



## Factors affecting the decision to start a business of fresh graduates in Ho Chi Minh City, Vietnam

Ai Huu Tran, Truong Nhat Tran

University Van Hien, Ho Chi Minh City, Vietnam

### Abstract

This study identifies factors affecting the success of fresh graduates starting a business. The specific objectives of the study are the degree of influence of factors in the decision to start a business of new graduates. Subjects of the study include fresh graduates from 4 universities in Ho Chi Minh City. The Random sampling technique was applied to select the survey sample size of 423. Data was collected through the results of answering structured questionnaires of survey subjects. Data were analyzed by descriptive statistics, EFA analysis, and linear regression analysis. The results of the regression analysis show that the factors impact from high to low (1) Entrepreneurship teaching activities (ETA), (2) Knowledge and experience (KAE), (3) Personal attitude (PA), (4) Reference group (RA), (5) Business readiness (BR), (6) Participation extracurricular activities (PEA), (7) Business passion (BP), (8) Business capital (BC).

**Keywords:** start-up, fresh graduate, influence factors, Vietnam

### Introduction

The Covid-19 pandemic has been having profound effects on all aspects of the socio-economic life of all countries in the world in ways that we have never seen before. Unprecedented. On the economic front, the solutions adopted by the national governments as well as the waste of resources to control the epidemic and the negative expectations in the economies caused huge losses. The global supply chain is severely broken and fragmented. Economic activity is almost completely paralyzed, especially in highly open economies. The economies of countries fall into a severe recession, possibly even many times larger than the 2008 crisis. The extent of the impact depends a lot on the structure of each economy as well as the link of that economy with the rest of the world (Baldwin and Mauro, 2020; Correia, Luck and Verner, 2020) <sup>[6, 11]</sup>.

In addition, with production halted, businesses may temporarily stop operating, workers may be suspended or even fall into unemployment. The loss in income will cause the demand for this object to fall sharply. The above effect will be especially severe for those outside the coverage of unemployment insurance. Fresh graduates also fall into a common spiral, urge to decide to do something to save themselves, and help many people in the same situation. The number and size of enterprises decreased along with the loss of jobs and unemployment increased. In the first 2 months of the year, there were 16,151 enterprises temporarily suspending business, up 19.5% over the same period, 2,807 enterprises completed dissolution procedures. If it is estimated that the average number of employees in an enterprise is about 25 people, in 2 months there have been about the thousands of employees affected by the business suspension.

According to a new report by the International Labor Organization (ILO-ADB, 2020) youth employment prospects in Asia and the Pacific are being seriously challenged by the corona virus (COVID-19) pandemic. Young people (those aged 15-24) will be most immediately affected than adults (25 years and older) during the crisis

and are also at risk of bearing the economic costs and higher society in the longer term. Even before the COVID-19 crisis, young people in Asia and the Pacific were facing labor market challenges, resulting in high unemployment and a large proportion of young people not participating students and do not have a job. In 2019, the youth unemployment rate in the region was 13.8%, while the adult rate was 3% and more than 160 million young people (24% of the population) were unemployed nor participate in any education or training.

In addition, the intention to start a business is also affected by external factors, according to Johnson, R, (2015), which are Entrepreneurship Education and Entrepreneurship Environment. For the Entrepreneurship Education element in universities, according to Arenius, and Minniti (2005), well-trained individuals are more likely to pursue entrepreneurial opportunities. From training programs and educational activities at schools, there are positive impacts on students' ability to start a business. In a university environment, students are free to be creative, come up with ideas and implement those ideas without fear of risk and failure. What they receive during their studies at school has a great impact on the formation of their thoughts and outlook on life later on. Based on the actual situation of universities in Ho Chi Minh City, there are many schools that do not yet have exciting activities with the essence of entrepreneurship for students, the author proposes to add an external factor, which is educational guidance entrepreneurship education and participation in extracurricular activities in the research model.

In addition, research by Grimaldi and Gradi (2005) suggests that the start-up environment has a positive influence on the business results of enterprises in the start-up stage Prising (2011) <sup>[37]</sup>; Ambad and Damit (2016) <sup>[11]</sup> show that supportive policies of the government have contributed to the increase of active business startups, as well as encouraging businesses in the early stages after starting a business.

However, the above advantages are still not enough for students, especially students of the Faculty of Economics -

Business Administration, to realize their dream of starting a business. They are also passive in creating their own businesses. They have not had practical experience, nor have they anticipated the difficulties of market fluctuations, procedures for setting up a company or financial resources, consulting support from organizations, assessment and evaluation public price for the start-up company. Therefore, students need guaranteed support from the State and relevant units in terms of policies, capital sources, training consultancy, market access...

Today, business has become the determining factor of development of all countries. Therefore, many seminars and conferences are held every year around the world, emphasizing the importance of entrepreneurship for the country, society as well as personal development (Linan F. *et al.*, 2010). The status of employment of students after graduation is a dilemma during the economic downturn. The fact that graduates cannot find jobs or find jobs that are contrary to their major is happening more and more, causing worries for most young people today. However, the employment situation during the economic downturn tends to be saturated, causing many difficulties for students on the threshold of entering the labor market. Faced with the above situation, the Ministry of Education and Training has coordinated with mass organizations, businesses to implement many action programs to help students develop the necessary skills and knowledge to succeed enhance the ability to start a business, this creates a strong motivation for students to open their own future path. Currently, the number of students after graduation with the intention of "self-employment" is very small, but instead accepts "salaried work". For students of business administration, due to the specificity of the industry, which is the training of systematic knowledge and skills in business management, the intention to start a business of students studying this major is somewhat more positive. But in fact, there are still many obstacles affecting the formation, development and decision to start a business of students in this industry. With the set goal is to determine the factors affecting the intention to start a business of business administration students at universities in Ho Chi Minh City, the authors conducted a survey of 423 students and applied quantitative analysis methods to solve this research goal.

### Literature review

#### ▪ Entrepreneurs (Entrepreneur)

In the Webster Dictionary, a business entrepreneur is defined as someone who organizes or administers businesses, especially businesses that involve a lot of risk and uncertainty. Béchar (2005) <sup>[10]</sup> defines an entrepreneur as someone who starts (or creates) a new business. McKinney *et al.* (2002) <sup>[28]</sup> argue that an entrepreneur is someone who makes money by starting or managing a risky business. The essence of successful youth entrepreneurship is to ensure that young people do not only have jobs, but also have enough income to sustain their livelihoods, and also contribute to the economic development of the country family (Simpson & Christensen, 2009).

#### ▪ Impact of training young entrepreneurs on starting a business.

Oosterbeek *et al.* (2008) <sup>[34]</sup> define successful young businesses as business projects that have effectively identified a customer's problem, found a solution, added

value, and established channels to provide this solution to the customer and as a result get the customer to buy and commit to the product or service in a way that generates sustainable revenue and profit for the business. As such, entrepreneurship education is important in enhancing the success of youth entrepreneurship ups (Baron, 1998) <sup>[7]</sup>. A study conducted by Sagiri (2009) <sup>[38]</sup> on the success factors for youth entrepreneurship indicated that 63% of the respondents said that entrepreneurship education contributes to the success of young entrepreneurs. Karma.

The intention to start a business comes from the theories of social cognitive theory and the theory of rational behavior, many studies based on the research views of Ajzen (1991) <sup>[4]</sup>, Krueger *et al.* 2000) <sup>[24]</sup> has developed research on entrepreneurship. According to Ajzen (1991) <sup>[4]</sup>, Krueger *et al.* (2000) <sup>[24]</sup>, entrepreneurship is a type of planned behavior. Although entrepreneurs start a business to exploit and take advantage of an opportunity on the market, but before coming to the decision to establish a business, an entrepreneur must think, enjoy and decide to start a business, from Only then will they look for opportunities, finance and partners. Souitaris *et al.*, 2007 argue that entrepreneurial intention can be defined as an individual's decision to start a new business. A strong intention will always lead to an effort to start a new business (Krueger *et al.*, 2000) <sup>[24]</sup>.

The theory of behavioral intentions (TPB) of Ajzen (1991) <sup>[4]</sup> argues that people's behavior is derived from their attitude towards a response to that behavior, which can be understood as a person's approval of that behavior that behavior. If the positive attitude favors a certain behavior, people will consider factors such as social pressure, relatives to see if they support or not support that behavior and is called the subjective norm make decisions to perform human behavior, from which perception controls behavior.

Applying behavioral theory, there have been many researchers like Solomon (2007) <sup>[44]</sup>, who have proposed the entrepreneurship event theory (EEM). This theory assumes that entrepreneurship occurs when an individual discovers an entrepreneurial opportunity and looks forward to it; Linan, F. and Chen, Y.W. (2006) <sup>[26]</sup>, said that the decision to start a business is the process of identifying, evaluating and exploiting business opportunities that come to each individual; Zahra, A., & Pavia, C., (2012) <sup>[47]</sup>, said that the decision to start a business is the desire to achieve a desired goal through taking advantage of business opportunities to get rich. According to research (Schillo *et al.*, 2016) <sup>[41]</sup> behavioral decision is the subjective probability of a person that they will perform some behavior. Deriving from Bird's well-known definition of decision, Krueger defines the entrepreneurial decision as the commitment to establish and own a new business (Krueger, 2000) <sup>[24]</sup>. This definition is completely compatible with Ajzen's (1991) <sup>[4]</sup> point of view that the higher the decision, the greater the probability of performing the behavior and therefore the decision to start a business act as a mediating factor or so-called catalyst of actual action (Schwarz *et al.*, 2009) <sup>[42]</sup>.

#### Studies on factors affecting business performance of university students

In the world, there have been many studies on the factors affecting the entrepreneurial spirit of university students through two aspects of wanting to start a business and confidently starting a business from different angles and

perspectives different points and ranges. The factors that affect the spirit of entrepreneurship are diverse from environment, culture, institution, individual personality, personal characteristics and many other factors. Based on the content of the elements, they are divided into the following groups:

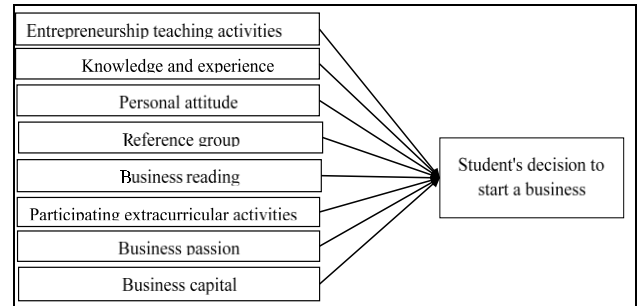
First, the group of environmental (rational) factors includes: actual business environment factors such as environmental barriers and support, access to finance, information and support, preferential policies, regulations of the Government, culture, economic status, socio-politics, institutions of countries... Second, the group of emotional environmental factors includes the business owner model business, the opinions of people around and the social position of the business owner (Sanzo *et al.*, 2003) [39].

**Model and Proposed Research Hypothesis**

▪ **Research models**

Thus, an overview of studies shows that there are many different factors affecting an individual's decision to start a business. Previous studies are based on Ajzen's (1991) [4] intended behavior theory, Shapero and Sokol's (1982) [43]

entrepreneurship theory and the Entrepreneur Scan model developed by Driessen and Zwart (1999) [14] to explain the relationship between this variable to the decision to start a business. The scales affecting the decision to start a business in the research model will include (1) Entrepreneurship teaching activities, (2) Knowledge and experience (3) Family and Friends reference group, (4) Personal attitude, (5) Business readiness, (6) Participation extracurricular activities, (7) Business passion and (8) Business capital.



**Fig 1:** Research proposal model

**Table 1:** Summary of the researchers' scales used

Entrepreneurship teaching activities	Shapero <i>et al.</i> , 982; Fiet, J. O.,2000a
Knowledge and experience	Wenjun Wang <i>et al</i> , 2011 [46]; Dyke <i>et al.</i> , 1992 [15]
Personal attitude	Amran <i>et al.</i> , 2013 [3]; Davidsson P., 1995[12]
Reference group	Driessen và Zwart, 1999) [14]; Ajzen,1991 [4]
Business readiness	Wenjun Wang <i>et al</i> , 2011 [46] Ajzen, 1991 [4]
Participating extracurricular activities	Segal và cộng sự, 2007 [40]; Shulruf (2010)
Business passion	Baron R. A.,1998 [7]; Estrin, <i>et al.</i> , 2009
Business capital	Perera K. H. <i>et al.</i> , 2011 [36]; Fatoki, <i>et al</i> , 2010.
Student's decision to start a business	Krueger, 2000 [24]; Francisco Liñán, 2011

Source: Compiled by the author

▪ **Suggested Research Hypothesis**

The literature review on business start-up decision scales, shows a wide diversity in the number of scales as well as their nature, applying the Ajzen (1991) [4] model; (Linan & Chen, 2006) [26]; developed and Driessen and Zwart (1999) [14]; Shapero *et al.*, (1982 [43] to measure the influence on business start-up decisions of fresh graduates of universities in Ho Chi Minh City) This model has 8 hypotheses.

**1. Entrepreneurship teaching activities**

Entrepreneurship education refers to lectures or courses that provide learners with the skills and knowledge to help them find entrepreneurial opportunities (Miller, 2009) [29]. Education focused on entrepreneurship is a catalyst for the development of youth entrepreneurial intentions (Bae *et al.*, 2014; Fayolle and Gailly, 2015) [5, 17]. This is why more and more schools are introducing courses and programs related to entrepreneurship (Hisrich, 2003; Martin, 2013) [21, 31]. So far, a lot of schools and study programs about entrepreneurship. However, in Vietnam these programs are just starting out, so to date, there have been few or no studies to test whether training and education programs on entrepreneurship have an impact on businesses whether or not young people intend to start a business in Vietnam. Continuing to do a systematic study is essential. Therefore, hypothesis H1 is stated as follows:

**H1:** *Entrepreneurship teaching activities have a positive*

*influence on students' decision to start a business.*

**2. Knowledge and experience**

Knowledge, skills and experience always play an important role in assessing the performance capacity of individuals according to ASK (Attitude, Skill and Knowledge) theory. Especially in Vietnam, it can be said that knowledge and experience are emphasized more when performing jobs. Therefore, experience can also be considered an important factor for individuals to form intentions, including the intention to start a business. Experience often helps individuals easily visualize the steps taking place in the process of performing tasks and results, through which they will confidently form intentions and be motivated to carry out the tasks intended above. Therefore, many studies have shown that individuals with entrepreneurial experience have a higher intention to re-start a business than individuals with no experience (Krueger, 1993 [25]; Basu and Virick, 2008) [9]. Therefore, hypothesis H2 is stated as follows:

**H2:** *Knowledge and experience positively influence students' decision to start a business.*

**3. Personal attitude**

Many studies have shown that personal attitudes have an impact on students' intention to start a business. Krueger *et al.* (2000) [24], argue that attitude describes a systematic positive or negative evaluation of a particular object. It represents the person's evaluation of the object and

comparison with other objects based on the individual's thoughts (perceptions), beliefs (values) and feelings towards the object. Elfving *et al.*, (2009) <sup>[16]</sup>, when testing and comparing the US and French markets, it shows that "attitude towards entrepreneurship" and "self-efficacy assessment" both positively affect "intention to start a business" of students. Therefore, hypothesis H3 is stated as follows:

**H3:** *Personal attitude positively affects students' decision to start a business.*

**4. Family and friends reference group**

According to the theory of planned behavior (Fishbein and Ajzen, 1975; Buchan, 2005) <sup>[18]</sup>, subjective norm is a person's perception of what most of the people who are important to this individual think he/she is should or should not perform a certain behavior. It can be understood, if a person thinks that a particular behavior will bring about a positive result and if they feel that important people (people who have influence over them personally like parents, friends, etc.) will encourage and support the implementation of this behavior, the probability of that behavior will be higher. Especially when researching about young people, age-psychological characteristics such as self-efficacy, interest in discovering new things, etc., and been easily dominated by social groups, therefore, the way of perception or attitudes. The support of stakeholders such as family, friends, and surrounding people will become the basic motivation to motivate them to carry out entrepreneurial behavior (Kolvereid and Isaksen, 2006, Linan *et al.*, 2006) <sup>[23, 26]</sup>. 2011). Therefore, hypothesis H4 is stated as follows:

**H4:** *Family and friends reference groups have a positive influence on students' decision to start a business.*

**5. Business reading**

Business readiness is the process of managing change in the business, such as new systems, technologies or processes that may affect the business. The TekFive's BR team establishes a framework for proactive planning and managing the steps that need to be taken to ensure that business impacted by upcoming changes is ready. In addition, we support businesses by designing an iterative process that eliminates non-value-added elements, standardizes the language and methodology of initiatives, and centralizes functions Manage change for better consistency and efficiency. Therefore, hypothesis H5 is stated as follows:

**H5:** *Business reading positively affects students' decision to start a business.*

**6. Participating extracurricular activities**

Extracurricular activities are found at all levels of the high school system (Florin *et al.*, 2007) <sup>[19]</sup>. The terms extracurricular activities, extracurricular activities, and extracurricular activities are all used interchangeably to

refer to experiences and activities such as debate, athletics, music, drama, and school publications, student councils, school clubs, competitions and various social events (Emmer, 2010). These myriad experiences form a third curriculum — parallel to the required and elective curricula, and well-integrated into the school day-to-day program (Barringer *et al.*, 2010) <sup>[8]</sup>. In general, extracurricular activities are voluntary, approved and funded by school officials, and do not require academic credit upon graduation (Lunenburg & Ornstein, 2008). Developing teamwork skills, cultivating interests and passions, producing yearbooks, journalism, and play, and participating in intercollegiate and intramural sports present many opportunities for students to discover and develop life talents in the adult community (Dell, 2008) <sup>[13]</sup>. Therefore, hypothesis H6 is stated as follows:

**H6:** *Participating in extracurricular activities positively affects students' decision to start a business.*

**7. Business passion**

Passion is a word often reserved for romance and artistic work. In the business world, nonverbal passions are closely tied to economic activities. This is an important, though rarely recognized, factor in the resource allocation decisions of managers, investors, and consumers. To attract customers, manufacturers of consumer goods often express their passion or product and what they can do for consumers and society at large; For example, Starbucks emphasizes its passion for people and its passion for creating a "third place" where people can relax and connect, not just drink coffee (Kumar & Luo, 2006). Therefore, hypothesis H7 is stated as follows:

**H7:** *Business passion has a positive influence on students' decision to start a business.*

**8. Business capital**

Financial capital is the capital that we think about most when starting and growing a business. Cash is the lifeblood of a business. When starting a business, it is not possible to run a business without cash. But on the other hand, it's hard to get cash if you can't do business. The rapid development of the economy and financial markets will soon create conditions for businesses to expand their ability to attract capital into the business (David *et al.*, 2012). When you have these, and if they are reliable and effective, your chances of getting financial capital improve. Therefore, hypothesis H8 is stated as follows:

**H8:** *Business capital positively affects students' decision to start a business.*

**Research Methodology**

This study was conducted through two main phases: (1) Qualitative research to adjust and supplement the scales affecting students' decision to start a business., (2) Formal research to collect, analyze survey data, test scales, hypotheses, and research models.

**Table 2:** Study design process

No.	Methods	Sample Survey	Objectives
1	Qualitative research. In-depth	20 people	Through previous research, the author explores the factors influencing the decision to start a business. Qualitative research was conducted by 5 experts, 10 teachers, 5 managers with business

	interviews		administration experience, to find the fit and find new variables.
2	Preliminary quantitative study	30 people	The author conducts a trial survey to test the appropriateness of the observed varies with the number of votes given out is 30 votes. The subjects of the survey were students. The answer sheet was directly transferred by the author to the subjects participating in the survey.
3	Formal quantitative study	423 people	The author conducts a trial survey to test the appropriateness of the observed varies with the number of votes given out is 30 votes. The subjects of the survey were students. The answer sheet was directly transferred by the author to the subjects participating in the survey.

Source: Data analytics

The qualitative research results show that the factors affecting the decision to start a business of fresh graduates in Ho Chi Minh City include 09 factors with 4 observed variables. Specifically, 8 independent variables include (1) Entrepreneurship teaching activities (ETA) including 5 observed variables, (2) Knowledge and experience (KAE) including 5 observed variables, (3) Personal attitude (PA) includes 4 observed variables, (4) Reference group (RA) includes 5 observed variables, (5) Business readiness (BR) includes 5 observed variables, (6) Participation extracurricular activities (PEA) consists of 5 observed variables, (7) Business passion (BP) includes 5 observed variables, (8) Business capital (BC) includes 5 observed variables, and 1 auxiliary variable Student's decision to start a business (SDSB) consists of 4 observed variables.

**Sampling Method and Data Processing**

**1. Sampling method**

The selected sample size is 423 survey subjects who are fresh graduates at 4 universities of Van Hien, University of Hutech, University of Van Lang, University of Economics of Ho Chi Minh City on the decision to start a business of students.

**2. Data processing method**

**Data collection methods**

Data was collected through questionnaires to interview new graduates at 4 universities of Van Hien, University of Hutech, University of Van Lang, University of Economics of Ho Chi Minh City about the decision to start a business in Ho Chi Minh City main tool for data collection.

The survey was conducted in the period from January 2021 to March 2021, through direct delivery of a paper questionnaire or emailed to respondents. There were 450 direct questionnaires distributed, a total of 442 questionnaires were obtained, 19 questionnaires were discarded due to incomplete information, and finally, 423 questionnaires were used for analysis.

**1. Data analysis method**

The study used many data analysis tools: Descriptive statistics of factors, frequencies, and percentages of sample information.

Test the scale using Cronbach's Alpha reliability coefficient and remove variables with small correlation coefficients between variables and sums (< 0.4) (Nunnally & Bernstein, 1994) [33]. Using exploratory factor analysis (EFA) to remove variables with small parameters (< 0.5) by checking factor loading and extracted variances. After that, the model's suitability will be checked, multiple regression equations will be built, and hypotheses will be tested.

Quantitative research presents sampling methods, data processing methods, scale testing, research model testing, and research hypotheses. In which, the method of a preliminary assessment of the scale by Cronbach's Alpha reliability coefficient, the method of exploratory factor analysis (EFA), and the presentation of indicators to test the suitability of the research model such as F value, R2, correlation coefficient, variance magnification factor (VIF) and hypothesis testing.

**Table 3: Survey sample characteristics**

Sex			
	Frequency	Percent	Cumulative Percent
Male	271	64.1	61.1
Female	152	35.9	100.0
Total	423	100.0	
Ages			
	Frequency	Percent	Cumulative Percent
University Van Hien	113	26.7	26.7
University Hutech	120	28.4	55.1
University Van Lang	83	19.6	74.7
University of Economics HCM City	107	25.3	100.0
Total	423	100	

Source: Data analytics

Among these 423 valid survey subjects, the ratio of male and female is quite high, 64.1% male and 35.9% female. Females are less involved and somewhat uninterested in starting a business.

The majority of survey respondents are at 3 private universities, where students from provinces outside HCMC study a lot, so they are very eager to start a business after graduation, to assert themselves by the path of self-sufficiency for their own future.

**Table 4: Cronbach's Alpha test results before EFA. Analysis**

No.	The scales	No. Variables observe	Cronbach's alpha	Corrected Item-Total Correlation
1	Entrepreneurship teaching activities (ETA)	5	0.874	0.642
2	Knowledge and experience (KAE)	5	0.913	0.717
3	Personal attitude (PA)	4	0.855	0.606
4	Reference group (RG)	5	0.875	0.591
5	Business reading (BR)	5	0.917	0.723
6	Participating extracurricular activities (PEA)	5	0.826	0.535
7	Business passion (BP)	5	0.905	0.656
8	Business capital (BC)	5	0.839	0.533
9	Student's decision to start a business (SDSB)	4	0.764	0.485
	Tổng cộng	43		

Source: Data analytics

**2. EFA discovery factor analysis**

All observed variables are included in exploratory factor analysis (EFA), to reduce or summarize data and to calculate the reliability (Sig) of observed variables that are closely related or not. The results of Barlett's test show that

there is a correlation between the variables in the population (Sig = 0.00 < 0.05, rejecting H0, accepting H1). At the same time, the coefficient KMO = 0.753 > 0.5, proves that factor analysis to group variables together is appropriate and the data is suitable for factor analysis.

**Table 5:** Extracted Variance Table

Factor	Total Variance Explained								
	Initial Eigenvalues			Extraction Sums of Squared Loadings			Rotation Sums of Squared Loadings		
	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Scale Mean if Item Deleted	Scale Variance if Item Deleted	Corrected Item-Total Correlation	Cronbach's Alpha if Item Deleted	Scale Mean if Item Deleted
1	9.853	25.265	25.265	9.853	25.265	25.265	4.015	10.296	10.296
2	3.908	10.021	35.285	3.908	10.021	35.285	3.931	10.079	20.375
3	3.323	8.521	43.806	3.323	8.521	43.806	3.548	9.098	29.473
4	2.898	7.431	51.238	2.898	7.431	51.238	3.500	8.973	38.446
5	2.489	6.383	57.620	2.489	6.383	57.620	3.439	8.818	47.264
6	1.966	5.042	62.662	1.966	5.042	62.662	3.165	8.115	55.380
7	1.668	4.277	66.938	1.668	4.277	66.938	3.011	7.720	63.100
8	1.434	3.676	70.614	1.434	3.676	70.614	2.931	7.515	70.614

Extraction Method: Principal Component Analysis.

Source: Data Analytics

**3. The influence of the components of the scale on the decision to start a business**

The linear regression results show that the coefficient of determination R<sup>2</sup> is 0.699 and the adjusted R<sup>2</sup> is 0.693. This model explains 69.3% of the change of the dependent variable of the decision to start a business of fresh graduates

in Ho Chi Minh City is caused by independent variables in the model, the remaining 30.7% of the variation is explained by variables other than the paradigm. Therefore, the independent variables all have a positive influence on the decision to start a business of fresh graduates in Ho Chi Minh City at a 95% confidence level.

**Table 6:** Full model

Model summary <sup>b</sup>										
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics					Durbin-Watson
					R Square Change	F Change	df1	df2	Sig, F Change	
1	.836 <sup>a</sup>	.699	.693	.26581	.699	120.302	8	414	.000	1.201

a, Predictors: (Constant), PEA, BC, KAE, RG, PA, BR, ETA, BP  
b, Dependent Variable: SDSB

(Source: Data Analytics)

The F-statistic reached the value of 120.302 calculated from the value of the full model, at the significance level Sig = 0.000; check correlation phenomenon by Durbin-Watson coefficient (1 < 1.201 < 3). Thus, the given linear regression

model is consistent with the research model and data. The results of the regression analysis of the equation are presented in Table 6.

**Table 7:** Anova analysis

ANOVA <sup>a</sup>						
Model	Sum of Squares	df	Mean Square	F	Sig,	
1	Regression	67.998	8	8.500	120.302	0.000 <sup>b</sup>
	Residual	29.251	414	0.071		
	Total	97.249	422			

a. Dependent Variable: SDSB  
b. Predictors: (Constant) PEA, BC, KAE, RG, PA, BR, ETA, BP

Source: Data analytics

**Table 8:** Parameters of each variable in the regression equation

Coefficients <sup>a</sup>								
Model	Unstandardized Coefficients		Standardized Coefficients		t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta				Tolerance	VIF
1	(Constant)	-0.288	0.156		-1.844	0.066		
	ETA	0.150	0.029	0.176	5.081	0.000	0.603	1.660
	KAE	0.049	0.022	0.068	2.225	0.027	0.777	1.288
	PA	0.132	0.026	0.154	5.098	0.000	0.794	1.259
	RG	0.147	0.030	0.178	4.875	0.000	0.548	1.825
	BR	0.166	0.029	0.190	5.724	0.000	0.660	1.514
	PEA	0.066	0.021	0.087	3.180	0.002	0.971	1.030
	BP	0.315	0.030	0.366	10.464	0.000	0.593	1.686
	BC	0.086	0.022	0.105	3.830	0.000	0.958	1.044

a. Dependent Variable: SDSB

Source: Data analytics

Table 8 shows that there are 8 factors affecting satisfaction, all of which have a positive impact (positive  $\beta$  coefficient) on the decision to start a business of fresh graduates in Ho Chi Minh City with significance level Sig = 0.000 - 0.027 in 8 variables all < 0.05. Table 8 also shows that the tolerance of variables (acceptance) is quite high for 0.548 or more and the VIF coefficient of all 8 factors is less than 2, that is, there is no multicollinearity between independent factors in the analysis paradigm.

The regression equation for variables with unnormalized coefficients has the following form:

$$F1 = -0.288 + 0.150H1 + 0.049H2 + 0.132H3 + 0.147H4 + 0.166H5 + 0.066H6 + 0.315H7 + 0.086H8 + \epsilon_1$$

In which: F1: The decision to start a business of fresh graduates in Ho Chi Minh City.

H1: Entrepreneurship teaching activities (ETA)

H2: Knowledge and experience (KAE)

H3: Personal Attitude (PA)

H4: Reference group (RG)

H5: Business readiness (BR)

H6: Participating extracurricular activities (PEA)

H7: Business passion (BP)

H8: Business Capital (BC)

#### 4. Theoretical model test results

If the absolute value of any Beta coefficient is larger, that factor has a stronger impact on the decision to start a business of fresh graduates in Ho Chi Minh City. Looking at table 8, we see that the factor "Business passion" has the strongest impact on the decision to start a business of fresh graduates because it has a Beta coefficient = 0.366 with Sig.= 0.000 < 0.05. The factors "Business readiness", "Reference group", "Start-up teaching activities", and "attitude" have a strong impact on the 2nd, 3rd, 4th and 5th respectively with the coefficient Beta = 0.190; 0.178; 0.176 and 0.154 are both with Sig.= 0.000 < 0.05. Next, the factors "Capital resources", "Participating in extra-curricular activities", "Experience knowledge" have a low impact, respectively, with coefficients Beta = 0.105 (Sig.=0,000 < 0.05), 0.087 (sig), respectively. = 0.002 < 0.05), and 0.68 (sig.0.027 < 0.05).

In summary, from the above analysis, we can conclude that the theoretical model suitable with the research data and the accepted research hypotheses is H1, H2, H3, H4, H5, H6, H7, and H8. The results of testing the theoretical model are illustrated in Figure 1.

**Table 9:** Summary of hypothesis testing results

No.	Hypothesis	Testing result
H1	Entrepreneurship teaching activities (ETA) have a positive impact on the decision to start a business fresh graduate	Accept
H2	Knowledge and experience (KAE) have a positive impact on the decision to start a business fresh graduate	Accept
H3	Personal attitude (PA) has a positive impact on the decision to start a business fresh graduate	Accept
H4	Reference groups have a positive impact on the decision to start a business fresh graduate	Accept
H5	Reference group (RG) has a positive impact on graduate students' decision to start a business	Accept
H6	Participation extracurricular activities (PA) have a positive impact on the decision to start a business fresh graduate	Accept
H7	Business passion (BP) has a positive impact on the decision to start a business fresh graduate	Accept
H8	Business Capital (BC) has a positive impact on the decision to start a business fresh graduate	Accept

Source: Compiled by the author

#### Research Results

The entrepreneurial potential of recent graduates tends to increase, but success is modest. This study aims to determine the factors affecting business start-up of students who have just graduated from universities in Ho Chi Minh City that specialize in Business Administration, thereby contributing to the success of starting a business for students' pellets.

The topic of conducting research, building a theoretical basis for starting a business; identify factors related to students' decision to start a business; From the research results, provide policy implications to promote the entrepreneurial spirit of new graduates.

The topic uses comparative analysis methods, descriptive statistics and synthesizes secondary and primary information from required documents on the database system to form a theoretical framework, analyze Cronbach alpha, EFA, and linear regression research models and research hypotheses. The formal data survey was carried out using a detailed questionnaire on 423 students to collect the necessary information for the study. Based on that data, the author processes the data through SPSS 23.0 software to process the data.

In 423 valid survey subjects with the question "The degree of perception of extracurricular activities to the decision of entrepreneurs", the survey respondents said that about Participation in extracurricular activities with an average of 4, The highest 4.16 is very high, the students who responded

to the survey said that the place of business with an average of 3.35 was the lowest, the average.

Perceived level of Market Research and Business Capital and Business Products was the second, third, and fourth strongest influencers with an average of 3.68, 3.67, and 3.67.

There are three other factors, the perceived level of brand establishment and legal knowledge with an average of 3.63 and 3.62, respectively perceived level of business location is the lowest at 3.35, showing that business location is difficult to find and important in starting a business.

The linear regression results show that the coefficient of determination R<sup>2</sup> is 0.608 and the adjusted R<sup>2</sup> is 0.598. This model explains 60.8% of the change of the dependent variable of the decision to start a business of fresh graduates in Ho Chi Minh City is caused by independent variables in the model, the remaining 39.2% of the variation is explained by variables other than the model. The model shows that the independent variables all have a positive influence on the decision to start a business of fresh graduates in Ho Chi Minh City at a 95% confidence level. This means that the more the components are in the same direction, the decision to start a business of fresh graduates in Ho Chi Minh City is better.

Based on the standardized Beta coefficient, we can determine the importance of factors affecting the decision to start a business of fresh graduates in Ho Chi Minh City. If the absolute value of any Beta coefficient is larger, that

factor has a stronger impact on the decision to start a business of fresh graduates in Ho Chi Minh City. We find that the factor "Business passion" has the strongest impact on the decision to start a business of fresh graduates because it has a Beta coefficient = 0.366 with Sig.= 0.000 < 0.05. The factors "Business readiness", "Reference group", "Start-up teaching activities", and "attitude" have a strong impact on the 2nd, 3rd, 4th, and 5th respectively, with the coefficient Beta = 0.190; 0.178; 0.176 and 0.154 are both with Sig.= 0.000 < 0.05. Next, the factors "Capital resources", "Participating in extra-curricular activities", "Experience, knowledge" have a low impact, respectively, with coefficients Beta = 0.105 (Sig. =0.000 < 0.05); 0.087 respectively (Sig. =0.002 < 0.05) and 0.68 respectively (Sig.= 0.027 < 0.05).

### Conclusion

In order for entrepreneurship to be not only a movement, but communication towards the goal of building a start-up nation is also extremely necessary with open legal spaces, appropriate knowledge infrastructure, and especially awareness-raising of Vietnamese students about starting a business, it is necessary to have coordination from the central to local levels, the coordination between departments and mass organizations in implementing propaganda activities, disseminating opinions, mechanisms, etc., policies of the Party, State, and Government regarding entrepreneurship among students.

Organizing communication activities on entrepreneurship: propagandizing to raise awareness, awareness, and spirit of entrepreneurship, starting a business for students and the community; building communication, consulting, career guidance, start-up, and career development programs; organize counseling and support activities suitable to each young person; propagating and disseminating mechanisms and policies to support start-ups, but also must combine with creating an environment for young people to experience reality and accumulate entrepreneurial experience.

This research supports students' future career paths, especially in the era of digital transformation. Recognizing your strengths and weaknesses, as well as your intentions, will provide better options for career growth. They have the ability to identify personal characteristics, attitudes, and self-efficacy which in turn help determine their intentions towards self-employment.

This study needs the attention of relevant agencies when implementing policies for building business startup programs for students in the future. With a good understanding of the factors affecting students' intentions to start a business, all plans made by departments for students will be fully implemented. This study will provide policymakers with an insight into entrepreneurship education to inspire entrepreneurial intentions, thereby increasing the rate of new businesses being established. Practical information will be provided when investigating entrepreneurial intentions in depth because policymakers can make more informed decisions to design a structure of a business, entrepreneurship courses entrepreneurship helps to increase the proportion of students involved in business in the future (Ooi, 2008).

Ultimately, the public will understand its role in promoting student intentions and providing social support. Family background can influence an individual's intention to

become an owner (Kolvereid, 1996a). Parents who run companies can provide their children with business knowledge and experience in advance to boost their confidence in self-employment. In short, when a country has more employers, people without jobs will be employed by employers, and therefore unemployment will decrease. This is beneficial for the people because it will give them a better quality and standard of living.

### Limitations of the topic

The first limitation of the study is that the survey data were carried out only at one point in time. While the influence of the variables on the intention to start a business of students, graduates should be measured in a certain period of time. Therefore, further studies should test this relationship over a large enough time period to get more accurate results.

The second limitation of the study is that the scales are highly dependent on the perception of the people who fill out the questionnaire. Therefore, future research should add more quantitative and objective data that will give better results.

Random sampling methods can also limit the diversity in the surveyed subjects. This may affect the completeness of the information collected.

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