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Understanding Entrepreneurial Barriers Among University Students: Evidence from Malaysia's Undergraduate Entrepreneurs

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ABSTRACT

Entrepreneurship among university students plays a crucial role in fostering innovation and economic development; however, many aspiring young entrepreneurs face significant barriers that limit their inclination to start a business. This study aims to identify and analyze the primary factors that hinder entrepreneurial inclination among Malaysian undergraduates. Using a quantitative approach, data were collected from 100 students through purposive sampling and analyzed using descriptive and regression analysis. The results reveal that fear of failure is the only barrier that significantly influences entrepreneurial inclination (β = 0.30, p = 0.01), while aversion to stress and hard work (β = -0.02, p = 0.10), risk aversion (β = -0.20, p = 0.19), lack of social networking (β = -0.06, p = 0.11), and lack of resources (β = 0.16, p = 0.13) show no significant effects. These findings suggest that psychological factors, particularly the perception of failure, play a more decisive role than structural constraints. The study provides theoretical contributions to behavioral models of entrepreneurship and offers practical implications for universities and policymakers to design programs that strengthen psychological resilience and entrepreneurial readiness among students.

Keywords: Entrepreneurship; Fear of Failure; Malaysian Undergraduates; Psychological Barriers; Entrepreneurial Inclination

INTRODUCTION

Entrepreneurship has long been recognized as a critical engine of economic growth, innovation, and job creation. It serves as a catalyst for technological advancement and social development by fostering creativity, risk-taking, and the pursuit of opportunity. Entrepreneurs play a vital role in identifying new products, developing innovative production methods, organizing business operations, managing financial resources, and creating market value (Suwandi et al., 2021). In the context of higher education, particularly in developing countries such as Malaysia, entrepreneurship has emerged as a key pathway for enhancing employability and self-reliance among young people. For university students, entrepreneurial engagement is not only an economic activity but also an avenue for developing creativity, leadership, and adaptability in a competitive environment increasingly shaped by digital transformation and uncertainty.

Despite growing awareness and enthusiasm for entrepreneurship among Malaysian university students, the journey toward successful venture creation remains challenging. University students frequently experience various internal and external obstacles that suppress their entrepreneurial motivation and performance. On the internal side, psychological barriers such as fear of failure, aversion to risk, and difficulty coping with stress and hard work may undermine entrepreneurial inclination. On the external side, limitations in access to financial resources, social networks, and entrepreneurial experience often create additional constraints that hinder the successful transition from intention to action. These factors are consistent with previous studies emphasizing that creativity, commitment, risk-taking, and appreciation are essential behavioral traits that shape entrepreneurial success (Pujiastuti, 2018; Soegoto, 2014; Sulastri, 2017). Strengthening these characteristics allows young entrepreneurs to build resilience, develop a forward-thinking mindset, and sustain competitive advantages in volatile business environments.

The Malaysian government has demonstrated a strong commitment to developing a supportive entrepreneurial ecosystem through policies such as the National Entrepreneurship Policy 2030 and the MyDigital Blueprint, both of which emphasize innovation, inclusivity, and digital entrepreneurship (Munusamy et al., 2025). Universities have responded by establishing entrepreneurship programs, incubators, business competitions, and start-up grants to cultivate entrepreneurial thinking among students. However, despite these institutional and policy efforts, evidence suggests that many undergraduates remain reluctant to pursue entrepreneurship due to practical and psychological constraints. Barriers such as limited funding opportunities, insufficient mentorship, academic workload pressures, low confidence in business management, and difficulties in navigating market and regulatory complexities continue to impede entrepreneurial activity among Malaysian students. These realities highlight a pressing need to understand not only structural barriers but also the psychological mechanisms that shape students' entrepreneurial inclination.

This study, therefore, aims to examine the challenges and barriers influencing entrepreneurial inclination among university students in Malaysia, focusing on five major dimensions: aversion to stress and hard work, aversion to risk, fear of failure, lack of social networking, and lack of resources. By integrating these dimensions into a unified analytical framework, the study provides a comprehensive understanding of how psychological, social, and resource-based barriers collectively influence students' entrepreneurial outlook. Primary data are collected from Malaysian undergraduates to capture first-hand perceptions and experiences, offering empirical insights that reflect the realities of student entrepreneurship within the Malaysian context.

The significance of this study lies in its potential to advance theoretical and practical understanding of entrepreneurial behavior among university students in emerging economies. Conceptually, it contributes to entrepreneurship literature by integrating psychological aversion theory and resource-based perspectives to explain how individual attitudes and contextual limitations interact to suppress entrepreneurial inclination. Empirically, it provides new evidence on the relative importance of psychological and structural barriers in shaping entrepreneurial decisions among Malaysian undergraduates, a demographic critical to the nation's innovation agenda. Practically, the findings offer actionable recommendations for policymakers, educators, and university administrators to design targeted interventions that enhance resilience, promote entrepreneurial confidence, and improve access to social and financial capital.

The novelty of this research rests on its holistic perspective, bridging psychological, social, and economic dimensions of entrepreneurial barriers into a single model that captures the complexity of student entrepreneurship. Unlike prior studies that often treat these barriers in isolation, this research identifies their interconnected effects on entrepreneurial inclination, offering a nuanced understanding of how these challenges operate simultaneously. In doing so, it enriches scholarly discourse on youth entrepreneurship in Malaysia and contributes to the formulation of more inclusive and adaptive entrepreneurship education and policy frameworks aimed at nurturing the next generation of innovators and business leaders.

LITERATURE REVIEW

Aversion to Stress and Hard Work

In Malaysia, university students frequently encounter significant stress and challenges when engaging in entrepreneurial activities. These challenges can profoundly affect their mental health, academic performance, and future career development. The primary sources of stress typically stem from three aspects: balancing academic and entrepreneurial responsibilities, meeting social and family expectations, and coping with the fear of failure. Balancing studies and entrepreneurship often leads to time constraints and energy depletion, resulting in heightened psychological pressure that may impede both academic achievement and entrepreneurial progress. Moreover, strong familial and societal expectations intensify this stress, as students fear disappointing others or failing to meet perceived standards of success.

The fear of failure is a critical psychological barrier that diminishes students' entrepreneurial motivation (Galindo-Martin et al., 2023). Due to limited experience and exposure, many students experience low confidence and anxiety about the potential consequences of failure, such as financial loss or reputational damage. This anxiety can escalate into emotional strain, affecting their willingness to take entrepreneurial risks.

Hard work, another central element of entrepreneurship, demands long-term commitment, perseverance, and substantial time investment. Many university students lack sufficient resources, business knowledge, or practical experience to manage these demands effectively. Consequently, prolonged hard work can lead to fatigue, decreased learning efficiency, and deteriorating physical and mental health. Furthermore, within entrepreneurial teams, miscommunication or conflicting objectives may exacerbate stress, thereby reducing motivation and increasing the likelihood of disengagement from entrepreneurial pursuits (Mehta, 2025).

While stress and hard work can sometimes foster resilience, adaptability, and leadership, traits beneficial for future career development, the negative consequences often outweigh the benefits for many students. Persistent stress without adequate coping mechanisms can result in burnout, anxiety, and depression, ultimately diminishing their entrepreneurial inclination. Therefore, students who exhibit aversion to stress and hard work are less likely to pursue entrepreneurship, as they prefer environments with greater stability and lower emotional or physical strain.

H1: Aversion to stress and hard work negatively influences entrepreneurial inclination significantly.

Aversion to Risk
Risk aversion is a crucial psychological factor influencing entrepreneurial behavior, particularly among college students who often perceive entrepreneurship as a highly uncertain endeavor. Individuals with a strong aversion to risk are generally less inclined to engage in activities that involve potential loss or instability, which directly affects their entrepreneurial decisions and behaviors. In the context of higher education, students' fear of uncertainty can discourage them from pursuing entrepreneurial opportunities, even when they possess innovative ideas or sufficient knowledge to initiate a venture.

Research indicates that the representation of information plays a significant role in shaping risk-related decision-making among students. Zhang and Wang (2019) found that under conditions of fuzzy or ambiguous information, college students tend to exhibit stronger risk aversion, whereas under clear and accurate information, they are more likely to evaluate risks rationally and engage in entrepreneurial action. Furthermore, students' psychological orientation also moderates this relationship. Those with a prevention orientation, focused on avoiding losses or failures, are more prone to risk avoidance, while those with a promotion orientation, focused on achieving goals and growth, demonstrate a greater willingness to take entrepreneurial risks (Zhang & Wang, 2019). This interplay between external information clarity and individual psychological orientation significantly influences entrepreneurial decision-making.

Beyond psychological aspects, legal and institutional uncertainties can further intensify students' aversion to risk. College students, due to their limited social and business experience, may be more vulnerable to unexpected legal and regulatory risks during the startup process. Such risks may include compliance challenges, contractual disputes, or unanticipated liabilities that can result in severe financial and reputational consequences, potentially leading to venture failure or bankruptcy (Zhang & Wang, 2019). These perceived threats contribute to the overall risk aversion among students, reducing their entrepreneurial intention and discouraging engagement in new ventures.

Given these dynamics, enhancing entrepreneurship education should involve addressing both psychological risk perception and informational clarity. Educators and policymakers should consider developing programs that strengthen students' risk management capabilities and resilience while providing clearer legal and institutional guidance to reduce uncertainty. By mitigating excessive risk aversion, universities can cultivate a more supportive environment for entrepreneurial exploration and innovation.

H2: Aversion to risk negatively influences entrepreneurial inclination significantly.

Fear of Failure
Fear of failure has been conceptualized as a psychological disposition characterized by anxiety, avoidance behavior, and concern over shame and humiliation associated with failing (Cacciotti & Hayton, 2015). Within entrepreneurship research, this construct has been explored from both economic and psychological perspectives, consistently revealing its negative influence on entrepreneurial decision-making (Cacciotti et al., 2016). Fear of failure can significantly affect individuals at multiple stages of the

entrepreneurial process, including the willingness to engage in entrepreneurship, the selection of projects, and their eventual execution.

At the level of risk perception and decision-making, studies have demonstrated a close interrelation between fear of failure and risk aversion. Individuals who perceive entrepreneurial failure as carrying severe negative consequences tend to withdraw from entrepreneurial decision-making altogether (Cacciotti et al., 2016; Morgan & Sisak, 2016). Conversely, when individuals or environments help reduce the negative perceptions associated with failure, entrepreneurial intentions are more likely to emerge and strengthen (Morgan & Sisak, 2016). Hence, fear and risk perception are intertwined: heightened perceived risk amplifies fear of failure, whereas lower perceived risk can encourage entrepreneurial action and initiative.

In entrepreneurial behavior and practice, varying levels of fear of failure shape strategic decision-making patterns. Entrepreneurs with low fear of failure tend to adopt innovative, exploratory, and risk-taking strategies, while those with high levels of fear prefer conservative, proven, and less uncertain paths (Cacciotti & Hayton, 2015; Cacciotti et al., 2016). This difference manifests in resource allocation, business model choice, and market entry strategies. Individuals dominated by fear are inclined toward safer, incremental approaches to avoid the psychological distress and social repercussions associated with failure.

Moreover, fear of failure not only influences the decision to start a business but also affects the persistence and direction of ongoing projects, particularly in environments where failure carries social stigma (Landier, 2005). Excessive fear of failure may drive individuals to prematurely abandon high-risk but high-potential ventures, thereby limiting opportunities for innovation and growth. Furthermore, social environments that stigmatize failure discourage entrepreneurial learning and reflection, fostering avoidance behavior rather than resilience. When failure is perceived as shameful, individuals may withdraw from entrepreneurial activities to evade further social and psychological costs.

H3: Fear of failure negatively influences entrepreneurial inclination significantly.

Lack of Social Networking

Social networking plays a vital role in fostering entrepreneurial development by connecting individuals, facilitating information exchange, and enabling knowledge acquisition (Nisar et al., 2022). According to Ellison et al. (2011) and Thomas et al. (2020), social networking platforms allow individuals to expand their professional and social circles, establish new connections, and maintain existing relationships. Within the entrepreneurial context, such networks are instrumental for students and emerging entrepreneurs to build linkages with potential partners, mentors, and experienced business practitioners who can provide valuable insights and opportunities for collaboration.

Effective networking not only broadens access to business resources but also enhances entrepreneurs' ability to navigate uncertainty. Continuous communication with peers, mentors, and other stakeholders enables entrepreneurs to seek timely advice and emotional support when encountering challenges or decision-making bottlenecks. This exchange of information and encouragement can reduce anxiety arising from asymmetric information and limited experience, while increasing confidence and resilience in the face of competition (Sahoo & Panda, 2019). Therefore, social networks are not merely channels for building relationships but serve as essential mechanisms for establishing mutually beneficial partnerships within the entrepreneurial ecosystem.

Through the continuous flow of knowledge, resources, and experiences, entrepreneurs can enhance their strategic agility, innovation, and adaptability.

Moreover, entrepreneurs who actively cultivate social capital by expanding and maintaining diverse interpersonal networks often gain access to critical assets such as funding opportunities, market information, and human resources. These networks function as informal support systems that foster learning and collaboration, thereby strengthening an entrepreneur's capability to create and sustain new ventures. Conversely, a lack of social networking limits exposure to such external resources, constrains opportunities for partnership, and reduces access to valuable guidance, ultimately weakening entrepreneurial motivation and capacity.

Based on this discussion, the study proposes the following hypothesis:

H4: Lack of social networking negatively influences entrepreneurial inclination significantly.

Lack of Resources

Within the context of this study, undergraduate students often face several constraints that hinder their ability to initiate entrepreneurial ventures while pursuing their studies, even though governmental and institutional initiatives may provide financial and non-financial support. One of the most significant barriers is the lack of resources, particularly financial capital. Numerous studies have emphasized that access to capital is a critical determinant of new venture creation and sustainability (Brush et al., 2001; Cassar, 2004). Limited financial resources restrict entrepreneurs' capacity to conduct market research, establish distribution channels, or build collaborative networks essential for early business growth. Consequently, inadequate capital not only hampers initial business development but also diminishes the likelihood of long-term survival in a competitive environment.

Beyond financial constraints, resource limitations may also stem from inadequate human and intellectual capital. The level of education plays a vital role in equipping individuals with the knowledge and skills necessary to manage financial and operational aspects effectively. Kepramareni et al. (2024) highlighted that individuals with higher educational attainment tend to possess stronger financial literacy and analytical competence, enabling them to plan and utilize resources more efficiently. In the context of entrepreneurship, such capabilities are particularly critical during the startup phase, where strategic allocation of scarce resources determines the venture's ability to sustain and expand.

Thus, the interplay between capital availability and entrepreneurial competency becomes central to understanding entrepreneurial behavior among undergraduates. Even when minimal financial support is available, students with insufficient knowledge of financial management or poor resource planning may struggle to leverage those resources effectively. Conversely, those with higher financial literacy and skill development may mitigate some effects of limited capital through creative problem-solving and efficient budgeting. However, for most undergraduates, the combination of limited financial access, lack of experience, and insufficient business networks collectively reduces their entrepreneurial inclination.

Based on the above discussion, this study proposes the following hypothesis:

H5: Lack of resources negatively influences entrepreneurial inclination significantly.

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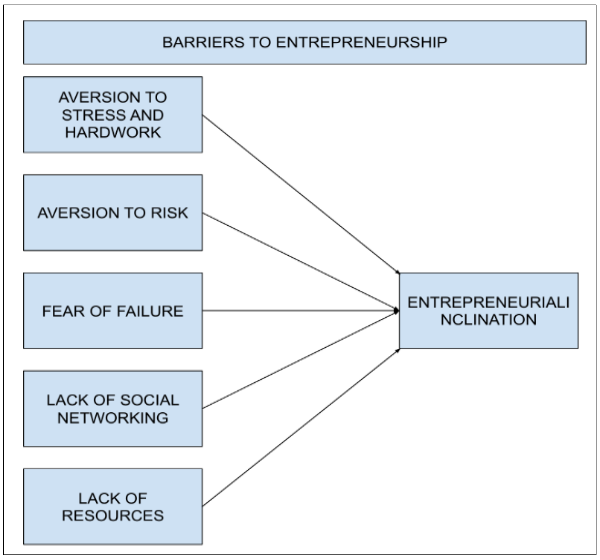
Figure 1. Research Model



As illustrated in Figure 1, entrepreneurial inclination is often constrained by several key 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 standpoint, individuals who reject the intensity and sustained commitment required for entrepreneurship may struggle to endure the high cognitive and emotional demands of the early startup stages. Similarly, excessive risk aversion can cause hesitation in decision-making and reduce the willingness to explore innovative or high-potential ventures.

Among these barriers, fear of failure is one of the most widely discussed psychological obstacles. It encompasses not only anxiety about potential setbacks but also concerns regarding social judgment, emotional disappointment, and the loss of self-esteem. According to Cacciotti and Hayton (2015), fear of failure reflects a generalized feeling of anxiety, a tendency to avoid failure, and apprehension about shame or humiliation. Entrepreneurs who cannot effectively manage this fear are less likely to seize innovative opportunities or pursue challenging ventures.

A lack of social networks also serves as a major impediment to entrepreneurship, as it restricts access to valuable information, collaboration opportunities, and external resources. Conversely, maintaining strong social connections enables entrepreneurs to gain timely insights, industry knowledge, and support from experienced peers. Social networking is an essential tool for fostering connections, gathering information, and acquiring knowledge (Nisar et al., 2022). Moreover, engagement in social networks can enhance students' self-efficacy, which plays a critical role in motivating individuals to initiate and persist in behaviors that contribute to entrepreneurial success (Jie et al., 2024). Entrepreneurs with high self-efficacy are more likely to experiment with new business models, pursue innovative ideas, and remain resilient when facing setbacks.

Finally, insufficient resources, including limited financial capital, technological capacity, or human resources, have long been recognized as practical barriers that hinder the smooth execution of entrepreneurial projects. The interplay among these factors demonstrates that psychological and structural obstacles are deeply interconnected, jointly influencing entrepreneurial decisions and behaviors. If these barriers are not identified, addressed, and mitigated early, they can significantly diminish individuals' motivation and willingness to embark on entrepreneurial ventures.

RESEARCH METHOD

Research Design

This study adopted a quantitative research approach to objectively measure the relationships between psychological and contextual barriers influencing entrepreneurial inclination among undergraduate students in Malaysia. The quantitative design was considered appropriate as it enables systematic analysis of patterns, relationships, and variations across measurable constructs. According to Hair et al. (2019), this approach facilitates empirical testing of hypotheses using statistical techniques, thereby enhancing the validity and generalizability of findings.

Sampling Procedure

A purposive sampling technique was employed to ensure that participants possessed relevant and recent exposure to entrepreneurship, aligning with the study's objectives. This sampling method was selected to target respondents who could provide meaningful insights into the challenges faced by emerging entrepreneurs. The study involved approximately 100 Malaysian undergraduate students from various universities. Ethical approval and informed consent were obtained prior to data collection to ensure compliance with research ethics and the protection of participants' rights.

Data Collection

The study utilized primary data collected through an online survey distributed via Google Forms. The survey instrument consisted of six structured sections. The first section captured respondents' demographic information, including gender, age, ethnicity, educational level, monthly income, and student status (local or international). The subsequent sections examined specific entrepreneurial barriers (aversion to stress and hard work, aversion to risk, fear of failure, lack of social networking, and lack of resources). These sections were designed to assess students' attitudes and perceptions toward entrepreneurship and the factors that potentially hinder their entrepreneurial inclination.

All survey items were measured using a five-point Likert scale, ranging from 1 ("Strongly Disagree") to 5 ("Strongly Agree"), allowing for nuanced assessment of respondents' opinions. The questions were adapted from Sandhu et al. (2011), who explored similar barriers and inclinations related to entrepreneurship among Malaysian postgraduate students. Minor adjustments were made to ensure relevance to the undergraduate context.

Measurement and Reliability

The questionnaire items were designed to capture five key constructs representing barriers to entrepreneurship: aversion to stress and hard work, aversion to risk, fear of failure, lack of social networking, and lack of resources. Entrepreneurial inclination served as the dependent variable. Each construct was operationalized through multiple indicators reflecting the respondents' perceptions of entrepreneurial challenges.

To ensure internal consistency and reliability, Cronbach's alpha values were computed for each construct. All variables exceeded the recommended threshold of 0.70, indicating acceptable reliability levels (Taber, 2017). This confirms that the measurement items consistently represented the intended constructs.

Validity and Ethical Considerations

The validity of the survey instrument was enhanced through adaptation from an established and previously validated study (Sandhu et al., 2011) and minor contextual modifications for the undergraduate population. Furthermore, the survey was reviewed by academic experts to ensure clarity and relevance. Ethical clearance was obtained before data collection, and all respondents participated voluntarily with informed consent. Data confidentiality and anonymity were strictly maintained throughout the research process.

RESULTS

Table 1. Respondents' Profile

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 presents the demographic profile of the respondents who participated in the study. The gender distribution is relatively balanced, with 54% male and 46% female respondents, indicating a nearly equal representation of both genders. In terms of age, the largest group of respondents falls between 26 and 30 years old (36%), followed by those aged 21 to 25 years (24%), 31 to 35 years (16%), 36 to 40 years (17%), and a smaller portion below 20 years (7%). This distribution suggests that most respondents are young adults within the typical age range for university students or early-career individuals.

Regarding ethnicity, the sample comprises 30% Chinese, 27% Indian, 20% Malay, and 23% from other ethnic backgrounds, reflecting a diverse and inclusive demographic composition. The respondents' year of study shows that the majority are in their second year (36%), followed by first-year students (24%), third-year students (22%), and final-year students (18%), suggesting that the majority are still in the earlier phases of their academic journey.

In terms of academic background, 45% of respondents are pursuing business-related degrees, while 55% are from non-business disciplines, providing a balanced perspective between business and non-business students. The majority of the respondents are local students (64%), with 36% being international students, showing that the study captures views from both domestic and foreign learners. Additionally, 65% of the respondents are enrolled full-time, whereas 35% are part-time students, reflecting a higher proportion of full-time academic engagement.

Concerning income level, more than half of the respondents (57%) earn less than RM1000 per month, 25% have monthly earnings between RM1000 and RM3000, 5% between RM3001 and RM5000, and 13% reported having no income at all. This distribution suggests that most participants have relatively low income, which aligns with their status as students or early-career individuals. Overall, the demographic profile illustrates a diverse sample of respondents in terms of gender, ethnicity, study level, and income, offering a well-rounded representation of young adults' perspectives on entrepreneurial barriers.

Table 2. Descriptive Analysis of Entrepreneurial Barriers

Variable		Minimum	Maximum	Mean	Standard Deviation
1	Entrepreneurial Inclination	1	5	3.78	0.9
2	Aversion to Stress and Hard Work	1	5	3.45	1.04
3	Aversion to Risk	1	5	3.38	1.08
4	Fear of Failure	1	5	3.39	1.08
5	Lack of Social Networking	1	5	3.40	1.08
6	Lack of Resources	1	5	3.41	1.08

Table 2 presents the descriptive analysis of entrepreneurial barriers and entrepreneurial inclination. The mean score for entrepreneurial inclination is 3.78 with a standard deviation of 0.90, indicating that respondents generally show a moderately high tendency toward entrepreneurship, though some variability exists among individual responses. Aversion to stress and hard work records a mean value of 3.45 (SD = 1.04), suggesting that while many respondents recognize the challenges of entrepreneurship, they are moderately averse to stress and demanding workloads. The mean value for aversion to risk is 3.38 (SD = 1.08), implying that respondents exhibit a moderate level of risk aversion, which could potentially hinder entrepreneurial decision-making. Similarly, fear of failure has a mean of 3.39 (SD = 1.08), showing that concerns about potential failure are relatively prevalent among respondents. The mean for lack of social networking is 3.40 (SD = 1.08), indicating that networking limitations are perceived as a moderate barrier to entrepreneurship. Lastly, lack of resources has a mean of 3.41 (SD = 1.08), suggesting that while resource constraints are acknowledged, they are not viewed as extremely severe barriers. Overall, the descriptive results reveal that respondents moderately experience the key barriers to entrepreneurship, yet maintain a relatively positive inclination toward entrepreneurial activities.

Table 3. Regression Results

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

Table 3 presents the regression analysis results examining the influence of various barriers on entrepreneurial inclination. The findings reveal that aversion to stress and hard work has a negative coefficient (-0.02) and a p-value of 0.10, suggesting a marginal but statistically insignificant effect on entrepreneurial inclination; therefore, H1 is rejected. Aversion to risk also shows a negative relationship (coefficient = -0.20) with a p-value of 0.19, indicating that it does not significantly influence entrepreneurial inclination, thus H2 is rejected. In contrast, fear of failure displays a positive and statistically significant relationship with entrepreneurial inclination (coefficient = 0.30, p = 0.01), signifying that individuals who fear failure tend to exhibit a higher entrepreneurial inclination, possibly due to motivational or compensatory behavior; hence, H3 is accepted, but the direction of the relationship is opposite to what was hypothesized. Lack of social networking shows a negative coefficient (-0.06) with a p-value of 0.11, meaning the relationship is not significant, leading to the rejection of H4. Finally, lack of resources has a positive coefficient (0.16) but a p-value of 0.13, showing an insignificant relationship, and therefore, H5 is rejected. Overall, the regression results indicate that among the examined barriers, only fear of failure significantly influences entrepreneurial inclination, while other factors, such as aversion to stress, aversion to risk, lack of networking, and lack of resources, do not show meaningful effects.

DISCUSSION

Aversion to Stress and Hard Work and Entrepreneurial Inclination

The regression analysis reveals that aversion to stress and hard work has a negative but statistically insignificant effect on entrepreneurial inclination ($\beta = -0.02$, $p = 0.10$), leading to the rejection of H1. This finding suggests that while stress and workload concerns may psychologically deter some students, they are not strong enough predictors to significantly reduce entrepreneurial intention in the Malaysian context. This outcome contrasts with previous research (Cacciotti & Hayton, 2015; Sandhu et al., 2011), which emphasized the inhibiting role of psychological pressure and overwork in entrepreneurial behavior. One possible explanation is that Malaysian students may perceive entrepreneurship as an empowering alternative to conventional employment, thereby showing resilience despite the expected workload. Furthermore, exposure to entrepreneurship education and mentorship programs in Malaysian universities might mitigate the fear of stress associated with entrepreneurship, reducing its direct influence on intention.

Aversion to Risk and Entrepreneurial Inclination

Aversion to risk also exhibits a negative but insignificant relationship with entrepreneurial inclination ($\beta = -0.20$, $p = 0.19$), resulting in the rejection of H2. This suggests that students' tendency to avoid uncertainty does not substantially deter their willingness to engage in entrepreneurial activities. This finding differs from Zhang and Wang (2019), who observed that individuals with strong risk aversion are less likely to initiate entrepreneurial ventures. A potential interpretation is that Malaysian university students are becoming increasingly familiar with digital and low-capital forms of entrepreneurship, such as e-commerce and online services, which carry relatively lower financial risks. Consequently, perceived risk may not act as a decisive barrier. This reflects a contextual shift where entrepreneurial ecosystems and government support mechanisms have partially neutralized the deterrent effect of risk aversion.

Fear of Failure and Entrepreneurial Inclination

The results reveal that fear of failure has a positive and statistically significant effect on entrepreneurial inclination ($\beta = 0.30$, $p = 0.01$), thereby supporting H3 in terms of significance but contradicting the hypothesized direction. This unexpected direction suggests that fear of failure might act as a motivational rather than inhibitory factor among Malaysian university students. This aligns with the compensatory perspective proposed by Cacciotti and Hayton (2015), where fear can drive individuals to prepare more thoroughly and strive for success. In this study, students who express fear of failure may actually be more conscious of potential risks and, therefore, more committed to overcoming obstacles. This finding also resonates with cultural interpretations of failure in collectivist societies like Malaysia, where the desire to maintain family pride and social standing may push individuals to work harder, transforming fear into motivation. Thus, fear of failure, rather than suppressing entrepreneurial drive, may enhance self-discipline and persistence.

Lack of Social Networks and Entrepreneurial Inclination

The regression results indicate that lack of social networks has a negative but insignificant effect on entrepreneurial inclination ($\beta = -0.06$, $p = 0.11$), leading to the rejection of H4. This finding suggests that, although social connections are traditionally viewed as crucial for business success (Jie et al., 2024; Nisar et al., 2022), their absence may not strongly deter students' initial entrepreneurial intentions. One explanation is that digital platforms and social media have significantly reduced dependence on physical networks for business initiation. Students can now access online communities, mentorship, and resources without requiring traditional social capital. Hence, the influence of networking barriers may have diminished among tech-savvy student entrepreneurs.

Lack of Resources and Entrepreneurial Inclination

Lack of resources displays a positive but statistically insignificant relationship with entrepreneurial inclination ($\beta = 0.16$, $p = 0.13$), which also leads to the rejection of H5. Although counterintuitive, this finding suggests that students facing resource scarcity may compensate through creativity and resourcefulness, leading to stronger entrepreneurial aspirations. This aligns partially with the effect observed in resource-constraint theory, where limited resources foster innovation and efficiency. In the Malaysian context, government support schemes, grants, and entrepreneurship competitions may buffer the negative effects of resource scarcity, making the lack of capital less discouraging. Consequently, resource limitation may no longer serve as a definitive barrier to entrepreneurial intention among university students.

Implications and Contributions

From a theoretical standpoint, this study contributes to the behavioral entrepreneurship literature by highlighting that psychological barriers do not uniformly inhibit entrepreneurial intentions. Consistent with Cacciotti and Hayton (2015), the study confirms that emotions and cognitions influence entrepreneurship, yet extends their framework by revealing that fear of failure can transform into a motivational force under specific cultural and contextual conditions. Moreover, while previous studies (Sandhu et al., 2011; Zhang & Wang, 2019) identified risk aversion and stress avoidance as strong deterrents, the current findings suggest that their effects may be attenuated within supportive entrepreneurial ecosystems like those emerging in Malaysia.

Practically, universities should recalibrate entrepreneurship education to account for these nuanced dynamics. Instead of focusing solely on reducing fear, programs should help students channel that fear productively through resilience training, scenario planning, and reflective exercises. Entrepreneurial curricula should emphasize adaptive coping strategies and experiential learning, allowing students to view failure as a learning opportunity rather than a stigma. Simultaneously, the government and higher education policymakers should expand initiatives such as funding competitions, incubator programs, and mentorship networks to sustain motivation and mitigate contextual barriers.

From a policy perspective, these results suggest that psychological empowerment may be as vital as financial or technical support. The National Entrepreneurship Policy 2030 could incorporate structured mental preparedness programs, peer-mentoring schemes, and targeted grants for resource-constrained students to encourage participation. Strengthening the linkages between universities, the private sector, and government agencies will create a more integrated ecosystem that transforms intention into action.

CONCLUSION

This study set out to examine the key psychological and resource-based barriers influencing entrepreneurial inclination among Malaysian undergraduates. Five main factors were tested: aversion to stress and hard work, aversion to risk, fear of failure, lack of social networking, and lack of resources. The findings reveal that among these variables, only fear of failure has a statistically significant and positive effect on entrepreneurial inclination. This suggests that while most constraints examined, such as limited resources, weak networking, and risk or stress aversion, do not substantially deter students from entrepreneurship, fear of failure plays a unique motivational role. Rather than discouraging entrepreneurship, it appears to trigger compensatory behavior, motivating students to plan more carefully and pursue entrepreneurship with greater determination.

The rejection of H1, H2, H4, and H5 indicates that the commonly assumed structural and resource-based barriers may not be as influential as psychological drivers in shaping entrepreneurial intent within the Malaysian context. University students, despite facing challenges such as limited funding or networking opportunities, may still possess strong intrinsic motivation and adaptability that offset these disadvantages. The results, therefore, emphasize that psychological factors, particularly the internalization and management of fear, are more decisive than external constraints in determining entrepreneurial inclination.

From a broader perspective, these findings highlight the need to focus on the emotional and psychological dimensions of entrepreneurship education. Universities should go beyond traditional business and management training by incorporating psychological resilience programs, mentorship from experienced entrepreneurs, and workshops that normalize failure as part of the entrepreneurial journey. Cultivating a growth mindset can transform fear of failure into a source of learning and self-improvement.

On the policy level, government agencies and higher education institutions should collaborate to develop entrepreneurship initiatives that combine financial support with confidence-building and mindset training. While grants and incubator programs remain important, policies that foster a positive social attitude toward entrepreneurial risk and failure can have longer-lasting effects. Additionally, entrepreneurship competitions, innovation labs, and collaborative community projects can provide safe spaces for students to experiment and learn without the fear of stigma associated with failure.

In conclusion, the study contributes to the growing understanding of youth entrepreneurship by revealing that fear of failure can act as a constructive psychological stimulus rather than a barrier. This finding challenges conventional assumptions that fear merely inhibits entrepreneurial behavior, suggesting instead that it can enhance self-discipline, planning, and determination. Theoretically, the study advances the behavioral perspective on entrepreneurship by illustrating how psychological responses to failure shape entrepreneurial decisions. Practically, it offers valuable guidance for educators and policymakers in designing more psychologically supportive ecosystems for aspiring student entrepreneurs in Malaysia.

LIMITATION

There are some limitations of this study. The sample was limited to undergraduate students in Malaysia, which may limit the generalizability of the findings to other regions or demographics. Reliance on the questionnaire may introduce response bias. This study focused on specific barriers such as fear of failure and lack of resources, while other factors affecting entrepreneurship, such as economic conditions or policy support, were not extensively explored. Future research should consider a broader sample and more qualitative methods to provide deeper insights.

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DECLARATION OF CONFLICTING INTERESTS

The authors declare that there is no conflict of interest.

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