivated by extrinsic factors (Boundless, 2015). Individuals are likely to be more motivated to perform activities not because they enjoy doing them but due to the attached reward (Emily, 2011). Roland and Jean (2003) concluded that a central principle of economics is that incentives influence individuals' decisions. If individuals are rewarded with resources, the tendency to start and invest in new venture creation is paramount.

There has been an on-going issue on how extrinsic or intrinsic motivators change entrepreneurial behaviour. This study suggests that there are two motives that

influence the behaviour of individuals. These are intrinsic motives such as achievement motives, desire for independence and competence and extrinsic motives (things that come from a person's environment or controlled or influenced by others) such as tangible rewards, family/friends supports or regulations (Deci, 1985). Intrinsic or extrinsic motives may be powerful motivators for an individual career decision (Roland & Jean, 2003). The study argued further that intrinsically motivated individuals perform entrepreneurial activities based on their passion and achievement motives. Ryan and Deci (2000a) supported the argument that intrinsic motivation is an essential element in cognitive, social and physical development, and it therefore serves as a natural motivational tendency.

Carlson and Heth (2007) pointed out that extrinsic rewards, if not consistently offered, may affect the prior interest in entrepreneurial activity. This process is known as over-justification effect. This occurs as a result of overjustification attached to extrinsic rewards. This overjustification may as such indirectly affect the intrinsic motives of an individual. This justification shows why extrinsic motives need to be properly monitored in business activity. This may be the reason why most firms are seen as failed businesses at the early stage of their activity (GEM, 2008). The belief is that powerful extrinsic motivators may likely reduce a person's intrinsic motives, especially if the motives are generated and controlled by external factors.

Entrepreneurial Motives and Discontinued Venture

The motives of creating and sustaining new venture start-up have been examined by past studies. There have been various misconceptions that nine out of ten businesses fail in their first few years (Barringer & Ireland, 2015). These misconceptions occur due to the fact that previous studies have failed to recognise the motives of creating such ventures. This misconception has created fear of failures among the prospective young entrepreneurs. Some young entrepreneurs believe that their businesses may fail in the early five years of their start-up. This has discouraged some young entrepreneurs in engaging in entrepreneurial activities. Some businesses are created to generate fast earnings over the short-term due to frictional/seasonal opportunities and others are created to compete with existing firms (GEM, 2008). If the former closes down after the opportunities no longer exist, such business cannot be categorised as failures because the motives have been achieved. GEM (2008) suggests that such businesses should be termed discontinued business. Discontinued businesses are not failed businesses. Discontinued businesses are those ventures who, for whatever reason, have exited from running a business in the past year (GEM, 2015). Most of the firms that discontinued in one activity continues in another area in order to reduce market cost and effectively utilise market areas where such businesses have advantage.

Other studies have shown that over-optimism is one of the reasons for high rate of discontinued businesses (Verheul & Carree, 2007; Eggers & Song, 2013). This view shares that well informed entrepreneurs are less likely to be overoptimistic (Eggers & Song, 2013). The study concluded that intrinsically motivated (pull motives) entrepreneurs are less likely to be overoptimistic than those extrinsically motivated (push motives) to create their own venture. Ciavarella et al. (2004) argued it is evident that entrepreneurial motives and traits are essential towards new venture creation and sustenance. This is in cognisant to prior studies that every new venture has different motives of setting up, process of sustaining, and different manners of funding, and therefore may not follow the belled shaped organisation life cycle by classical growth patterns (Sahay & Sharma, 2008).

Motivation in Entrepreneurship Education

Motivation in entrepreneurship education is of particular interest for various stakeholders because of its crucial impart on students' career progress and learning. The specific kind of motivation in entrepreneurship learning is quite different qualitatively from the general forms of motivation studied in the field of psychology. Ormrod (2003) argued that motivation in learning, especially entrepreneurship education, has various effects on students' behaviours towards new business start-up such as direct behaviour towards a particular goal, increased efforts

and energy; increased business initiation and persistence; enhanced cognitive process; reinforcement consequences and can lead to improved performance and sustenance of business creation. Williams and Stockdale (2004) revealed that if students are developed through giving rewards, the attitude of such productive students will be influenced and this may pull the students decisions towards new business creation. The major lapses of the venture may occur due to non-continuous of such rewards.

Vallerand (2004) pointed out that motivation in entrepreneurship education can be divided into two ideal types; intrinsic and extrinsic motives. Whyte (2007) argued that developing students towards intrinsic motive such as achievement motivation can influence new business start-up because students may find pleasure in doing it and extrinsic motives such as external factors can compel students to carry out business activities due to rewards. Fisher et al. (2009) explained that students with intrinsic motives relate new venture to their personal control and their errors are monitored by achievement motives and orientation. GEM (2008) revealed different reports findings among various countries in general view. The findings revealed that entrepreneurship education of students has greater influence on males' readiness than that of their female counterpart. In addition, the importance of entrepreneurship education has been evaluated based on different countries' perspectives such as Saudi Arabia (Iqbal, Melhem, & Kokash, 2012), Mexico (Álvarez, 2008), Nigeria (Oni

et al., 2012) and host of others. However, the results from these countries further revealed that if entrepreneurship education is not promoted among university students, most of them may likely not pursue new business start-up after school. This promotion of entrepreneurial education could be encouraged in the universities by using the learning by doing method which has been found to focus on positive motivation with greater effectiveness in learning towards new business start-up. Whyte (2007) explained that in order to ascertain students' success in new business venture, various stakeholders need to address the specific needs of students. Addressing these specific needs may encourage and motivate these students towards entrepreneurial venture. The instructor, as a stakeholder, needs to provide sustainable environment to encourage and improve students' internal motivation. This is due to the fact that entrepreneurial education empowers and meets various intrinsic needs of youth who crave for improvement and terms it motivation (Oni et al., 2012).

Various researchers have explored several aspects of motivation and their effects on new venture creation. Most have suffered from significant methodological problems, which will be examined in this study. Various factors determine motivation towards new venture creation. Barringer and Ireland (2015) recognised three reasons that can motivate individuals towards new venture creation. These reasons are the desire to be their own boss (desire for independence),

pursue their own ideas (achievement motive) and realising financial rewards (tangible rewards). These reasons are further categorised into intrinsic and extrinsic motives. For instance, individuals may be encouraged to partake in entrepreneurship course because it will help them create successful ventures after graduation. In this instance, this action is generated internally and as such, entrepreneurship education is not achieved for its sake but because such individuals think it will lead to the separate outcome of a new venture start-up. Therefore, the individual is internally and extrinsically motivated. It is also possible that an individual may undergo entrepreneurship course for the pleasure, passion or fun of new knowledge discovery. Such a motive is intrinsically and internally motivated. In order to meet various needs of the students, universities should aim at assisting the youth through entrepreneurship education and training with respect to the skills required in starting a business venture (Kew, Herrington, Litovsky, & Gale, 2013). On the basis of these discussions, the following hypotheses are developed:

- H1: Motivation has a positive and significant effect on readiness towards new venture creation.
- H2: Entrepreneurship education moderates the relationship between entrepreneurial motivation and readiness towards new venture creation of participant group.
- H3: Entrepreneurship education moderates the relationship between

entrepreneurial motivation and readiness towards new venture creation of non-participant group.

Readiness towards New Venture Creation

Ruiz et al. (2016) define individuals' readiness for entrepreneurship "as the confluence of a set of personal traits (or features) that distinguishes individuals with readiness for entrepreneurship as especially competent to observe and analyse their environment in such a way that they channel their high creative and productive potential, so they may deploy their capability to dare and need for self-achievement". This definition captures a lot of variables such as "ability" from the term "competent or capability". This could also be inferred from the definition that individuals who are productive have higher capability to explore and take calculated risk that will result in new business start-up. From the definition, the ability to observe could be based on the available career options. These options will dictate how and when to exploit the opportunities in their environment. Marvin and Flora (2014) revealed through the Pearson Chi-square analysis of 367 students that participation in entrepreneurial activities would influence readiness of university students towards new business start-up. There are various factors used in evaluating students' readiness towards new venture creation. Some of the variables adapted from previous studies are Career Option (Marvin & Flora, 2014), Willingness

to Invest, Ability to Explore and Risk Taking (Shane et al., 2012).

Career option. In reality, the limited career options in both the public and private sectors have forced and motivated many youth to change their mindset towards what they can offer to their communities. The report from GEM (2015) revealed that the shortage of employment opportunities in different countries is a big problem, i.e. by more than two thirds of the world's population such as Africa (88%), Asia (62%), Europe (71%), Latin America (79%) and North America (64%). According to the report, in 2014, 74 million young people between 15-24 years of age were looking for work. Despite this big problem, the youth in the world display the highest level of entrepreneurial propensity. The report shows that the youth have personal contact with start-up entrepreneurs. Walter and Dohse (2012) suggested that entrepreneurship education could raise entrepreneurial readiness by motivating students rather than increasing their self-perceived qualifications for an entrepreneurial career. Therefore, the current economic situation creates a sense of urgency in devising ways to boost job creation among youth.

Nowadays, many young individuals aim to set up their businesses due to many career opportunities that are available in entrepreneurship. As some may get involved in sole trader, partnership, joint venture, others could also get involved in direct sales, franchise business or acquisition, and so on. It is very important for young individuals

to take initiative, exploit entrepreneurial opportunities and be ready to take risks involved in the entrepreneurial activities. Marvin and Flora (2014) argued that readiness towards entrepreneurial activity is a crucial determinant factor for university students to decide on an entrepreneurial career. After comparing the career options in different countries, the desire to choose entrepreneurship as a career choice is more imminent in factor-driven economies (e.g., Africa) than efficiency-driven economy (e.g., Malaysia) (GEM, 2014).

Willingness to invest. Motivation for engaging in new venture matters; young individuals have indicated that their motives in starting entrepreneurial activities are based on the willingness to invest in a recognised opportunity (GEM, 2014). Shane et al. (2012) pointed that success of new business start-up depends on people's willingness to invest; therefore, discovery of opportunity and ability to utilise depends mainly on the willingness of people to partake in such entrepreneurial activities. Marvin and Flora (2014), on the other hand, revealed that a positive attitude towards entrepreneurship might lead to the willingness to venture into a new business. GEM (2015) explained that young individuals' willingness to invest in entrepreneurial activities is based on their entrepreneurial intention to start in the future.

The questions researchers always ask are: Do all individuals have the same skills? Do all individual have the same level of opportunity recognition? Do all

individuals have the same level of resource utilisation? These are questions researchers need to proffer solutions to because even if individuals can recognise opportunity and utilise resources, people operate at different levels (Shane et al., 2012). This shows the reasons why not all people who participated in entrepreneurship course go into entrepreneurial venture.

Ability to explore. Shane et al. (2012) argued that entrepreneurship involves people who have the ability to exploit opportunity because of their abilities to act differently from each other; hence, this variability can influence entrepreneurship process. GEM (2015) reports showed further statistics that young entrepreneurs especially in South East Asia have the lowest growth motives (ability) to create new firms in the next five years compare to over 70% from other regions.

Meanwhile, a report by World Bank (2008) showed that entrepreneurship education and training help youth initiate new abilities that can be used to tackle entrepreneurial activities. Youth's abilities to explore non-cognitive skills help young entrepreneurs who intend to become or continue as entrepreneurs. These studies further revealed that appropriate entrepreneurial knowledge with technology and supportive network may influence the ability to explore new business opportunities towards international standard (e.g., Cavusgil & Knight, 2014; Oviatt & McDougall, 2005).

Risk taking. Shane et al. (2012) identified risk taking propensity as one of the factors that can influence entrepreneurial motives of youth towards entrepreneurial activities. The study argued that risk taking propensity differs in one individual to another. Gelderen et al. (2005) carried out a research on 517 nascent entrepreneurs; the results revealed the importance of risk taking propensity as a predictor of getting started or abandoning the start-up effort. Risk propensity to act and desirability has a positive impact on entrepreneurial readiness of students (Marvin & Flora, 2014).

In addition, Mitchell et al. (2002) argued that individuals' belief, self-determination and confidence increase risks taking propensity towards new business start-up. A study by Hoffman et al. (2005) showed that young individuals were less risk takers because they did not have any prior working experiences but only acquire competencies through socialisation if parents are entrepreneurs and through entrepreneurship course. On the other hand, Kuratko (2005) saw young entrepreneurs as risk takers who partake in taking moderate calculated risks. Previous studies discussed the importance of entrepreneurship knowledge and ability of youth entrepreneurs to take appropriate risks to engage in entrepreneurial activities that are up to international standard (Cavusgil & Knight, 2014; Oviatt & McDougall, 2005). In essence, youth entrepreneurs are quite different from ordinary self-employment because of their educational level and expectations that youth businesses should be up to international standard.

Intrinsic Motives

Ryan and Deci (2000a) described intrinsic motives as a self-desire to engage in new activities and challenges, observe and gain knowledge and also analyse one's capability. These new activities are mainly driven through passion, interest and individuals' ability with less external pressure or rewards. Intrinsic motivation is performing an activity based on satisfaction rather than its consequences (Ryan & Deci, 2000b). Intrinsic motivation is further defined as engaging in an activity for itself, its pleasure and the satisfaction derived from participating in such activities (Vallerand, 2004). Individuals can be intrinsically motivated or moved to perform an act based on personal motives and not through external rewards or pressures.

Meanwhile, Wigfield et al. (2004) argued that intrinsically motivated students are more likely to improve their skills, which will hitherto improve their capacity towards engaging in business activities. For example, a student who attends an entrepreneurship course because it is enthralling to gain new business skills and initiatives is intrinsically motivated. McClelland (1961) argued that individuals who are given more motivation are more likely to engage in entrepreneurship activities than those who are lowly motivated. Thus, intrinsic motivation is an essential element of flexible cognitive development because it is the driving force of curiosity and free choice exploration (Oudeyer & Kaplan, 2008). In other words, the individuals' open-mindedness to achieve and challenge

themselves may influence their decisions to create their own future ventures. Intrinsic motivation has only been conceptualised in a suitable manner in the epigenetic robotics community. Therefore, there is a need for the theory to be empirically modelled. Intrinsic motives are better understood through achievement motives (Barringer & Ireland, 2015), desire for independence (Gelderen et al., 2008) and passion (Jeanne, 2007).

Achievement motivation. One of the motives of participating in entrepreneurial activities is the fact that people want to pursue their own ideas in order to achieve their personal dreams (e.g., Koellinger et al., 2007; Barringer & Ireland, 2015). Collins et al. (2000) revealed that achievement motivation has a positive and significant relationship with new venture start-up and the relationship between entrepreneurial motivation and new venture creation, which are moderated by several factors. The needs for achievement are essential motives to young individuals towards engaging in entrepreneurial activities (Nguyen & Phan, 2014). Rapid evidence of young entrepreneurs' motivation shows that achievement motives capture personal development, responsibility and learning through the challenges towards creating new business (Stephan et al., 2014).

Rasheed (2004) compared the treatment and control groups in his study. The results revealed that students receiving entrepreneurship education had higher motivation to achieve than a comparable cohort. This indicates that through

entrepreneurial education at the early age, students' need for achievement could rise towards entrepreneurial activities. Seun and Kalsom (2015b) also supported the previous study that achievement motivation has a positive and significant relationship on readiness towards new venture creation and training moderates the relationship between motivation and readiness towards new venture creation. These studies fail to differentiate the kinds of motivation that can be moderated by entrepreneurship education.

Desire for independence. The second aspect of intrinsic motive is the desire for independence (Gelderen et al., 2008). The desire for independence, which is also called autonomy, refers to the use of personal judgement on entrepreneurial behaviours rather than being moved to act through external factors (Shane, 2003). The desire to be independent occurs because individuals want to be their own boss (Barringer & Ireland, 2015). Kew et al. (2013) argued that young individuals are naturally self-starters because many youth guide their desire for independence with passion. The results further revealed that the desire for independence is as important as other motivators such as earning income where unemployment is at high level. In reality, the success factors of many young entrepreneurs were based on the desire to identify opportunity and make it a reality. This desire results from the fact that the only way individuals can achieve both personal and professional goals is to create their own

venture. It involves decisions based on an individual's personal life.

Studies have revealed that entrepreneurial activities could be a ground for the desire for independence (Shane, 2003). The central motive for creating a new venture is a desire for independence. Empirical findings revealed that the level of desire for independence in young entrepreneurs is not the same due to the level of risks involved in creating new business (Shane, 2003). Similarly, Ivanova and Gibcus (2003) supported that individuals enter into creating risky new ventures possibly due to their desire to be independent and to have autonomy (Gelderen et al., 2008) over their entrepreneurial activities.

Passion. Jeanne (2007) explained the importance of passion on business activity as an intrinsic tool. Entrepreneurial passion has greater influence on creation and sustenance of entrepreneurial activities. Entrepreneurial passion is an important motive used to sustain new venture creation because of the belief that such new ventures will affect people's lives (Barringer & Ireland, 2015). Entrepreneurial passion has a direct significant effect on new venture. It is this passion that enables young entrepreneurs to convince investors to believe in their vision. Passion cannot be exchanged with business plan but it keeps business focused.

Researchers suggest that entrepreneurial passion involves strength and courage that mobilise motivational energy (Brannback et al., 2006). Entrepreneurial passion is associated with high levels of commitment

and concentration (Vallerand et al., 2008). Passion for new business ventures is essential because new venture start-ups are highly demanding and require complete commitment (Barringer & Ireland, 2015). Jamil et al. (2014) revealed that harmonious passion is connected with positive affective spill over effects. This spill over effect is a process where individuals feel happy and amused when involved in passionate entrepreneurial activities, and feel satisfied and happier with his life. Other studies pointed out that entrepreneurial passion has direct links to entrepreneurial activities but its role and theoretical perspective is minimal (Cardon et al., 2009). Brannback et al. (2006) concluded that entrepreneurial passion could increase individuals' enhancement towards entrepreneurial activities. However, as it is essential to have passion towards sustainable new ventures, it is also important to evaluate the strength, weaknesses, opportunities and threat involved before investing in such ventures. On the basis of this discussion, the following hypothesis was developed:

H4: Intrinsic motives have positive and significant effect on readiness towards new venture creation.

Extrinsic Motive

Extrinsic motivation refers to performing an activity to attain tangible or social outcomes (Ryan & Deci, 2000b). Prior findings revealed that extrinsically motivated individuals are controlled to perform entrepreneurial task because it will lead to separate outcomes or consequences (Deci

& Ryan, 2008). Such outcomes could be the creation of new ventures. Extrinsic motives are based on rewards or enforcement (reflect external control or true self-regulation) but not on free choice. Extrinsic motivation is associated with doing an activity that can lead to desirable tangible rewards (Reinholt, 2006). When individuals are extrinsically motivated, such individuals do not perform activities out of pleasure but do so due to the infringement benefits attached to it (Vallerand, 2004). For example, a student may participate in entrepreneurship education in order to obtain a tangible reward from the bank or government fund or associated fortune such as earning profits. Some students also participate in entrepreneurship course in the university not due to free choice or passion towards becoming an entrepreneur but because it is made compulsory in some universities. These examples represent perfect examples of extrinsically motivated individuals.

Various types of extrinsic motivations were recognised by the previous study. The recent discussions on different perspectives of extrinsic motivation vary based on level of internalisation (e.g., Ryan & Deci, 2000b; Vallerand, 2004). This has resulted in different perspectives of extrinsic motivation which have yet been discussed on debates relating to organisational science (Reinholt, 2006).

Tangible rewards. One of the aspects of extrinsic motives recognised by past study is tangible rewards (Reinholt, 2006). Tangible rewards in entrepreneurial activities are

financial rewards such as bank support loans, government entrepreneurial funds, and other support funds to encourage new venture creation. Barringer and Ireland (2015) revealed that some young individuals are highly motivated toward creating their ventures in order to pursue financial rewards. Tangible rewards should not be the main aim but serve as secondary motives for creating new ventures (Barringer & Ireland, 2015). In order to achieve entrepreneurial success, Kew et al. (2013) argued some young entrepreneurs do without using financial reward (such as funding from outside source) because of the fear of outside interference on their entrepreneurial activities and motives.

Building a business based on tangible rewards shows why nine out of ten businesses fail at inception. Tangible rewards for creating new ventures are good but need to be monitored until the business is successful. This explains why most people who borrow money for new venture creation are unable to return their loan (Jeanne, 2007). For instance, giving new graduates who lack practical entrepreneurial experience/skills money to set up business without monitoring the progress of such business may lead to business failure. Tangible rewards are less detrimental on college students to start up new ventures (Deci et al., 1999) if their business progresses are properly monitored. Extrinsic motivation has higher desirable influences on individuals to start new venture creation than intrinsic motives which possess higher sustenance value. Jeanne (2007) argued that what is the

incentive for starting business? Is it money alone? However, money or tangible rewards cannot just be the motives of starting business because many entrepreneurs have created new successful ventures with positive cash flow without sanctioning money as their main motives.

Identified regulation. There are different kinds of regulations for extrinsically motivated individuals or firms. The first is external regulation which refers to regulated behaviours through external means such as obtaining incentives (Vallerand, 2004). For example, an individual might say, "I'm going early to entrepreneurship class because I don't want the lecturer to punish me for coming late." The second aspect is introjection regulation. In this type of extrinsic motivation, self-imposed guilt and anxiety are paramount. Thus, an individual may say, "I go for entrepreneurship course because I would feel disturbed if I miss the class. This behaviour is perceived to be part of an individual's way of life. The third regulation is identified regulation. Through identification, the internalisation of extrinsic motivation becomes regulated. For example, an individual might say, "I choose to go for entrepreneurship course because it will help me to create my own venture after graduation." The last aspect of extrinsic motivation is integrated regulation which is engaging in an activity in a "choiceful" manner. For example, an integrated individual might decide to go for

entrepreneurship class rather than staying out with friends so that the individual will be ready for future business set-up.

Entrepreneurship is one essential tool for adequate public policy as policy makers can use it as an economic agent to develop entrepreneurial activity and stimulate economic growth (Ribeiro-Soriano & Galindo-Martín, 2012). Jeanne (2007) pointed out that the government can use incentive approach to influence youth career decisions to take on risky business through laws by enforcing property rights or encourage competitive market environment. There are various policy measures that can influence youth entrepreneurial readiness such as tax policy, regulatory policy, and access to capital, legal protection of property rights and creating a business culture (Jeanne, 2007). In reality, the government uses taxes to create money but in other way round government can relieve taxes and introduce subsidy among new entrepreneurs in order to encourage business culture in the economy. For the purpose of this study, this research focused on identified regulation. Identified regulation has been an important discussion for encouragement or discouragement of individuals to create new ventures. For instance, if the government should invest more on entrepreneurship education and introduce friendly market policies, this would motivate individuals intending to start their venture. Stringent policies will reduce competition and increase monopolisation of resources by existing firms.

Family/friends support. Family/friend support is an important extrinsic factor towards entrepreneurial activities. Parents can influence their children's decisions on whether to become entrepreneurs or not even if the students have participated in entrepreneurship programme. Seun and Kalsom (2015a) revealed that even after engaging in various entrepreneurship courses, parents can still influence their children's decisions on their readiness to invest in new ventures. Despite the fact that some parents motivate their children to carry out such entrepreneurial activities, others may feel worry that their children are too young to succeed with the market competitiveness (Seun & Kalsom, 2015a).

Most parents have strong ties with their children. Geldhof et al. (2014) stated that young individuals see their parents as role models because of the tacit knowledge and advice they get from them that could enhance their entrepreneurial activities. This may occur if the young individuals have parents who are involved and successful in entrepreneurial activities. Souitaris et al. (2007) revealed that as the students realise the positive perception of their family and friends about them being an entrepreneur, as well as having entrepreneurial minded friends from the programme, this will increase their propensity to create their firms. Gelderen et al. (2008) argued that family's and friends' supports have positive impacts on new business start-up. This occurs due to the fact that business students may have family members or friends who

may have positive impacts on their lives. Kew et al. (2013) explained that there is no doubt that most of the young individuals are majorly influenced by their family decisions. The results further revealed that more than half of the young individuals surveyed and interviewed indicated that family influenced their decisions towards becoming entrepreneurs.

Jeanne (2007) argued that friends and family are importance sources of fund that may be needed by youth to sustain new business start-up. At the earlier stage of business, new entrepreneurs always face initial capital problems that are usually solved through family supports or friends' supports. Jeanne pointed out that the main disadvantage of taking the initial capital from friends or family is that if the business fails, the valuable family relationship may be affected. On the basis of this discussion, the following hypothesis was developed:

H5: Extrinsic motives have positive and significant effect on readiness towards new venture creation.

Sub-hypothesis

H2a: Entrepreneurship education has positive and significant effect on intrinsic motives of participant group

H2b: Entrepreneurship education has positive and significant effect on extrinsic motives of participant group

H3a: Entrepreneurship education has positive and significant effect on intrinsic motives of non- participant group

H3b: Entrepreneurship education has positive and significant effect on extrinsic motives of non- participant group.

The present study

This study aims to lend supports to the role of entrepreneurship education on the relationship between Entrepreneurial Motivation and Readiness towards new venture creation. Various studies have been written on entrepreneurial motivation, there is still minimal empirical analysis to show the linkages between entrepreneurial motivation and readiness towards new venture creation, especially ones that takes into consideration both intrinsic and extrinsic motives. While previous studies have provided narrative and suggestive supports for the link that are used in this study's hypothesised model (see

Figure 1), limited studies have tried to link entrepreneurship education as a moderator on entrepreneurial motivation and readiness empirically. The research model in Figure 1 is examined through Hypotheses (H1-H5) and sub-Hypotheses (H2a-H3b) using a structural equation modelling (SEM) approach.

MATERIALS AND METHODS

Sample and Procedure

This study was part of the broad research on new venture motives. A total of 533 students out of 590 students (response rate was 90.3%) returned the questionnaire at the end of their entrepreneurship education activities. Data screening involves checking the accuracy of the data input, dealing with missing values and detecting outliers (Tabachnick & Fidell, 2007).

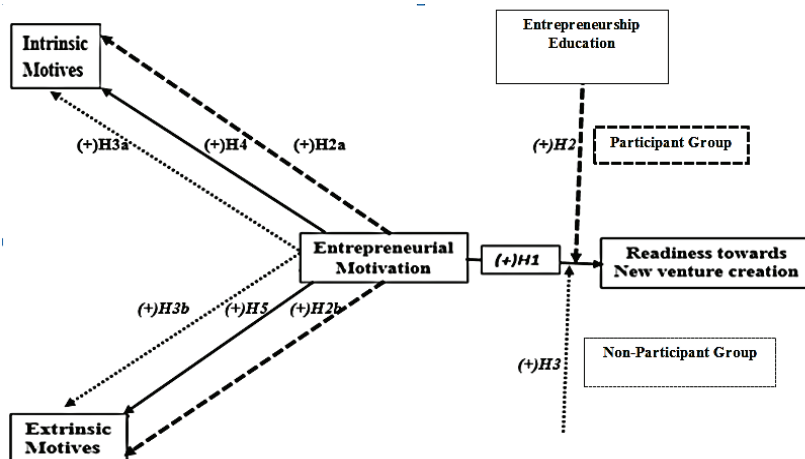


Figure 1. The research model

Notes: The moderation effect is represented by bold vertical dotted lines **H2 (H2a; H2b)** and thin dotted vertical line **H3 (H3a; H3b)**. The bold line (**H1; H4; H5**) represents the direct effects between entrepreneurial motivation and readiness towards new venture creation. **H1** combines both intrinsic motives **H4** and extrinsic motives **H5**.

After screening the data, the missing values accounted for 8.1% and the useable questionnaire was at 490 samples ((83.1%). Cohen and Cohen (1983) pointed out that the missing data value of up to 10% is not considered as large and thus, it is unlikely to be problematic. The majority were females (72%); 28% were males. A total of 40 percent of the parents have family businesses. About 12% of the students are members of entrepreneurship clubs. This study adopts the hypothetical deductive approach. The unit of analysis is the individual (students). Majority of the respondents were between 20 – 22 years old (86%) (20 years old, 32%; 21 years, 32%; 22 years old, 22%), respectively, at the time of this study. On average, the educational level is approximately at the third year (SD = 0.91).

This shows the level of readiness of the participants for labour market. The objectives of the study were briefly explained to the respondents. All the respondents were guaranteed on the strict confidentiality of their individual responses. All the respondents read and accepted it before administrating the questionnaire to them. The method is quantitative through structural equation modelling. The study collects primary data through questionnaires. The respondents are students at Economics and Business, Science and Art faculty from Universiti Sains Islam Malaysia. These respondents participated in a compulsory Entrepreneurship course. USIM has a population of over 10,000 students. This entrepreneurship programme is a two-

semester programme in every year. The students are developed on entrepreneurship, business management, organisational behaviour, and creation of international business, while business mentors are invited to share their experiences with the students. The interested students are fully supported by the government with the necessary facilities. The programme is one of the requirements for graduation. The first-year students are not expected to partake in the programme but must do so before their graduation. The 590 questionnaires were distributed to those who had completed the two-semester programmes (300 students) and the first-year students who had not participated in the programmes (290 students). This is because this study aimed to look at the effects of the entrepreneurship education on the participant group and non-participant group. At the end of the survey, 533 students returned their questionnaires from both the participant group (290) and non-participant (243) groups. After screening the data, the useable questionnaires were those of 285 students (participant group) and 205 students (non-participant group). This figure represents a total sample size of 490. The sample size is 490, which is greater than the 370 threshold (Sekaran, 2003). The 490 students were chosen randomly regardless of their age and faculty.

Measures

Entrepreneurship Education. This was assessed through Yes/No questions to determine the actual participants of

entrepreneurship course. A sample item is: "Have you attended any of the following entrepreneurship courses?" Responses were given on a Yes/No approach.

Readiness towards new venture creation.

This was examined through four items such as career options; risk taking propensity, ability to explore and willingness to invest. Sample items are: "I have seriously considered entrepreneurship as a highly desirable career choice" "I won't start a business because it is too risky". Responses were given on a five-point Likert scale ranging from 1 ("Strongly disagree") to 5 ("Strongly agree").

Entrepreneurial motivation. This was assessed by dividing motivation into two; intrinsic and extrinsic (Ryan & Deci, 2000b). Entrepreneurial motivation was assessed by using the adapted version of Choo and Wong (2006). Responses were given on a five-point Likert scale ranging from 1 ("No motivation") to 5 ("Very high motivation").

Intrinsic motives. This was assessed through three items: achievement motive (Barringer & Ireland, 2015), desire for independence (Gelderen et al., 2008) and entrepreneurial passion (Jeanne, 2007). Sample items are: "I am passionate with strong feelings to set up my firm" and "I want to be my own boss". Responses were given on a five-point Likert scale ranging from 1 ("No motivation") to 5 ("High motivation").

Extrinsic motives. This was assessed using three items: tangible rewards (Barringer & Ireland, 2015), family/friends supports (Gelderen et al., 2008; Souitaris et al., 2007) and regulations (Vallerand, 2004). A sample item is as follows: "My propensity to create firm increases as I feel family/friends support".

Strategy of Analysis

The data were analysed simultaneously through structural equation modelling approach using AMOS 21.0 software package (Arbuckle, 2012). The data analysis technique used was Maximum Likelihood Estimator (MLE). This study used Zainudin's (2014) approaches to evaluate moderating effects. In order to test moderating analysis, it is common to analyse the direct effect and the moderating effects. Therefore, this study tested these two path models.

Direct effect model. This model assumes the direct relationship between Entrepreneurial motivation and Readiness New Venture Creation. The sub-constructs such as intrinsic or extrinsic motives and Readiness New Venture Creation were also examined.

Moderating effect model. Moderation takes place when the independent variable and the moderating variable have mutual effects on the variance of dependent variable than that explained by the direct effect (Cohen & Cohen, 1983). This moderator variable of this study was measured using Zainudin's (2014) approach. According

to Zainudin (2014), it is very complicated to run the model with latent constructs through interactions terms because it could result to distortion of standard error or cause problems with model convergence. Multi-group CFA has been suggested as an appropriate alternatives where the data are divided into two based on the objectives of the study and the path of interest is constraint to 1 (Zainudin, 2014). The divided data were run separately. The results of the constraint and unconstraint model were compared to test whether moderation had occurred. The moderating effect was examined by testing the constrained and unconstrained path of the constructs. The difference in the Chi-Square value between the constrained and the unconstrained model (Zainudin, 2014) were examined. If the value ($\Delta\chi^2$) differs by more than 3.84, then the moderation occurs in that path. Full moderation occurs if the other path of interest is significant.

In order to assess model fitness, the study uses maximum likelihood estimator. A three factor solution between “Entrepreneurial Motivation” and “Readiness New Venture Creation” was estimated in a CFA using a maximum likelihood estimator. The study used the following fitness index: Root Mean Square of Error Approximation (RMSEA<0.08; Browne & Cudeck, 1993); Goodness-of-Fit Index (GFI>0.90; Jöreskog & Sörbom, 1984.); Adjusted goodness of fit index (AGFI>0.90; Fan et al., 1999); Comparative fit index (CFI>0.90; Bentler, 1990); Tucker-Lewis Index (TLI>0.90; Bentler and Bonett, 1980); Normed Fit Index (NFI>0.90, Bollen, 1989) and Chi

square/degree of freedom ($\chi^2/df < 5.0$; Marsh and Hocevar (1985). Since sample size is sensitive, the use of relative fitness index is therefore recommended (Bentler, 1990). Thus, the fitness index is considered as acceptable if the conditions stated are met. The findings revealed low factor loading less than 0.85 thresholds (Zainudin, 2014). The fitness index (see Table 2) shows that the required level of fitness has been achieved (e.g., RMSEA 0.08; CFI 0.95, AGFI 0.92); $\chi^2/df = 3.273$ NFI = 0.94 TLI = 0.93; $p < 0.001$).

RESULTS

Description

Means, standard deviations, correlations and internal consistencies were computed for all the study variables (see Table 1).

All the significant relationships between the variables were correlated. Moreover, as shown in Table 1, internal consistencies of the scores on all scales meet the required 0.70 criterion (Nunnally & Bernstein, 1994). All the exogenous and endogenous correlations presented in Table 1 are statistically significant at $p < 0.001$, except for the correlation of the control variable (age, education and gender). All the values are less than the 0.85 threshold (Zainudin, 2014). The Cronbach’s alpha values of all the items are very high and well above 0.8. The Bartlett test of sphericity and Kaiser-Meyer-Olkin (KMO) was measured to ensure significance and sampling adequacy. Both tests resulted in a good outcome. The Bartlett test of sphericity was found to be significant at $p < 0.00$, χ^2 ($n=490$). The

Table 1
Means, standard deviation, Cronbach's Alpha (in parentheses), and Correlations among the study variables (n = 490)

Variables	M	SD	1	2	3	4	5	6	7	8	9	10	11	12	13
1. Achievement motives	4.39	0.67	(0.83)												
2. Desire for Independence	4.13	0.74	0.66**	(0.83)											
3. Entrepreneurial Passion	4.03	0.78	0.62**	0.53**	(0.83)										
4. Tangible Rewards	3.74	0.73	0.39**	0.45**	0.42**	(0.82)									
5. Family/Friends Supports	3.50	0.76	0.26**	0.34**	0.35**	0.51**	(0.83)								
6. Identified Regulations	3.59	0.88	0.34**	0.44**	0.38**	0.44**	0.57**	(0.82)							
7. Career options	3.22	0.88	0.12**	0.15**	0.19**	0.27**	0.40**	0.34**	(0.84)						
8. Risk taking	3.30	0.79	0.08**	0.11*	0.12*	0.23**	0.38**	0.32**	0.39**	0.84)					
9. Ability to Explore	3.48	0.83	0.24**	0.22**	0.28**	0.28**	0.40**	0.36**	0.51**	0.55**	(0.82)				
10. Willingness to invest	3.59	0.93	0.25**	0.24**	0.29**	0.25**	0.40**	0.35**	0.41**	0.42**	0.66**	(0.83)			
11. Gender (1= female)	-	-	-0.06	-0.03	-0.05	-0.01	0.01	0.09*	0.05	-0.03	0.01	0.04	-		
12. Age	20.97	1.19	-0.11*	-0.08	-0.06	-0.03	-0.07	-0.08	-0.07	-0.05	-0.03	-0.02	0.01	-	
13. Education	2.78	0.91	-0.03	-0.06	-0.07	0.01	-0.01	0.03	0.04	0.00	-0.06	-0.07	-0.02	0.08	-
14. Parents Have Family Business (1 = Yes)	0.41	0.49													
15. Entrepreneurship Club Members (1 = Yes)	0.10	0.31													
16. Attended Entrepreneurship Course (1 = Yes)	0.85	0.35													

Note: n=490 ; *p < 0.05; **p < 0.01 M = Mean; SD = Standard Deviation; Reliabilities (Cronbach Alpha) are on bold diagonal

KMO with a value of 0.835 was above the adequate sampling value of 0.6 (Tabachnick & Fidell, 2007). In the assessment of normality of the data, the skewness and kurtosis range from -0.721 to 0.156 and -0.812 to 0.243, respectively. This shows that the data are normally distributed since the absolute values are well below 1.0 (Tabachnick & Fidell, 2007). Therefore, the theory that entrepreneurial motivation consists of intrinsic and extrinsic motives is well supported. The modification index was determined to check the redundancy items. All the values of the M.I. were less than the 15 threshold (Zainudin, 2014).

Testing the model

As shown in Table 2, the proposed Model (M1) index fits very well, thereby meeting the necessary stated criteria. All the latent variables were found to be significant and are within the expected direction. The correlations of the variables between Readiness towards New Venture Creation and independent constructs (entrepreneurial motivation, intrinsic motive; intrinsic motives) behaved as expected. Therefore, the direct effect path of *H1* ($\gamma = 0.70^{**}$) was supported. In addition, the paths from entrepreneurial motivation to both intrinsic motives *H4* ($\gamma = 0.63^{**}$) and extrinsic motives *H5* ($\gamma = 0.93^{**}$) were significant and supported.

In order to test the moderation effect of entrepreneurship education, the study compared the effects on the participant group and non-participant group. Therefore, M2 (participant group) and M3 (non-

participant group) represent (see Table 2). The results showed that the inclusion of entrepreneurship education moderated the participant group. The path improves the model fit ($\Delta\chi^2(1) = 4.01^{**}$). Therefore, *H2* is supported. Consistent with this analysis, the paths from Entrepreneurial motivation to both intrinsic motives *H2a* ($\gamma = 0.73^{**}$) and extrinsic motives *Hs2b* ($\gamma = 0.95^{**}$) were also significant. This result shows that partial moderation occurs among the participant group since the path of interest is significant for *H2*. As for the non-participant group, the results showed that the inclusion of entrepreneurship education as a moderator (see Table 2) did not improve the model fit ($\Delta\chi^2(1) = 0.95, ns$). Therefore, *H3* is not supported. As a result, the paths from Entrepreneurial motivation to both intrinsic motives *H3a* ($\gamma = 0.57, ns$) and extrinsic motives *H3b* ($\gamma = 0.79, ns$) were not significant. This result depicts that no moderation occurs among the non-participant group. All structural paths are shown in Figure 2.

DISCUSSION

The purpose of the study is to explore the crucial motives towards youth entrepreneurship among the participants and non-participants of entrepreneurship programme in the tertiary institution. Specifically, the study hypothesised that entrepreneurial motivation constitutes both intrinsic motives and extrinsic motives that have positive effects on their readiness towards new venture creation. It was also assumed that entrepreneurship education

Table 2
Goodness of Fit indices of Model

χ^2	df	RMSEA	GFI	AGFI	CFI	TLI	NFI	χ^2/df	Model Comparison $\Delta\chi^2$	Δdf	Decision Rule ($\Delta\chi^2 > 3.84$)
M1 : Full Hypothesis Model	125.68	0.08	0.95	0.92	0.95	0.93	0.94	3.93	-	-	-
M2_u : Partial Moderator Model 1 (Participant group)	105.77	0.07	0.95	0.92	0.96	0.94	0.94	3.31	$M2_c - M2_u = \Delta\chi^2$ $109.78 - 105.77 = 4.01^{**}$	1	Supported
M2_c : Partial Moderator Model 1 (Participant group)	109.78	0.08	0.95	0.92	0.95	0.94	0.94	3.33			
M3_u : Partial Moderator Model 2 (Non-Participant group)	69.38	0.13	0.86	0.75	0.86	0.80	0.78	2.17	$M3_c - M3_u = \Delta\chi^2$ $70.33 - 69.38 = 0.95, ns$	1	Not Supported
M3_c : Partial Moderator Model 2 (Non-Participant group)	70.33	0.13	0.85	0.75	0.86	0.81	0.77	2.13			

Notes: p < 0.001 u=unconstrained c=constrained

moderated the relationship between entrepreneurial motivation of both the participant group and non-participant group and the significant effects on both intrinsic and extrinsic motives. Our analyses supported all the hypotheses, except for that of the moderating effect of non-participant group, which was found to be non-significant. In particular, entrepreneurship education plays a significant moderating role on the relationship between entrepreneurial motivation and readiness towards new venture creation of the participants.

Therefore, this paper contributes to literature on motives of starting business among youth. This study lends support to the roles of intrinsic and extrinsic motives on readiness towards new business start-up (e.g., Vallerand, 2004; Wigfield et al., 2004; Choo & Wong, 2006). In essence, this study's results revealed that entrepreneurial motivation is an important factor on readiness towards new venture creation. In other words, students who are both intrinsically and extrinsically motivated will produce higher result on new business start-up. In addition, this study contributes to the new venture model through the introduction of entrepreneurship education as a moderator. Entrepreneurship education has been used empirically rather than a suggestive method as used in the previous studies (Ormrod, 2003; Whyte, 2007).

The idea to further developed entrepreneurial motivation model with individual perspective is partly based on the incentive theory and cognitive theory (Deci et al., 1999), which indicate

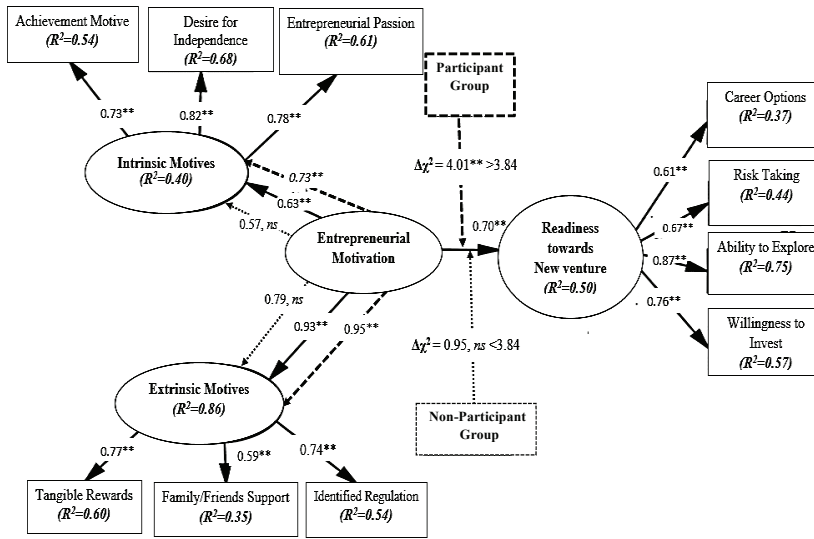


Figure 2. Standardised Path Coefficient of the Partial Moderation Model

that incentives can influence individual decisions towards carrying out a particular activity. This is shown in this study that individuals who are motivated extrinsically (tangible rewards, family/friend supports or supportive regulation) or/and intrinsically (achievement motives, desire for independence or entrepreneurial passion) are more likely to be ready to start their own venture. The study shows how intrinsic and extrinsic motives can be the main drivers in encouraging students towards new venture creation. Thus, it seems important to improve youth's motivation level if an economy wants to utilise their potentials towards entrepreneurial activity.

The main contribution of this study is the development of a new model to measure entrepreneurial motives in relation to readiness towards new venture creation. The study shows that students can be given

tangible rewards to motivate them into creating their ventures. Tangible rewards have higher impact on students' readiness but this needs to be highly controlled or monitored so that the business will not fail at inception or along the line. Tangible rewards were found to affect passion, desire for independence and achievement motive of the non-trained students than trained students. This is consistent with the result of Deci et al. (1999) that tangible rewards are less detrimental on college students if their business progress is properly monitored. Achievement motives as seen in this result have higher impacts on creation and sustenance of the business. As extrinsic motives are very important, intrinsic motives cannot be neglected because the sustenance of the firm is paramount.

The study shows the importance of entrepreneurship education on students'

career decisions. This result is consistent with that of some previous studies which indicated that trained students are highly motivated towards new venture start-up (e.g., Henderson & Robertson, 2000; Gelderen et al., 2008) because they feel that acquired skills and knowledge will influence their new venture start up in future journey. Another study also supports this result that knowledge and skills acquired through entrepreneurship education have long impacts in students' career decisions (Collins et al., 2004).

The important role of parents/friends in youth's life has been shown in the past. Parents have the power to influence students' career decisions to create successful venture. This result shows that if youth have the full support from their family and friends, a productive new venture will be achieved. This result is consistent with some previous studies (e.g., Soutaris et al, 2007; Gelderen et al., 2008). In addition, this study shows that achievement and desire for independence and family supports are highly valued. This is consistent with the analysis of Gelderen et al. (2008) that independence (autonomy) and family supports are highly valued among the students, and these may result in positive entrepreneurial readiness.

The implication of this is that entrepreneurship education should be tailored based on students' passion and desire to achieve as such a productive new venture will be ascertained. This will not place their readiness on a solid foundation but it will certainly increase their desire to take such risk to invest in new business start-

up in future. Every region in an economy has a role to play in terms of motivating the youth when any of them take the entrepreneurship initiatives to set up new business. Most of the youth of the world today are where they are due to the contribution of their societies towards their success. Any economy that invests in more productive youth will attain more productive growth and development. Every region has area of comparative advantage compared to others; productive individuals can take advantages of these market niche to introduce new business or new product into the competitive market or re-invent the existing product into a new look. This study has contributed and established entrepreneurship education that covers the moulding and translating youth intrinsic values, especially passion, into creating and sustaining new venture. This study also encourages constant development of students who crave entrepreneurial venturing. The government role cannot be overemphasised. Any economy that wants development should think towards utilising youth talents. The government can support the youth entrepreneurs by implementing suitable policy such as tax evasion for starter, subsidy and serve as guarantor of new business start-ups for business loans. In addition, the government can also regulate the market in order to encourage competitiveness and allow easy entry and exit.

This study employed quantitative methods. Further research should employ triangulation to test the importance of extrinsic and intrinsic motives on readiness

towards new venture creation. The study could not obtain a longitudinal study which could have yielded richer insights. It represents an attempt to contribute to organisational science debates on different motives of creating new venture and what motivates or influences individual decisions to venture into entrepreneurial activities. It is envisaged that this study will be valuable for future research in the field of entrepreneurship.

CONCLUSION

The study demonstrates the crucial determinant that motivates youth's readiness towards new business start-up. This study concludes that entrepreneurs who have participated in entrepreneurship course in the university are more motivated towards new venture creation than non-participants. The model of this study depicts that intrinsic and extrinsic motives are both crucial on students' career decisions. This is because the positive and significant role of entrepreneurship education as a moderator shows that entrepreneurs can be developed and entrepreneurship course increases their intrinsic and extrinsic motives as entrepreneurs are put into career journey. It is not the aim of this study to differentiate the two motives but it is to ensure how both motives can be properly managed in order to ensure a successful new business venture.

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