

Entrepreneurial Issues and Barriers among Undergraduate University Students in Malaysia

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ABSTRACT

Entrepreneurship among university students is vital for innovation and economic growth, yet many undergraduates struggle to transform intentions into action. This study examines the entrepreneurial barriers faced by Malaysian students, their underlying causes, and possible solutions. A quantitative design was employed, with data collected from 100 undergraduates at Universiti Sains Malaysia (USM) using Google Forms. The findings reveal five dominant barriers: aversion to stress and hard work (mean = 3.85), risk aversion (coefficient = -0.20), fear of failure (mean = 3.40), lack of social networking (coefficient = 0.30, 95% CI [0.04, 0.26]), and unavailability of resources, particularly financial capital (mean = 3.52). These challenges highlight the dual impact of psychological limitations and structural constraints on students' entrepreneurial engagement. The study recommends strengthening institutional support, widening access to funding, enhancing entrepreneurial training, and fostering a culture that tolerates failure. Overall, the findings provide evidence-based insights for universities, policymakers, and industry to build a more supportive entrepreneurial ecosystem.

Keywords: Entrepreneurship Education; Higher Education; Malaysia; Student Entrepreneurship; Youth Innovation

INTRODUCTION

Entrepreneurship has long been recognized as a key driver of economic growth, innovation, and social transformation across the globe. It not only generates employment opportunities but also fosters competitiveness, technological advancement, and resilience within societies. Entrepreneurs are individuals who possess the ability to identify new opportunities, develop innovative production methods, organize resources effectively, manage financial capital, and introduce products or services to the market (Suwandi et al., 2024). In the context of developing countries, entrepreneurship plays a particularly crucial role in addressing unemployment, reducing poverty, and creating sustainable livelihoods.

For university students, entrepreneurship represents more than just a career pathway—it serves as a means to cultivate creativity, leadership, problem-solving skills, and resilience in the face of uncertainty (Ibrahim & Adeniyi, 2024). In Malaysia, the potential of student entrepreneurship has gained increasing attention, aligning with national priorities to encourage innovation and enhance the competitiveness of the younger generation. However, despite their enthusiasm and innovative ideas, many student entrepreneurs continue to face structural, financial, and managerial challenges that often hinder their ability to sustain or expand their businesses (Al-Fattal, 2024).

Scholars have identified four key factors that underpin successful entrepreneurship: (1) creativity, (2) commitment, (3) risk-taking, and (4) appreciation. These dimensions are reflected in supporting indicators such as self-confidence, task- and results-orientation, willingness to take risks, leadership ability, forward-thinking mindset, and originality in creativity and innovation (Amanda & Nawawi, 2024; Pujiastuti, 2018; Soegoto, 2013). When young entrepreneurs or entrepreneurial teams are able to continuously develop these characteristics, they contribute to a more dynamic and adaptive entrepreneurial ecosystem. Such an ecosystem provides a competitive advantage by enabling entrepreneurs to anticipate and respond effectively to rapid market changes and global uncertainties (Roundy et al., 2018).

At the policy level, the Malaysian government has established several strategic initiatives to foster youth entrepreneurship, including the MyDigital Blueprint and the National Entrepreneurship Policy 2030 (Zhiyi et al., 2024). These initiatives aim to strengthen the entrepreneurial ecosystem by offering digital infrastructure, regulatory support, and funding schemes. Universities have also responded by integrating entrepreneurship into academic curricula, setting up incubation centers, providing seed grants, and promoting student-led startups (Mele et al., 2022). Nevertheless, significant barriers remain. Limited access to funding, insufficient entrepreneurial knowledge, lack of mentorship, regulatory complexity, and the difficulty of balancing academic and business commitments often impede the entrepreneurial success of university students (Christodoulou et al., 2024).

Against this backdrop, this study focuses on examining the entrepreneurial challenges faced by university students in Malaysia and exploring the extent to which entrepreneurial outlook is critical to their success (Sulaiman et al., 2024). Unlike previous research that has primarily concentrated on broad entrepreneurship trends, this study emphasizes the specific barriers experienced by undergraduates, such as financial constraints, market entry difficulties, and inadequate guidance (Ismail, 2017). By analyzing these barriers through the Malaysian context, the research highlights both structural limitations and individual challenges, thereby uncovering unique contextual factors shaping student entrepreneurship in the country. Furthermore, this study aims to generate practical insights into how universities, government agencies, and private

institutions can collaborate more effectively to strengthen the entrepreneurial ecosystem and better support young entrepreneurs.

The significance of this study lies in its dual focus on theory and practice. It extends the growing body of knowledge on youth entrepreneurship in developing economies by integrating psychological, social, and structural perspectives. The novelty of this research rests in its emphasis on Malaysian undergraduates as a distinct group whose entrepreneurial aspirations are often high but constrained by systemic barriers. In doing so, the study makes a valuable contribution by offering both empirical evidence and actionable recommendations to foster a more resilient, innovative, and supportive environment for young entrepreneurs in Malaysia.

LITERATURE REVIEW

Aversion to Stress and Hard Work

In Malaysia, university students often face fear, stress, and hard work in the process of starting a business, which has a profound impact on their mental health, academic performance, and future career development (Ooi & Ahmad, 2012). The sources of fear and pressure mainly include three parts: the balance between study and entrepreneurship, social and family expectations, and the fear of failure.

The sources of fear and pressure mainly include three parts, namely, the balance between study and entrepreneurship, social and family expectations, and fear of failure (Al Halbusi et al., 2024). College students often feel the double pressure of time and energy when balancing study and entrepreneurship. This multiple responsibility may increase the psychological burden, affecting academic performance and entrepreneurial progress (Oinonen, 2018). Under the expectations of their families, college students may feel tremendous pressure in the process of entrepreneurship, worrying about not being able to meet the expectations of others. In addition, due to a lack of experience, many college students are worried about the failure of entrepreneurship, which leads to a decrease in self-confidence and even anxiety and depression (Martins et al., 2024).

Hard work requires long-term commitment, a lot of time and energy, and may cause students to be overworked, affecting their physical health and learning efficiency. Many college students lack the necessary skills and resources in the early stages of entrepreneurship, which increases the difficulties and challenges of the entrepreneurial process (Reeves et al., 2019). At the same time, in the entrepreneurial team, there may be poor communication or inconsistent goals, leading to internal conflicts within the team and increasing the difficulty of entrepreneurship.

Stress and hard work can cause a series of effects. The effects can be positive or negative. In terms of positive effects, students who experience entrepreneurial challenges may be more adaptable to stress than their peers and develop excellent stress resistance. At the same time, it helps college students develop practical skills, business thinking, and leadership, laying the foundation for future career development (Montoro-Fernández et al., 2022). But there are also negative effects. Continuous stress may lead to mental health problems such as anxiety and depression, affecting the overall quality of life of college students (Deng et al., 2022).

Aversion to Risk

College students generally worry about risks during the entrepreneurial process, and this risk aversion will directly affect their entrepreneurial decisions and behaviors. Research shows that the way information is represented will affect college students' entrepreneurial risks (Zichella & Reichstein, 2023). Under fuzzy information

representation, college students tend to avoid risks; under accurate information representation, they are more likely to face risks and make choices. In addition, college students with a prevention orientation of individual psychological adjustment are more inclined to avoid risks than college students with a promotion orientation, while college students with a promotion orientation are more willing to face risks (Gan et al., 2010). External information representation and individual adjustment orientation interact in risk decision-making (Zhang & Wang, 2019).

In addition, the legal risks faced by college students in the process of entrepreneurship will also affect their willingness to start a business. Due to their lack of social experience, college students may encounter sudden legal risks in the process of entrepreneurship, which often cause serious adverse effects on entrepreneurship and may even lead to the bankruptcy of the enterprise (Zhang & Wang, 2019).

Therefore, college students' concerns about risks, especially legal risks, during the entrepreneurial process may reduce their willingness to start a business and affect their entrepreneurial decisions. Therefore, it is recommended to pay attention to individual psychological differences and information characteristics in college students' entrepreneurship education to improve the results of entrepreneurship education (Zhang & Wang, 2019).

Fear of Failure

Fear of failure was conceptualized as the focus on generic feelings of failure, anxiety, and disposition to avoid failure, worried about shame and humiliation (Cacciotti and Hayton, 2015). In entrepreneurship research, fear of failure has been examined in terms of economics and psychology, highlighting a negative impact on entrepreneurial decisions (Ng & Jenkins, 2018). It can also have a profound effect on an individual's decision-making, which can be hindered at several points, especially in terms of entrepreneurial willingness, project selection, and execution

At the level of risk perception and decision-making, researchers have pointed out that there is a high correlation between risk aversion and fear of failure: once an individual perceives the consequences of failure of a start-up project too negatively, he or she is prone to show withdrawal in entrepreneurial decision-making. In contrast, individuals or environments that reduce negative perceptions of failure are more likely to enhance entrepreneurial intentions (Cacciotti & Hayton, 2015; Martins et al., 2018; Ng & Jenkins, 2018). Thus, fear and risk perception are intertwined: on the one hand, excessively high risk perception amplifies the fear of failure; on the other hand, entrepreneurs are more willing to take the first step if their perception of project risk is relatively low.

In specific entrepreneurial behaviors and practices, the level of fear of failure also influences entrepreneurs' behavioral patterns: entrepreneurs who worry less about failure tend to dare to take novel or more exploratory approaches to advancing their projects, whereas the group that is overly anxious about failure is more inclined to rely on traditional, sound and proven paths (Al Halbusi et al., 2024; Zichella & Reichstein, 2023). This difference can be seen in resource allocation, business model choice, and market entry strategies: while the former may have a stronger urge to innovate and experiment, the latter tend to choose more conservative options to avoid the stress and possible shame associated with failure.

It is worth noting that the fear of failure not only affects entrepreneurs' decision-making in the single process of "whether to start a business or not," but also plays an important role in the process of program selection and execution. Individuals who are overly pressured to fail may prematurely abandon high-risk but high-potential solutions when

evaluating the feasibility of a project, thus limiting the potential for breakthrough innovations. At the same time, this pressure may also limit the entrepreneur's willingness or ability to learn from the experience of failure, and if the social environment labels failure as severely negative, the individual is more likely to choose to avoid or quickly withdraw from the project in order to avoid greater stigmatization and negative social evaluations (Oinonen, 2018; Sandhu et al., 2011).

Lack of Social Networking

Social networking is considered a useful tool for connecting individuals, gathering additional information, and acquiring knowledge. According to Reeves et al. (2019), as well as Mele et al. (2022), social networks serve as platforms that enable entrepreneurs, especially students, to expand their network by establishing new connections and maintaining existing relationships. Utilizing social networking in entrepreneurship can help students connect with various partners and experienced business entities.

At the same time, continuous communication with others can also help entrepreneurs receive timely support or advice when they encounter difficulties or bottlenecks, and reduce anxiety caused by asymmetric information or uncertainty in decision-making. Maintaining good relationships with external partners tends to increase entrepreneurs' confidence in their own abilities, giving them more courage and flexibility in the face of competition and challenges (Montoro-Fernández et al., 2022; Roundy et al., 2018). In other words, the use of social networks is not only to "increase connections," but also to build mutually beneficial partnerships in the entrepreneurial ecosystem, providing more opportunities for college students or startups to grow and succeed through the continuous flow of information, resources, and experiences.

Entrepreneurs build strong social capital by expanding their networks, which involves reaching out to new contacts and establishing interpersonal connections. They often possess the critical assets and skills needed to create and grow their ventures. Moreover, in order to secure financial and other resources, they frequently depend on personal social networks to support and advance their activities (Christodoulou et al., 2024; Ooi & Ahmad, 2012).

Lack of Resources

In this context of the study, undergraduates might face several factors that hinder them from starting a business while studying, even though the government has provided financial and non-financial assistance. Capital is one of the most critical factors influencing the establishment of new ventures, along with access to industry and market information that is important for business creation (Ooi & Ahmad, 2012; Sandhu et al., 2011). For a fledgling business, if it lacks the necessary capital reserves, entrepreneurs may be more restricted in conducting market research, building sales channels, or seeking other business cooperation. This issue is consistent with research emphasizing that limited financial resources and poor access to external support networks remain key challenges for university students and novice entrepreneurs (Christodoulou et al., 2024; Reeves et al., 2019).

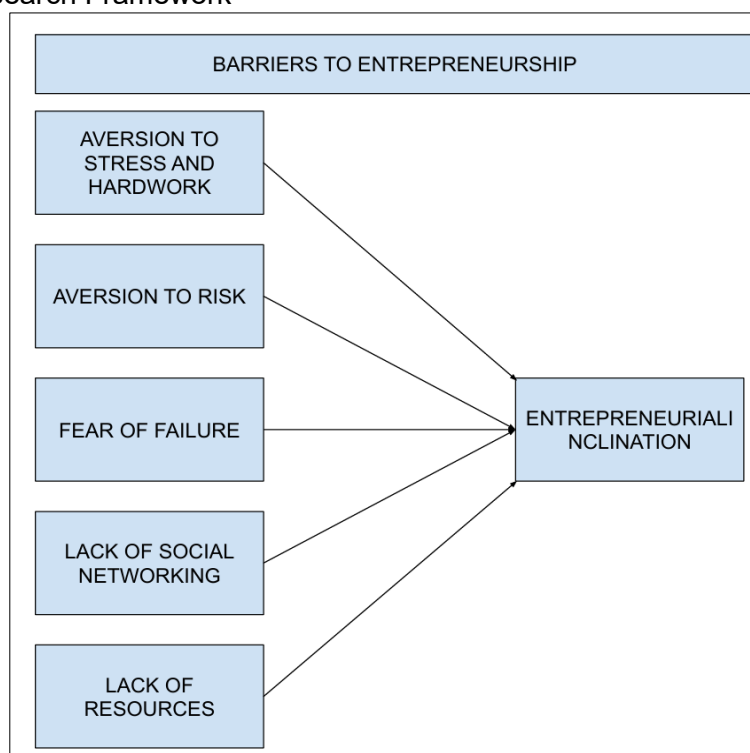
Therefore, how to effectively raise and utilize capital has become a key issue that entrepreneurs need to focus on in the startup stage. Only solid financial security and reasonable capital utilization planning can enable entrepreneurs to gain more room for survival and development in the fierce business environment. Moreover, entrepreneurial ecosystems and university incubators play an important role in reducing such barriers by providing funding opportunities, mentoring, and access to collaborative networks (Mele et al., 2022; Round et al., 2018).

The level of education plays a crucial role in equipping employees with the knowledge and skills necessary to perform their tasks more effectively, including the preparation of financial reports (Kepramareni et al., 2024). When practitioners have a higher level of education, they are often better able to master financial tools and related theories, thereby improving the accuracy and timeliness of financial data and providing stronger support for business decisions. This is especially important in the early stages of a business: only when entrepreneurs have a certain level of financial literacy and analytical skills can they formulate a reasonable plan for the use of funds under limited resources, which in turn lays a solid foundation for subsequent business development and competition. Combining the dual effects of capital investment and education level, entrepreneurs who can effectively obtain and use funds while continuously improving their abilities and knowledge reserves will have a better chance of achieving steady development in a competitive business environment.

Conceptual Framework

The study framework model is depicted in Figure 1.

Figure 1. Research Framework



As can be seen from the figure, “entrepreneurial inclination” is easily suppressed by various “barriers to entrepreneurship,” including aversion to stress and hard work, aversion to risk, fear of failure, lack of social networks, and insufficient resources. From a psychological perspective, once an individual rejects the intensity and sustained commitment required, it is difficult to withstand the high-load challenges of the early stages of entrepreneurship. Over-sensitivity to risk makes entrepreneurs more hesitant in decision-making and afraid to try new or high-potential projects. Fear of failure is a widely discussed core obstacle, which not only involves anxiety about setbacks, but also concerns about personal social evaluation, emotional frustration, and other aspects. Fear of failure is the focus on generic feelings of failure, anxiety, and disposition to avoid failure, worried about shame and humiliation (Cacciotti et al., 2015). If entrepreneurs are unable to overcome this fear, they will often give up opportunities with the potential for innovation or breakthrough. In addition, a lack of social networks can hinder the

exchange of information and the connection of resources. In contrast, having good connections can help entrepreneurs quickly gain industry trends and experience sharing. Social networking is considered a useful tool for connecting individuals, gathering additional information, and acquiring knowledge (Alshawaf, 2020). Social networking can also increase students' self-efficacy. This sense of confidence plays a critical role in motivating individuals to engage with and persist in behaviors that they believe will lead to successful outcomes (Jie et al., 2024). Entrepreneurs need to be confident enough to try out new business models or product ideas and to remain resilient and keep pushing forward when they encounter setbacks. As for insufficient resources, it has been repeatedly mentioned in early research. One of the difficult weaknesses to start a business is a lack of capital access (Mer & Viridi, 2024). It can be seen that a shortage of funds, technology, or human resources can hinder the smooth progress of entrepreneurial projects. In summary, these obstacles are intertwined and affect the entrepreneurial behavior and decision-making of entrepreneurs. If they cannot be identified in time and mitigated or solved, they will significantly reduce the willingness and motivation of individuals to enter the entrepreneurial path.

RESEARCH METHOD

This study employed primary data using a survey questionnaire issued via Google Forms to around 100 Malaysian undergraduate students in Malaysia. The survey questionnaire is divided into six sections. The first section examines basic questions for undergraduate students the view of entrepreneurs, including age, Monthly Income, international student or local student, and other questions. The subsequent parts focus on how undergraduate students think about the challenges for entrepreneurs with an aversion to stress and hard work, an aversion to risk, fear of failure, lack of social networking, and lack of resources. Each section has Likert scale questions to assess respondents' thoughts and attitudes, ranging from 1 (Strongly Disagree) to 5 (Strongly Agree). The survey design, sampling strategy, and data collection procedures resulted in a broad and representative sample, which improved the study's validity and reliability. Questions are adapted from Sandhu et al. (2011) explored the barriers and inclinations related to entrepreneurship among Malaysian postgraduate students.

Measures

The survey was designed to examine the entrepreneurial challenges and issues faced by undergraduate students in Malaysia, focusing on the specific barriers that influence their entrepreneurial outlook and engagement. The survey used a combination of single statement questions and a five-point Likert scale to collect data related to aversion to stress and hard work, aversion to risk, fear of failure, lack of social networking and lack of resources aspects of the data. The questions were adapted from Sandhu et al. (2011) explored the barriers and inclinations related to entrepreneurship among Malaysian postgraduate students. These questions focused on graduates' perceptions and challenges of entrepreneurship. Respondents' agreement with each question ranged from 1 (strongly disagree) to 5 (strongly agree). On the other hand, the demographic data collected also included gender, age, whether local or international student, ethnicity, education level, and income. These sections provide comprehensive insights into the issue of entrepreneurship among Malaysian university students, especially the impact on undergraduates.

RESULTS

Table 1. Overview of the Respondents' Demographic Data (N=100)

Variable	Frequency	Percentage (%)
Gender		

Male	54	54
Female	46	46
Age		
Below 20 years	7	7
Between 21 and 25 years	24	24
Between 26 and 30 years	36	36
Between 31 and 35 years	16	16
Between 36 and 40 years	17	17
Ethnicity		
Malay	20	20
Chinese	30	30
Indian	27	27
Others	23	23
Year of Study		
Year 1	24	24
Year 2	36	36
Year 3	22	22
Year 4	18	18
Degree		
Business	45	45
Non-Business	55	55
International or Local student		
International Student	36	36
Local Student	64	64
Student Status		
Full time Enrolled	65	65
Part Time Enrolled	35	35
Monthly income		
Not earning	13	13
Less than RM1000	57	57
Between RM1000 and RM3000	25	25
Between RM3001 and RM5000	5	5

Table 1 shows the summarized respondents' demographics. Out of 100 respondents (N=100), 54% are male, and 46% are female. The majority of respondents are between 21 to 30 years old (60%), comprising 24% aged 21-25 years and 36% aged 26-30 years. In terms of ethnicity, 30% are Chinese, 27% are Indian, 20% are Malay, and the remaining 23% belong to other ethnic groups.

Regarding the year of study, 36% are in their 2nd year, followed by 24% in the 1st year, 22% in the 3rd year, and 18% in the 4th year. For degree type, 55% are pursuing non-business degrees, while 45% are in business programs. Additionally, 64% are local students, and 36% are international students. Most students are full-time enrolled (65%), while 35% are part-time enrolled. In terms of monthly income, the majority earn less than RM1000 (57%), with 25% earning between RM1000 and RM3000, 5% earning between RM3001 and RM5000, and 13% not earning.

Table 2. Descriptive Statistics Example (N =100)

Variable	Minimum	Maximum	Mean	Standard Deviation
Entrepreneurial Inclination	1	5	3.78	0.9
Aversion to Stress and Hard Work	1	5	3.45	1.04
Aversion to Risk	1	5	3.38	1.08

Fear of Failure	1	5	3.39	1.08
Lack of Social Networking	1	5	3.40	1.08
Lack of Resources	1	5	3.41	1.08

Table 2 presents the descriptive statistics of the six variables measured in this study. The mean scores range from 3.38 to 3.78, indicating that Malaysian university students experience entrepreneurial inclination and barriers at a moderate level.

Among the variables, entrepreneurial inclination has the highest mean ($M = 3.78$, $SD = 0.90$), suggesting that students generally demonstrate a positive orientation toward entrepreneurship. However, several potential obstacles are also identified. Aversion to stress and hard work ($M = 3.45$, $SD = 1.04$), aversion to risk ($M = 3.38$, $SD = 1.08$), and fear of failure ($M = 3.39$, $SD = 1.08$) reflect psychological barriers that may reduce students' willingness to pursue entrepreneurial ventures. These scores imply that concerns about workload, uncertainty, and the possibility of failure are relatively common among students.

In addition, external challenges are also evident. Lack of social networking ($M = 3.40$, $SD = 1.08$) and lack of resources ($M = 3.41$, $SD = 1.08$) indicate that students perceive insufficient access to networks and resources as moderate obstacles to entrepreneurship. Taken together, these findings suggest that while students are inclined toward entrepreneurial activities, both internal (psychological) and external (social and resource-based) factors may hinder their entrepreneurial pursuits.

Table 3. Regression Results Between x and x Example

Variable	Coefficient	Standard Error	T-Value	P-Value	95% Confidence Interval
Entrepreneurial Inclination	-0.02	0.25	1.79	0.09	[0.04, 0.26]
Aversion to Stress and Hard Work	-0.02	0.42	2.08	0.1	[0.04, 0.31]
Aversion to Risk	-0.2	0.68	1.49	0.19	[-0.18, 0.62]
Fear of Failure	0.30	0.006	46.3	0.01	[0.09, 0.16]
Lack of Social Networking	-0.06	0.19	5.26	0.11	[-0.11, 0.46]
Lack of Resources	0.16	0.08	9.29	0.13	[0.98, 1.28]

Note. N=100

Table 3 presents the regression analysis examining the influence of various factors on entrepreneurial inclination among Malaysian university students. The results indicate that only fear of failure exerts a statistically significant effect (coefficient = 0.30, $p = 0.01$, 95% CI [0.09, 0.16]). This suggests that students with a stronger fear of failure are significantly less likely to engage in entrepreneurial activities, highlighting the role of psychological barriers in shaping entrepreneurial behavior.

Other factors, including aversion to stress and hard work (coefficient = -0.02, $p = 0.10$), aversion to risk (coefficient = -0.20, $p = 0.19$), lack of social networking (coefficient = -0.06, $p = 0.11$), and lack of resources (coefficient = 0.16, $p = 0.13$), do not show statistically significant relationships with entrepreneurial inclination. While the coefficients for these variables indicate the expected directions (negative for stress, risk,

and networking; positive for resources), their effects are not strong enough to reach conventional levels of significance.

Overall, the regression results suggest that psychological barriers, particularly fear of failure, are more critical in influencing entrepreneurial inclination than structural or resource-related constraints in this sample of university students.

DISCUSSION

Entrepreneurial Intention

The findings indicate that Malaysian college students generally possess a strong entrepreneurial intention, as reflected in the high mean values of variables such as desire to start a business and vision to become an entrepreneur, which are close to 4.0. This demonstrates that many students are motivated by the aspiration for self-development, autonomy, and the pursuit of financial independence through entrepreneurial activities. Such motivation is consistent with previous studies emphasizing that entrepreneurship serves not only as a career choice but also as a pathway to achieve personal goals and social recognition (Al-Fattal, 2024; Ibrahim & Adeniyi, 2024; Ooi & Ahmad, 2012). However, despite this positive inclination, there remains a considerable gap between entrepreneurial willingness and the actual execution of entrepreneurial projects. This suggests that while internal drive exists, students still require enabling conditions from their external environment—such as supportive institutional structures, funding availability, and mentorship—to transform intention into tangible entrepreneurial outcomes.

The Restriction of Psychological Factors

Psychological barriers emerged as significant constraints to entrepreneurial activity. In particular, fear of failure is shown to be a key determinant that suppresses entrepreneurial initiatives. The consistently high mean value of this factor reveals that many students hesitate to take entrepreneurial risks because of anxiety over potential failure and uncertainty. Moreover, regression results highlight that risk aversion has a negative coefficient, indicating substantial differences among students regarding risk tolerance. While some exhibit a cautious approach by preferring stable career paths, others display a higher willingness to engage with uncertain business ventures (Al Halbusi et al., 2024; Cacciotti & Hayton, 2015; Martins et al., 2018; Ng & Jenkins, 2018; Zichella & Reichstein, 2023). This variability suggests that entrepreneurial promotion policies need to consider psychological readiness alongside material support, with targeted interventions such as entrepreneurial counseling and resilience training to help students develop the confidence necessary for entrepreneurial pursuits.

The Challenge of a Shortage of Funds

The study also confirms that lack of financial capital remains one of the most pressing barriers to student entrepreneurship. The variable unavailability of capital shows significant influence on entrepreneurial decision-making, reflecting its dual impact: first, on the feasibility of launching entrepreneurial projects, and second, on the confidence level of students considering entrepreneurship. This aligns with prior research emphasizing that financial constraints often discourage entrepreneurial efforts at the early stages, particularly for young entrepreneurs with limited credit histories and collateral (Christodoulou et al., 2024; Mele et al., 2022; Reeves et al., 2019; Sandhu et al., 2011). Without sufficient capital, students may delay or abandon entrepreneurial plans, regardless of the strength of their intentions. Addressing this issue requires multifaceted measures, including the expansion of micro-financing programs, government-backed student entrepreneurship grants, and university-led seed-funding

schemes that reduce entry barriers and build confidence among aspiring student entrepreneurs.

Necessity of Skill

Another critical dimension highlighted by the findings is the recognition of entrepreneurial skill as a prerequisite for successful business establishment. The variable starting a business requires skills that require high mean values, suggesting that students widely acknowledge the importance of having adequate competencies. Nevertheless, the relatively high standard error indicates variations in student perceptions and preparedness. This disparity points to limitations in the breadth and depth of existing entrepreneurial training programs offered in universities. In some cases, training is theoretical and lacks practical exposure, leaving students underprepared for real-world challenges (Mer & Viridi, 2024; Sulaiman et al., 2024; Zhiyi et al., 2024). For instance, Sulaiman et al. (2024) emphasize that skill-based training not only improves entrepreneurial capacity but also enhances employability, while Mer and Viridi (2024) highlight the role of experiential learning in equipping students with adaptive problem-solving skills. Similarly, Zhiyi et al. (2024) stress the significance of continuous skill upgrading to ensure competitiveness in a rapidly evolving business environment. Strengthening entrepreneurial education, therefore, requires integrating applied learning, mentoring by industry practitioners, and opportunities for students to test ideas in incubators or small-scale pilot projects.

Summary

Taken together, the findings illustrate that Malaysian college students demonstrate strong entrepreneurial intentions, driven by aspirations of independence and self-actualization (Suwandi et al., 2024). However, several significant barriers limit the translation of intention into action. Chief among these is the shortage of financial capital, which continues to discourage students from initiating ventures despite strong motivation (Ooi & Ahmad, 2012; Sandhu et al., 2011). Psychological factors such as fear of failure and varying levels of risk aversion further constrain entrepreneurial engagement, highlighting the need for tailored interventions that address mindset and confidence (Cacciotti & Hayton, 2015; Ng & Jenkins, 2018). Furthermore, although students recognize the importance of skills, gaps in training quality and accessibility reduce their readiness to pursue entrepreneurship effectively (Mer & Viridi, 2024; Sulaiman et al., 2024; Zhiyi et al., 2024). The role of social networks also remains critical, as prior studies show they provide support and resources, yet many students are unable to fully leverage such connections due to limited exposure or access (Montoro-Fernández et al., 2022; Reeves et al., 2019).

To foster a more conducive environment for student entrepreneurship, a holistic strategy is required. This should combine financial support (through grants, microfinance, and venture capital opportunities), skill development programs (emphasizing experiential learning and practical training), psychological empowerment initiatives (to reduce fear of failure and build resilience), and expanded social networking platforms (linking students with mentors, investors, and entrepreneurial communities). Collectively, these measures can bridge the gap between intention and action, thereby enhancing the success rate of entrepreneurial ventures among Malaysian college students.

CONCLUSION

The objective of this study is to examine the key entrepreneurial challenges faced by undergraduate students in Malaysia and to analyze how these challenges influence both their entrepreneurial success and long-term development capabilities. Undergraduate entrepreneurs in Malaysia face multiple challenges in the process of starting a business,

which not only affect the success rate of entrepreneurship but also influence their long-term development capabilities. The main entrepreneurial challenges and problems identified include five aspects: aversion to stress and hard work, aversion to risk, lack of networking, lack of resources, and fear of failure. These findings highlight that while the intention to start a business is relatively high among students, psychological barriers and resource constraints remain significant obstacles to translating intention into entrepreneurial action.

Entrepreneurship education has become increasingly prevalent in universities, with many business schools in the United States and Canada now offering courses in entrepreneurship (Vesper et al., 2016). Drawing from these developments, it is recommended that Malaysian universities strengthen their entrepreneurship education through more practical courses covering business management, financial planning, and legal compliance. In addition, universities should expand opportunities for internships, mentoring, and hands-on business incubation programs to help students accumulate real-world experience and skills.

At the same time, the government and universities can set up special funds to provide low-interest loans or targeted financial support programs for student entrepreneurs. These financial measures not only reduce the entry barriers to starting a business but also contribute to the incubation and growth of student-led ventures. However, financial support should be accompanied by clear supervision and evaluation mechanisms to ensure effective and responsible allocation of funds. Many scholars have emphasized that entrepreneurial activity is a major driver of economic development and growth (Meyer & De Jongh, 2018; Ordeñana et al., 2020), and enhancing student entrepreneurship initiatives can therefore yield long-term benefits for both individuals and society.

University student entrepreneurship programs contribute not only to economic development but also to the nurturing of innovative young talent with practical skills suited for societal needs. Addressing the identified challenges requires collaborative efforts from both universities and government departments. Universities can provide strong entrepreneurship education programs combined with experiential learning, while the government can complement these efforts with financial resources, infrastructure support, and policy incentives. Joint investment models and the provision of co-working spaces for student entrepreneurs can further enhance the entrepreneurial ecosystem.

Last but most essential, it is necessary to create a campus and social environment that values innovation and tolerates failure. Universities can host business plan competitions, creativity contests, and innovation challenges to spark students' entrepreneurial spirit. On the societal level, cultivating a culture that accepts failure as part of the learning process is critical to fostering resilience and persistence. The principle that "failure is the mother of success" must be embedded in both educational and cultural contexts. Only with the establishment of a sound entrepreneurship ecosystem—covering education, financial support, networks, and cultural acceptance—can the entrepreneurial activities of Malaysian university students develop sustainably and make a meaningful contribution to the economy.

LIMITATION

This study is subject to several limitations that should be acknowledged. First, the sample was restricted to undergraduate students in Malaysia, which may limit the generalizability of the findings to other educational levels, cultural contexts, or regions. Second, the reliance on self-reported questionnaire data raises the possibility of response bias, as participants may have provided socially desirable responses rather than fully accurate

reflections of their experiences. Third, the study focused only on specific barriers such as fear of failure and lack of resources, without extensively addressing broader influences such as macroeconomic conditions, government policy support, and institutional frameworks. Future research could address these limitations by drawing on more diverse samples across countries or educational levels, employing mixed or qualitative methods such as interviews and focus groups, and incorporating structural and policy-related factors. Despite these constraints, the present study provides valuable insights into the entrepreneurial challenges faced by Malaysian undergraduates and offers a foundation for further inquiry.

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DECLARATION OF CONFLICTING INTERESTS

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