

## ENTREPRENEURIAL INTENT DETERMINANTS AMONG EARLY CHILDHOOD GRADUATES IN MALAYSIAN HIGHER EDUCATION

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### Abstract

The persistence of graduate underemployment in Malaysia has necessitated a strategic shift toward entrepreneurship as a vital career pathway for economic resilience. This study investigates the determinants of Entrepreneurial Intent (EI) among final-year Early Childhood Education (ECE) graduates, specifically examining the interplay between Internal Drive (motivation and interest) and External Barriers (perceived knowledge and capital literacy). Grounded in Ajzen's Theory of Planned Behavior (TPB), the research employed a descriptive quantitative design, sampling n=212 students at a pioneer Malaysian private university. Data were analyzed using descriptive statistics to identify perceived priorities and cognitive gaps. Findings reveal a state of cognitive fragmentation regarding entrepreneurial catalysts; while skills (18.87%), motivation (17.94%), and interest (16.98%) were ranked with near-equal weight, a significant 30.18% of respondents categorized these drivers as unrelated or indeterminate. Regarding external barriers, respondents demonstrated sector-specific realism by prioritizing start-up capital for payroll (25.0%) and facilities (21.22%), yet a notable 20.75% capital literacy gap emerged. Furthermore, graduates identified problem identification (24.06%) and decision-making (20.29%) as the most critical knowledge domains, reflecting an awareness of the executive functions required for market entry. The results suggest that while latent internal drive exists, the transition to active intent is hindered by perceived competency and financial barriers. The study concludes that Malaysian Higher Education Institutions (HEIs) must move beyond theoretical electives toward integrated, problem-based learning (PBL) and sector-specific financial modeling to effectively bridge the intention-action gap.

**Keywords:** *Early Childhood Education, Entrepreneurial Intent, Graduate Employability, External Barriers, Malaysian Higher Education*

## **INTRODUCTION**

The Malaysian higher education landscape is currently grappling with the acute pressure of graduate underemployment and unemployment, a domestic crisis exacerbated by global volatility and currency instability (Choon Wei & Pei Yew, 2020; Nor Azilah Husin et al., 2021; Wan et al., 2018). While macro-level events, such as geopolitical tensions and currency instability, inevitably affect multinational company performance and job market buoyancy (Panagiotopoulos & Karanikola, 2017), the most critical challenge remains the structural inability of the labor market to absorb highly qualified youths (Makame, 2024). This issue is compounded by a rapidly changing industrial structure, where automation and digitalization demand a new set of skills, placing considerable pressure on Higher Education Institutions (HEIs) to produce adaptable and value-creating graduates (Mezhoudi et al., 2021).

In response to this structural challenge, the Malaysian government has consistently championed entrepreneurship as a crucial alternative career pathway and a key driver of economic resilience (Kamarudin et al., 2021; Kementerian Pengajian Tinggi, 2020; Wan et al., 2018). This policy push aims to cultivate graduates who are not merely job seekers but are equipped to become job creators. Consequently, there is an urgent need to understand the psychological and practical factors that influence a graduate's decision to embrace this pathway.

This study, therefore, aims to re-evaluate and quantify the perceived influence of internal drive and external barriers that influence the tendency of HEI students to venture into entrepreneurship. The investigation specifically focuses on graduates from the Early Childhood Education (ECE) field, examining factors across two dimensions: internal drive (motivation and interest) and external barriers (perceived knowledge, skills, and access to capital). The analysis seeks to move beyond descriptive findings to understand the relationships between these internal and external factors and the resultant entrepreneurial intent. Based on this objective, the research seeks to answer the following questions:

- 1) To what extent does the perceived equal importance of internal (motivation, interest) and external (skills, knowledge) factors, coupled with a significant portion viewing them as unrelated, reflect a fragmented understanding of the entrepreneurial journey among ECE graduates?
- 2) How does the students' prioritization of operational expenses (payroll, facilities) over initial investment reflect a potential lack of realism or anxiety regarding the magnitude of securing start-up capital in the Malaysian business environment?
- 3) Does the strong emphasis on knowledge for 'identifying problems' and 'decision-making' reflect an underlying recognition by ECE graduates of their current deficiencies in critical thinking and problem-solving skills, which are required for modern industry employability?

## **LITERATURE REVIEW**

The discourse on graduate entrepreneurship in Malaysia consistently highlights the interplay between innate qualities (Internal Drive) and institutional influence (External Barriers/Support) (Alharti, 2020; Howe et al., 1998). Early findings from local HEIs, such as a study on Universiti Teknologi Malaysia (UTM) graduates, underscore that motivation, attitude, and practical skills are perceived as more crucial to entrepreneurial success than personal background (Bazkiaei et

al., 2021; Norliza Mohd Zain et al., 2017). This sentiment is reinforced by evidence suggesting that graduates who receive hands-on business exposure during their university tenure are significantly more inclined to start their own ventures post-graduation, aligning with pedagogical findings that stress the engagement provided by field-based learning over theoretical concepts (Abdullah et al., 2019; Butum, 2017).

### **Entrepreneurial Intention Theories**

Entrepreneurial Intention (EI) is widely acknowledged as the most robust predictor of actual entrepreneurial activity, representing the active cognitive process that channels an individual's beliefs, perceptions, and external factors toward the deliberate goal of new venture creation (Anal & Singh, 2023). However, a critical review reveals that conceptualizing EI solely as a "mindset" risks oversimplification; it is fundamentally a measured commitment of effort and a conscious belief in one's capacity for future business ownership, reflecting a planned, non-random behavior. The literature on EI can be critically divided into distinct theoretical traditions. The dominant perspective, rooted in social psychology, primarily seeks to analyze behavior by illuminating the mental trajectory from attitudes and beliefs to concrete action. Within this framework, studies often highlight the primacy of personal attitude toward the behavior and perceived behavioral control as strong predictors of EI (Izmayani Sa'adin & Ahmad, 2021). This emphasis, however, sometimes overlooks the environmental complexity of the entrepreneurial process.

Furthermore, research on specific psychological traits presents mixed evidence: while positive orientations such as optimism and internal locus of control are consistently found to positively influence EI, the direct positive influence of traits like risk-taking is often contested or shown to be negligible (Aldeen et al., 2020). This suggests that high EI may be less about innate risk preference and more about a calculated willingness to invest effort and mitigate perceived uncertainty. Therefore, while EI is unequivocally a state of mind directing action toward business ownership, its true predictive power lies in its capacity to serve as a proxy for the pre-action commitment required to overcome market barriers and pursue either incremental or high-growth business opportunities. The critical challenge remains ensuring that this psychological intent is robustly informed by real-world knowledge and skills, preventing aspiration from dissolving into inaction.

### **The Role of Field of Study and Skill Integration**

While some studies, particularly those focused on specialized entrepreneurship programs, suggest no significant correlation between the original field of study and the type of business pursued (Rocha et al., 2024). Other international literature notes a link between pursuing entrepreneurship at the postgraduate level and a higher tendency for starting and growing a business (Putra et al., 2024). The overarching consensus in Malaysian HEI research confirms a strong correlation between university exposure (curriculum, programs, and co-curricular activities) and the development of an entrepreneurial mindset, asserting that these skills are learned, not inherited (Ahmad Ridhuwan Abdullah et al., 2019; Kamarudin et al., 2021).

Crucially, effective entrepreneurship requires the integration of diverse skills. The literature suggests that students should be exposed to a holistic learning framework that links theory with exploratory activities, action learning, and problem-based learning (PBL) to foster execution capability (Closs et al., 2022; Salamun et al., 2024). The absence of this integration often leads to a fragmented understanding of the entrepreneurial journey, where students fail to see the

necessary relationship between internal drive, knowledge acquisition, and successful application, an issue the present study seeks to investigate (Research Question 1). This is particularly relevant given that the emphasis on knowledge should be on high-level problem identification and decision-making (Abubakar et al., 2019; Kotronoulas et al., 2023), skills local employers consistently identify as major gaps in graduate performance (Nadarajah, 2021; Yen et al., 2023).

### **External Barriers: The Capital and Confidence Gap**

Beyond internal drive and learned skills, external factors and structural support are critical barriers (Hoerndlein et al., 2012; Myint Naing et al., 2022). The literature acknowledges that external rewards and encouragement from government schemes act as key drivers for graduate entrepreneurs (Onileowo, 2024). Conversely, studies pinpoint lack of start-up capital and inadequate management skills as the primary reasons why aspiring graduates often fail to launch their businesses (Ly-Le, 2022; Setiawati & Atarita, 2018). The financial aspect is not just about the availability of money, but the literacy and confidence to manage it (Díaz-garrido et al., 2025). The fact that many potential graduate entrepreneurs are held back by financial barriers and a lack of self-confidence in managing initial investment highlights the relevance of Perceived Capital Understanding as an external barrier (Garba & Aliyu, 2017; To & Le, 2021). This persistent gap between aspiration and successful execution, particularly regarding access to capital and the confidence in applying learned knowledge, serves as the core motivation for the present study to quantify the influence of these Internal Drive and External Barrier variables on entrepreneurial intent (Research Questions 2 and 3).

## **CONCEPTUAL FRAMEWORK**

The conceptual framework of this study is primarily grounded in Ajzen's Theory of Planned Behavior (TPB)(1991), which posits that human action is guided by three kinds of considerations: attitudes toward the behavior, subjective norms, and perceived behavioral control. In the context of this study, entrepreneurial intention is viewed as a planned behavior influenced by a combination of internal psychological states and external situational perceptions. The framework adapts the TPB model by categorizing the determinants of intention into two primary domains:

- a) Internal Drive (Attitudinal Factors): This corresponds to the student's personal Motivation and Interest. In TPB, this represents the "Attitude toward the Behavior," which is the degree to which a person has a favorable or unfavorable evaluation of being an entrepreneur.
- b) External Barriers (Perceived Behavioral Control): This corresponds to Perceived Capital Literacy and Knowledge/Skills. In TPB, this represents "Perceived Behavioral Control," which is the student's perception of the ease or difficulty of becoming an entrepreneur based on their perceived resources (capital) and competence (knowledge).

### **The Proposed Research Model**

The framework (see Figure 1) illustrates the relationship between determinants and the resulting entrepreneurial intent among ECE graduates.

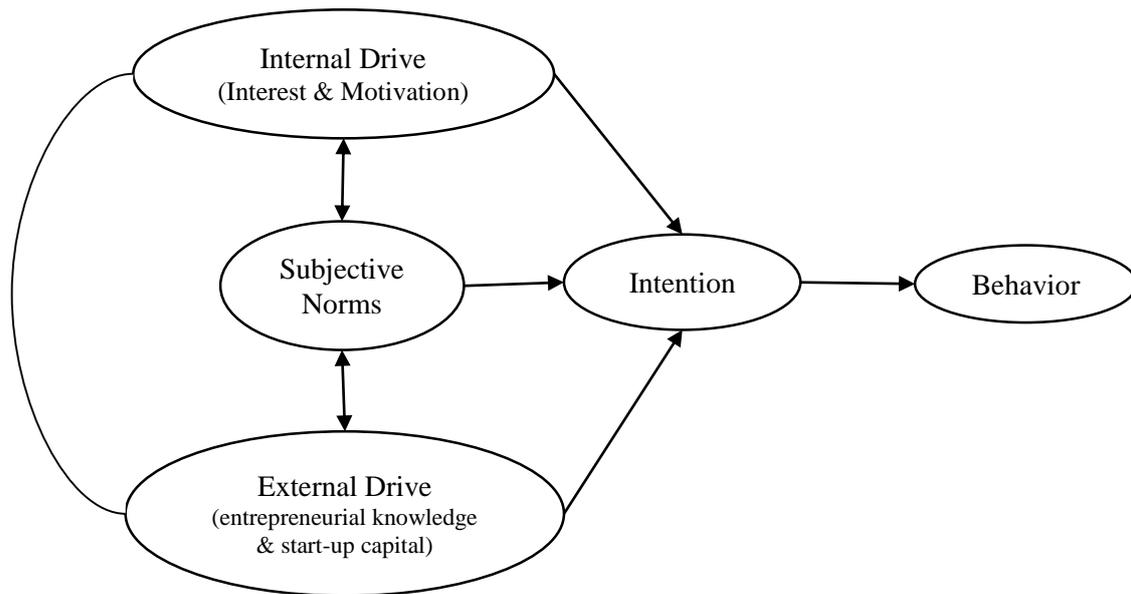


Figure 1: Conceptual framework of determinants of entrepreneurial intent. Adapted from Ajzen's Theory of Planned Behavior (TPB) (1991)

The model utilizes Internal Drive, comprising the intrinsic elements of personal interest and motivation, and External Barrier, encompassing the perceived mastery of entrepreneurial knowledge and the prioritization of start-up capital, as the primary independent variables. These factors are analyzed as predictors of the study's dependent variable, Entrepreneurial Intent, which is defined as the cognitive predisposition and specific readiness of graduates to launch a new venture post-graduation. By structuring the model in this manner, the study establishes a framework to examine how internal psychological inclinations intersect with perceived environmental and competency constraints to shape the career trajectories of final-year students within the Malaysian higher education context.

### Explanation of Variable Relationships

The framework posits that entrepreneurial intent among ECE graduates is not a singular psychological state, but a dynamic outcome of the synergy between Internal Drive and External Barriers. Grounded in the Theory of Planned Behavior, this relationship assumes that while Internal Drive (Interest and Motivation) serves as the primary "pull" factor or catalyst for career aspiration, its translation into a firm intent is mediated by the student's perception of External Barriers (Knowledge and Capital). Within this model, Motivation and Interest represent the attitudinal foundation; however, as the descriptive results suggest, a high internal inclination does not automatically equate to high intent if the perceived behavioral control is low. The External Barriers act as critical filters or inhibitory factors. For instance, a student may possess a strong intrinsic motivation to launch an ECE center, yet if they perceive a significant deficit in Capital Literacy or an inability to apply Knowledge toward critical decision-making, the resultant intent becomes fragmented or suppressed.

Furthermore, the model accounts for the Cognitive Alignment required for professional readiness. The relationship is characterized by a "threshold effect" where the clarity of external

resources, specifically the ability to prioritize startup capital and the mastery of problem-solving skills, validates the internal drive. By examining these variables together, the framework enables a critical analysis of the Intention-Action Gap, suggesting that curriculum interventions in Malaysian Higher Education should target the mitigation of external perceived barriers to successfully activate the latent internal drive of ECE graduates.

## **METHODOLOGY**

### **Research Design and Ethics**

This study utilized a descriptive quantitative research design. This approach was selected because it is particularly effective for identifying and summarizing the characteristics of a specific phenomenon, in this case, the perceptions of ECE graduates regarding entrepreneurial drivers and barriers, without manipulating the environment (Creswell, 2009). Ethical clearance was obtained from the Head of Department and the Coordinator of the Program, ensuring that participant anonymity was maintained and that participation was strictly voluntary.

### **Population and Sampling**

The target population comprised final-year undergraduate students enrolled in the Bachelor of Education (Hons) in Early Childhood Education at a pioneer Private Higher Education Institution (PHEI) in Malaysia. A purposive sampling technique was employed to ensure that only students who had completed their core curriculum and were on the threshold of entering the labor market were included. Out of the total final-year cohort, 212 students completed the survey, representing a significant sample size for a specialized discipline-specific study.

### **Instrumentation and Pilot Study**

The research instrument was a structured questionnaire adapted from established entrepreneurial intent scales (Ajzen, 1991; Liñán & Chen, 2002). The items were localized to the Malaysian ECE context and underwent content validation by a panel of two subject matter experts to ensure item-objective congruence.

- a) Scale Measurement: Items in Part B were measured using a 5-point Likert scale (ranging from 1 = Strongly Disagree to 5 = Strongly Agree), while categorical items (as seen in Tables 1, 2, and 3) required respondents to prioritize the single most significant factor.
- b) Reliability: A pilot study was conducted with 30 students (excluded from the final sample). The internal consistency was verified using Cronbach's Alpha ( $\alpha$ ), yielding a coefficient of 0.82 for the propensity scale and 0.78 for the knowledge/capital scales, both exceeding the recommended threshold of 0.70 for social science research.

### **Data Collection Procedure and Instrument**

Data collection took place over four weeks during the final semester. To ensure a high response rate and data integrity, the survey was administered in a controlled classroom environment under the supervision of the researchers. This allowed for the immediate clarification of any technical terminology, minimizing respondent error. The "controlled" nature of the distribution ensured that the "Other" category responses (which reached over 30% in some sections) were deliberate choices rather than accidental omissions. The questionnaire consisted of two main sections:

- 1) Part A: Respondent Profile (6 items): Collected basic demographic and background information.
- 2) Part B: Entrepreneurial Factors (15 items): Measured constructs linked to the study's objectives and research questions. This section was subdivided into three scales:
  - i. Propensity towards Entrepreneurship (5 items): Assessed the internal drive (motivation and interest) of the students.
  - ii. Priority of Capital Expenditure (5 items): Investigated the perceived importance of external factors related to monetary management and capital deployment.
  - iii. Importance of Knowledge (5 items): Evaluated students' perception of the necessity of knowledge and skills for identifying problems and making business decisions.

### **Data Analysis Strategy**

Quantitative data were analyzed using the Statistical Package for the Social Sciences (SPSS) Version 23.0. Following the exploratory nature of the research objectives, the analysis was focused on descriptive statistics, specifically frequencies (n) and percentages (%). This strategy was chosen to provide a granular look at how the sample is distributed across various internal and external factors. This descriptive approach allows for a direct comparison of perceived priorities (e.g., Payroll vs. Facilities), which is essential for identifying specific curriculum gaps.

### **Limitations and Recommendations**

While this study provides valuable preliminary insights into the entrepreneurial mindset of Malaysian ECE graduates, it is important to acknowledge several limitations that should be considered when interpreting the results.

#### **a) Methodological and Analytical Constraints**

The primary limitation of this study is its reliance on descriptive statistics. While frequencies and percentages effectively illustrate the distribution of student perceptions, the lack of inferential statistics (such as correlation or regression) means that the study cannot confirm causal relationships between internal drive and entrepreneurial intent. Additionally, the data is self-reported and cross-sectional, capturing a snapshot of intent at a single point in time. This may be subject to social desirability bias, where students might overstate their "interest" in entrepreneurship because it is seen as a prestigious or encouraged career path.

#### **b) Sample Limitations and Generalisability**

The sample was restricted to one specialized program (ECE) within a single private institution. Consequently, the findings may not be fully generalizable to graduates from other disciplines (such as Engineering or Business) or those from Public Higher Education Institutions (IPTA), where student demographics and funding access may differ. The specific nature of the ECE industry, which is highly regulated and labour-intensive, may also colour the respondents' views on capital and knowledge in ways that do not apply to other sectors.

#### **c) Future Research**

Future research should aim to address the identified limitations by employing inferential statistical methods, such as Structural Equation Modeling (SEM) or Multiple Linear Regression, to quantitatively validate the predictive power and causal relationships of the variables within the proposed conceptual framework. Additionally, adopting a longitudinal research design would be invaluable to track the actual transition of entrepreneurial intent into concrete action, specifically evaluating the rate at which graduates successfully launch ventures one to three years post-graduation. Finally, expanding the research scope to include comparative studies between public and private Higher Education Institutions (HEIs) would determine if the identified "Capital Literacy Gap" is a discipline-specific phenomenon or a systemic issue across the Malaysian educational landscape. Such multi-institutional insights would be critical for developing targeted policy interventions that effectively bridge the gap between student aspiration and industry execution.

## RESULTS

### Respondent Profile

The study sample comprised 212 final-year Bachelor of Education (Hons) (Early Childhood Education) students with an average profile characterized by no formal industry experience before or during their studies, aside from a mandatory teaching practicum. The entry qualifications of the cohort were split, with almost half (48.0%) entering the program with a diploma, while the remaining students entered via the Malaysian Higher School Certificate (STPM) and Matriculation pathways. Overall, the academic performance of the final-year cohort was strong, indicating a high learning capacity. A majority (48.1%) achieved a Cumulative Grade Point Average (CGPA) above 3.00 (Good Grade), and a substantial portion (34.0%) maintained a CGPA between 2.50 and 3.00 (Medium Grade). Details background of the respondent are shown in Table 1 below.

Table 1. Respondent background (n=212)

| Item                           | Frekuensi | Percentage % |
|--------------------------------|-----------|--------------|
| A. Academic Qualifications     |           |              |
| a) Pre-University              | 48        | 22.6         |
| b) STPM                        | 58        | 27.3         |
| c) Diploma                     | 102       | 48.1         |
| d) Other                       | 4         | 1.9          |
| B. Academic Achievement (CGPA) |           |              |
| a) 3.50 and above              | 39        | 18.4         |
| b) 3.00 – 3.49                 | 63        | 29.7         |
| c) 2.50 – 2.99                 | 72        | 34.0         |
| d) Below 2.50                  | 38        | 17.9         |

## Entrepreneurial Curriculum Exposure

A crucial contextual finding is the minimal formal exposure of respondents to entrepreneurial education within the program's structure. The curriculum for the ECE program only offers one elective 3-credit course related to entrepreneurship, which is not mandatory for graduation. This design aligns with arguments that high-volume, mandatory courses may not significantly impact a graduate's future as an entrepreneur (Ali et al., 2025; Hardy Loh Rahim et al., 2016), who suggested focusing comprehensive training on a few talented individuals. However, to effectively achieve the objective of producing job creators, literature suggests that entrepreneurial pedagogy must move beyond single, elective courses and adopt approaches that link teaching with exploratory activities, action learning, problem-based learning (PBL), and a focus on specific industry applications (Rodrigues, 2023). Furthermore, teaching needs to be integrated across various fields, extending beyond traditional economics and business, to expose students to the potential of tradable resources within their domain (Bodnar et al., 2020). This limited curriculum exposure forms a critical baseline against which the students' reported interests, motivations, and perceived knowledge gaps in the subsequent results must be interpreted.

**RQ1. To what extent does the perceived equal importance of internal (motivation, interest) and external (skills, knowledge) factors, coupled with a significant portion viewing them as unrelated, reflect a fragmented understanding of the entrepreneurial journey among ECE graduates?**

The initial stage of the analysis sought to determine the specific catalysts that students believe influence their decision to enter the field of entrepreneurship. Respondents evaluated four primary determinants, which are motivation, interest, skills, and knowledge, while having the option to categorize these as unrelated or influenced by external variables (Other). The distribution of these responses is detailed in Table 1 below.

Table 1. Students perceive the importance of internal and external factors to venture into entrepreneurship (n=212)

| Item  | Frekuensi | Percentage % |
|---|-----------|--------------|
| Factors that motivate students to venture into entrepreneurship |           |              |
| a) Skills   | 40        | 18.87        |
| b) Motivation   | 38        | 17.94        |
| c) Interest   | 36        | 16.98        |
| d) Knowledge  | 34        | 16.03        |
| e) Other  | 64        | 30.18        |

As illustrated in Table 1, the respondents attributed a nearly non-hierarchical weight to the four core pillars of entrepreneurship. While Skills (18.87%) emerged as the most cited specific factor, the marginal difference between it and Motivation (17.94%), Interest (16.98%), and Knowledge (16.03%) suggests that Early Childhood Education (ECE) graduates view entrepreneurial readiness as a diffuse construct. This indicates that students do not perceive any single attribute, whether innate (interest) or acquired (knowledge), as the definitive precursor

to success. This finding aligns with the observations of Saoula et al. (2025), who posited that while theoretical knowledge may bolster motivation, it does not function as an isolated catalyst for entrepreneurial intent without the presence of other internal drivers.

The most significant data point in Table 1 is the 30.18% of respondents who selected the "Other" category. In an analytical context, this indicates that nearly one-third of the final-year cohort perceives these traditional factors as either unrelated to one another or insufficient to explain their personal career trajectory. Critically, this high percentage suggests a state of cognitive fragmentation within the ECE student body. If a substantial minority of graduates cannot identify a primary driver among the standard pedagogical pillars, it implies that current entrepreneurial exposure within the curriculum remains too abstract or disconnected from their professional identity. As Otamiri and Ijeoma (2023) emphasize, entrepreneurship is a "deliberate and planned activity." The results in Table 1 suggest that for a large segment of these graduates, the "plan" for entrepreneurship is obscured by a lack of clarity regarding how motivation and skills actually synthesize into a viable business concept. This underscores a pressing need for Malaysian Higher Education Institutions (HEIs) to move beyond elective-based instruction toward a more integrated and experiential pedagogy that helps students reconcile these disparate factors into a unified entrepreneurial intent.

**RQ2. How does the students' prioritization of operational expenses (payroll, facilities) over initial investment reflect a potential lack of realism or anxiety regarding the magnitude of securing start-up capital in the Malaysian business environment?**

While capital sources are not the sole determinant of entrepreneurial success, they remain a fundamental prerequisite for venture sustainability (Tang, 2020). This study investigated the students' understanding of capital priorities, specifically, whether funds should be directed toward operational overheads, physical infrastructure, or strategic assets. The respondents' prioritizations are summarized in Table 2.

Table 2. Students' prioritization of operational expenses (n=212)

| Item   | Frekuensi | Percentage % |
|--|-----------|--------------|
| Capital priorities for starting entrepreneurship |           |              |
| a) Payroll                                       | 53        | 25.00        |
| b) Facilities                                    | 45        | 21.22        |
| c) Teaching equipments                           | 38        | 17.93        |
| d) Strategic location                            | 32        | 15.10        |
| e) Other   | 44        | 20.75        |

As indicated in Table 2, the highest priority for capital allocation was Payroll (25.00%), followed by Facilities (21.22%). This suggests that ECE graduates possess a realistic understanding of the industry's labor-intensive nature. In the ECE sector, the quality of service is directly tied to the caliber of teaching staff; therefore, students appear to recognize that human capital represents the highest ongoing operational cost. This prioritization reflects a shift from a purely "brick-and-mortar" business view toward one that values professional expertise as a core business asset. However, the lower emphasis on Strategic Location (15.10%) is noteworthy. In traditional retail and service models, location is often cited as the primary driver of success. The fact that ECE students ranked this lowest among the defined categories may

suggest a lack of awareness regarding the "geographical competitiveness" required to attract a local client base (parents).

A significant finding in Table 2 is that 20.75% of respondents fell into the "Other" category, indicating they were unable to commit to a specific financial priority. Analytically, this underscores a Capital Literacy Gap. While students have a general sense of operational needs (payroll and facilities), a substantial minority lacks the specific financial planning skills required to differentiate between "sunk costs" and "growth investments."

This ambiguity regarding capital priorities serves as a critical External Barrier. As argued by Safari and Das (2023) the inability to manage initial investment is a primary cause of graduate business failure. For these ECE graduates, the high "Other" response suggests that while they may have the intent to become entrepreneurs, they may face significant Financial Anxiety or paralysis when confronted with the actual fiscal requirements of launching a center. This finding provides a strong empirical basis for the recommendation that Malaysian HEIs should integrate practical financial modeling and capital budgeting into the ECE curriculum to move students from theoretical intent to operational readiness.

**RQ3. Do ECE graduates' focus on knowledge for 'identifying problems' and 'decision-making' suggest they recognise gaps in their critical thinking and problem-solving skills for today's industry?**

The final dimension of the study examined the specific domains of knowledge that students perceive as most critical for entrepreneurial success. While traditional education often focuses on content mastery, the entrepreneurial landscape requires the application of knowledge toward executive functions. The respondents' perceptions of these knowledge domains are detailed in Table 3.

Table 3. Students perceived the importance of knowledge for entrepreneurs (n=212)

| Item   | Frekuensi | Percentage % |
|--|-----------|--------------|
| The importance of knowledge to entrepreneurs |           |              |
| a) Identifying problems                      | 51        | 24.06        |
| b) Decision making                           | 43        | 20.29        |
| c) Documentation                             | 40        | 18.86        |
| d) Evaluate opportunities                    | 40        | 18.86        |
| e) Leadership                                | 38        | 17.93        |

As illustrated in Table 3, the respondents identified Identifying Problems (24.06%) and Decision Making (20.29%) as the two most critical knowledge domains. This finding is analytically significant as it indicates that ECE graduates recognize entrepreneurship as a problem-solving endeavor rather than a purely administrative one. By prioritizing the ability to diagnose market gaps (problem identification) and act upon them (decision making), students demonstrate an awareness of the "proactive" nature of entrepreneurship. This aligns with the work of Kozak (2017) who suggested that the quality of initial decision-making is a primary determinant of long-term business survival.

The relatively high ranking of Leadership (19.93%) further suggests that students view themselves as future managers of human and social capital. In the context of Early Childhood

Education, where the "product" is a service delivered by people, the recognition of leadership knowledge is essential. However, the equal and lower prioritization of Evaluating Opportunities (18.86%) and Documentation (18.86%) reveals a potential cognitive blind spot. While students are eager to solve problems and lead, they may undervalue the rigorous "due diligence" (evaluating opportunities) and the administrative "compliance" (documentation) required to sustain a licensed ECE center in Malaysia. This suggests a Skills Gap where students favor the "active" phases of entrepreneurship over the "analytical" and "regulatory" phases. From a policy perspective, this data indicates that Malaysian HEIs are successful in fostering a "can-do" leadership spirit but may need to bolster the curriculum regarding Regulatory Literacy and Market Analysis. Ensuring that ECE graduates can synthesize their problem-solving drive with disciplined opportunity evaluation will be the key to overcoming the External Barriers of market entry and institutional sustainability.

## **DISCUSSION**

The findings of this study provide a nuanced snapshot of the entrepreneurial mindset among final-year ECE graduates, characterized by a high degree of internal motivation tempered by significant cognitive and structural barriers.

### **Cognitive Fragmentation in Entrepreneurial Drivers**

The data in Table 1 reveal a nearly equal distribution of perceived influence among skills (18.87%), motivation (17.94%), interest (16.98%), and knowledge (16.03%). This suggests that students view entrepreneurial readiness as a multi-dimensional construct where no single factor dominates. However, the emergence of "Other" (30.18%) as the highest category is critically salient. This finding suggests a cognitive fragmentation; a significant portion of the cohort perceives these foundational pillars as either unrelated or insufficient to explain their career drive. This aligns with the "Cognitive Disconnect" theory, implying that while HEIs provide the individual "bricks" of entrepreneurship (e.g., a single elective course), students struggle to synthesize them into a cohesive "structure" of intent (Melin & Gaddefors, 2023).

### **External Barriers: Sector-Specific Realism and Financial Ambivalence**

Regarding capital prioritization (Table 2), the focus on Payroll (25.00%) and Facilities (21.22%) indicates a realistic grasp of the ECE industry's labour-intensive and infrastructure-heavy requirements. Students correctly identify that human capital is the primary operational cost in early childhood centres. Nevertheless, the 20.75% of respondents who were unable to prioritize capital needs ("Other") represents a substantial Capital Literacy Gap. Within the framework of the Theory of Planned Behaviour, this lack of financial clarity acts as a significant External Barrier that lowers "Perceived Behavioural Control." Even with high interest, the inability to navigate initial financial requirements creates a threshold that many graduates may fail to cross. This supports the argument by Tariq et al. (2015) that business failure among graduates is often rooted in a lack of specific financial management skills rather than a lack of intent.

### **Competency Awareness: The Need for Executive Function**

The prioritization of knowledge domains in Table 3, specifically Problem Identification (24.06%) and Decision Making (20.29%), demonstrates that ECE graduates value executive functions over clerical or administrative tasks like documentation (18.86%). This is a positive

indicator of entrepreneurial maturity, as it shows students recognize the proactive, evaluative nature of business ownership. However, this recognized need for problem-solving knowledge may also reflect an underlying perceived inadequacy. The high value placed on these skills mirrors the persistent complaints from Malaysian employers regarding the "Critical Thinking Gap" in fresh graduates (Makhbul et al., 2015). The fact that students prioritize these areas indicates they are aware of the skills they lack to overcome the External Barrier of market competition.

### **Synthesis: Bridging the Intention-Action Gap**

Collectively, the findings suggest that the ECE graduates' Internal Drive is currently "latent." They possess the interest and motivation, but their Entrepreneurial Intent is hindered by a fragmented understanding of how to integrate their skills and a specific deficit in financial literacy. To move these graduates from "intenders" to "job-creators," the Malaysian HEI curriculum must shift from broad theoretical exposure to integrated, scenario-based learning. By specifically addressing the identified gaps, financial modeling and market-based problem-solving institutions can lower the perceived external barriers and successfully activate the students' existing internal drive.

## **CONCLUSION**

This study evaluated the determinants of entrepreneurial intent among final-year Early Childhood Education (ECE) graduates by analyzing the interplay between internal drive and external barriers, revealing that while graduates possess a foundational interest in entrepreneurship, their professional identity remains cognitively fragmented. The descriptive analysis of 212 respondents indicates a lack of an integrated framework to synthesize the drivers of skills, motivation, and knowledge, as evidenced by a substantial portion of the cohort being unable to identify a primary catalyst for their intent. Furthermore, the identification of significant external barriers, specifically a notable capital literacy gap where over 20% of respondents were unable to define financial priorities, suggests that perceived behavioral control is suppressed despite an industry-specific realism regarding human capital costs. The strong prioritization of knowledge for problem identification and decision-making further underscores a recognized deficiency in the executive skills required for market entry. Consequently, for Malaysian Higher Education Institutions (HEIs) to successfully transition these graduates into job-creators, the curriculum must move beyond theoretical electives toward integrated, experiential learning that embeds sector-specific financial modeling and problem-based learning scenarios. This structural evolution is essential to bridge the intention-action gap, activating the latent internal drive of graduates and equipping them with the practical resilience necessary to fulfill the national agenda of economic diversification and venture creation.

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### **Author Contribution**

The authors collaboratively confirm their respective contributions to this manuscript.

- 1) Norsyahida Mat Nazir: Conceptualization, Methodology Design, Data Analysis and Interpretation, Visualization, and Writing, Original Draft Preparation.

- 2) Syed Lamsah Syed Chear & Melia Dwi Wijayanti: Validation of Methods and Statistical Results, and critical Intellectual Input during the discussion and revision process. Syed Lamsah serves as the corresponding author.

### **Conflict of interest**

The authors declare that they have no known competing financial interests or personal relationships that could have appeared to influence the work reported in this paper. No financial support, grants, or funding were received from any organization for the execution, authorship, or publication of this research.

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