
DOES ENTREPRENEURIAL LITERACY SHAPE STUDENTS' ENTREPRENEURIAL INTENTIONS? EVIDENCE FROM HIGHER EDUCATION INSTITUTIONS IN MALAWI

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ABSTRACT

Entrepreneurship is widely recognised as an important strategy for reducing youth unemployment and promoting economic development, particularly in developing countries. Despite increased efforts to integrate entrepreneurship education into higher education, limited evidence exists on whether entrepreneurial literacy translates into entrepreneurial intentions among university students in Malawi. This study examined the influence of entrepreneurial literacy on entrepreneurial intentions among students from selected public and private universities in Lilongwe, Malawi. Specifically, it assessed students' entrepreneurial literacy, examined its relationship with entrepreneurial intentions, compared entrepreneurial intentions across institutional types, and identified strategies for strengthening entrepreneurship education.

A quantitative cross-sectional research design was adopted, and data were collected from 68 students using structured questionnaires. Descriptive statistics and an independent samples *t*-test were employed to analyse the data using SPSS. The findings revealed that students possessed high levels of entrepreneurial literacy, particularly in business planning, financial management, opportunity recognition, and marketing. Respondents also demonstrated positive entrepreneurial intentions, with most considering entrepreneurship a desirable career path. However, no statistically significant difference was found in entrepreneurial intentions between students from public and private universities ($t = 0.247$, $p = .806$), indicating that

institutional type does not significantly influence entrepreneurial aspirations. The study concludes that entrepreneurial literacy plays an important role in fostering entrepreneurial intentions regardless of institutional affiliation. It recommends strengthening entrepreneurship education through experiential learning approaches, including mentorship, business incubation, industry partnerships, and enterprise development initiatives, to support students in transforming entrepreneurial intentions into successful business ventures.

KEYWORDS: Entrepreneurial literacy, Entrepreneurial intentions, Entrepreneurship education, Malawi, Higher education.

1. INTRODUCTION

Entrepreneurship is one of the most recognized engines of economic transformation, innovation, job creation and sustainable development in both developed and developing countries. The competition for jobs in the labour market and the continued decrease in formal job opportunities is making entrepreneurship an alternative way for young people to generate employment opportunities for themselves and others. Thus, the role of higher education institutions has become strategic in developing entrepreneurial competencies for their graduates to enter the labor market and create and run successful business ventures (Nabi et al., 2017). The entrepreneurial literacy, which includes knowledge, skills, attitudes and competencies in the area of opportunity recognition, business planning, innovation, financial management and risk assessment, has therefore been added as an integral part of university education.

The growing importance of the entrepreneurial importance is supported by the Theory of Planned Behaviour (Ajzen, 1991), which suggests that entrepreneurial behaviour is preceded by entrepreneurial intentions that are determined by individual attitudes, subjective norms and perceived behavioural control. Entrepreneurial knowledge has a positive impact on students' perception of entrepreneurship as a viable and viable career path, as those with higher entrepreneurial knowledge have higher confidence in identifying and exploiting business opportunities. The positive effects of entrepreneurial education on entrepreneurial attitudes have been consistently shown in previous studies, as have the effects on entrepreneurial self-efficacy and entrepreneurial intentions (Fayolle & Gailly, 2015; Krueger et al., 2000; Nabi et al., 2017). The relationship between entrepreneurial literacy and entrepreneurial intentions is however different across institutional and socio-economic contexts.

This is especially relevant in developing countries like Malawi where unemployment among the youth continues to be high and prospects in the formal labour market are still declining. Entrepreneurship has thus emerged as a policy priority at the national level for boosting the growth of the economy, poverty alleviation and self-employment among graduates (World Bank, 2020). Entrepreneurship programs have been increasingly introduced within the university curricula, but many graduates still face difficulties in starting a business due to lack of practical exposure, lack of a strong entrepreneurial ecosystem, lack of mentorship and lack of access to finance. The above challenges indicate that theoretical knowledge of entrepreneurship may not necessarily be correlated with entrepreneurial action.

In Malawi, empirical studies that look at entrepreneurial literacy and entrepreneurial intentions are relatively limited. Past research has focused primarily on entrepreneurship education in developed nations, and less is known about if entrepreneurial literacy has an effect on students in a similar way across public and private universities in the context of the higher education system in Malawi (Nabi et al., 2017). The factors such as differences in institutional resources, entrepreneurship programmes, learning environment and industry engagement can possibly have an impact on entrepreneurial intentions of students. Therefore, knowledge of these relationships can be useful in the policy planning process, in supporting the employability of graduates for entrepreneurship and in the process of University Entrepreneurship Education.

Against this background, the current study aims to determine the relationship between entrepreneurial literacy and entrepreneurial intention of students in selected public and private universities in Lilongwe, Malawi. The study also investigates whether there are any significant differences between the entrepreneurial intentions based on institutional type.

2. Research Objectives

General Objective

To examine whether entrepreneurial literacy influences entrepreneurial intentions among students enrolled in public and private universities in Lilongwe, Malawi.

Specific Objectives

1. To assess the level of entrepreneurial literacy among university students in Lilongwe.
2. To examine the relationship between entrepreneurial literacy and entrepreneurial intentions among university students.
3. To compare entrepreneurial intentions between students enrolled in public and private universities.

3. Literature Review

3.1 Entrepreneurial Literacy and Entrepreneurial Intentions

Entrepreneurial literacy is defined as knowledge, skills and attitudes needed to identify business opportunities, organise and allocate resources, deal with uncertainty and create viable businesses. In addition to financial literacy, entrepreneurial literacy also includes opportunity recognition, innovation, business planning, strategic thinking and risk management, which are all aspects that help in entrepreneurial decision making (Lusardi & Mitchell, 2014). Entrepreneurial literacy helps individuals be more confident in assessing market opportunities and in tackling entrepreneurial challenges, which improves the chances of the creation of a new venture.

Entrepreneurial intentions are conscious intentions and eagerness of an individual to start a business venture in the future (Ajzen, 1991). The Theory of Planned Behaviour states that entrepreneurial intentions are the best predictor of entrepreneurial behaviour as intentions reflect the motivation and readiness to engage in entrepreneurial activities. Entrepreneurial competencies and entrepreneurial intentions are therefore expected to be stronger in students who possess stronger entrepreneurial competencies because they have more confidence and perceived behavioural control.

The empirical evidence is always consistent that there is a positive relationship between entrepreneurial literacy and entrepreneurial intentions. James and Sahid (2022) found that entrepreneurial literacy had a significant positive effect on entrepreneurial intentions of Malaysian youths through opportunity recognition and entrepreneurial confidence. Likewise, Akinyemi and Adejumo (2021) reported that entrepreneurial knowledge had a positive effect on entrepreneurial intention of university students in Nigeria, especially in terms of business planning and identification of business opportunities. Similar results have been found in South Africa, where Urban and Kujinga (2017) found that entrepreneurial education enhances entrepreneurial aspirations by improving entrepreneurial knowledge and innovation skills. However, despite this body of evidence, entrepreneurship education in many developing countries is still mostly conceptual. Fayolle and Gailly (2015) argue that experiential learning methods such as business incubation, mentoring, internships and enterprise simulations are essential ingredients to make entrepreneurship education more effective. Through practical exposure, students translate the knowledge gained into competence, thereby enhancing the student's entrepreneurial confidence and intentions.

However, in the context of Malawi, there is limited empirical research that has investigated the effect of entrepreneurial literacy on entrepreneurial intentions of university students (Nabi

et al., 2017). Although institutions in the public and private higher education sectors have differences in terms of institutional resources, entrepreneurship programmes and the extent of engagement with the industry, these differences have been largely ignored in existing literature. This study thus fills an important context gap by offering empirical evidence from Malawi on the association between entrepreneurial literacy and entrepreneurial intentions in various institutional environments.

4. RESEARCH METHODOLOGY

4.1 Research Design

The study was a quantitative cross sectional survey design with an aim of investigating the effect of entrepreneurial literacy on entrepreneurial intentions of university students in Lilongwe, Malawi. The cross-sectional design was found suitable as the data could be collected at one time only but the statistical examination of the relationship between entrepreneurial literacy and entrepreneurial intentions (Creswell, 2014) was possible. A quantitative approach also helped to quantify respondents' perceptions and to compare students in public and private universities statistically.

4.2 Study Area and Population

The study was carried out in the Malawi College of Health Sciences, and Lilongwe Institute of Science and Technology, which are public and private higher education institutions in Lilongwe, Malawi. The institutions are purposively selected as they provide programmes which include exposure to entrepreneurship education and are representative of two different institutional environments. The survey was conducted among undergraduate students (18-40 years) from various academic programmes and levels of study. The total size of the population was unknown so Cochran sample size formula was used, which gave a sample size of 68 respondents.

4.3 Sampling Procedure

A stratified random sampling method was used to guarantee that students from all faculties and programmes of study were represented. Respondents were initially selected from each academic discipline, and then selected at random within each discipline. This method minimized sampling bias and increased representativeness of the study sample.

4.4 Data Collection Instrument

The primary data were obtained from a structured questionnaire that had closed ended questions which were assessed using a five-point Likert scale ranging from 1 = Strongly Disagree to 5 = Strongly Agree. Two main constructs were measured in the questionnaire:

Entrepreneurial literacy, and Entrepreneurial intentions. To enhance the response rate, questionnaires were distributed face-to-face and online.

4.5 Data Analysis

The collected data were analyzed using the Statistical Package for the Social Sciences (SPSS). Descriptive statistics such as frequencies, percentages, means and standard deviations were employed to summarise the respondents' demographic characteristics and determine the entrepreneurial literacy and entrepreneurial intentions. The independent samples t-test was then used to assess if there was a significant difference between the entrepreneurial intention scores of students attending public and private universities. The level of statistical significance was set at 5% ($p < 0.05$).

5. RESULTS AND DISCUSSION

5.1 Demographic Characteristics of Respondents

The study achieved a 100% response rate, with all sixty-eight distributed questionnaires successfully completed and returned. Such a response rate strengthens the reliability of the findings and minimises the likelihood of non-response bias.

Table 1: Demographic Profile of Respondents.

Variable	Category	Frequency	Percentage (%)
Gender	Male	22	33
	Female	46	67
Age	15–20 years	15	25
	21–25 years	15	25
	26–30 years	14	23
	31–35 years	11	18
	36–40 years	3	5
	Above 40 years	2	3
University Type	Public	34	50
	Private	34	50

Source: Field Survey (2026).

The findings indicate that female students constituted the majority of respondents (67%), while nearly three-quarters (73%) were below 30 years of age. The balanced representation of public and private universities facilitated meaningful comparison between institutional categories.

5.2 Entrepreneurial Literacy and Entrepreneurial Intentions among Students of higher learning

Table 2: Entrepreneurial Literacy and Entrepreneurial Intentions among University Students.

Construct	Indicator	Agreement (%)
Entrepreneurial Literacy	Understanding the business start-up process	90.0
	Ability to identify business opportunities	95.4
	Financial management knowledge	98.6
	Business planning skills	100.0
	Marketing knowledge	95.6
Entrepreneurial Intentions	Entrepreneurship is a desirable career	83.6
	Entrepreneurship is a viable career option	67.7
	Preference for self-employment	64.2
	Intention to establish a business after graduation	70.8
	Positive perception towards entrepreneurship	70.6

Source: Field Survey (2026).

The study examined the entrepreneurial literacy and entrepreneurial intentions of respondents to see if University students have the necessary knowledge and intentions for an entrepreneurial career. As shown in Table 2, there were consistently high scores for respondents in all competency areas. With regards to business planning skills, there was 100% consensus that business planning is an important skill for starting and operating a successful business. Likewise, the knowledge of financial management (98.6%), marketing knowledge (95.6%) and opportunity recognition (95.4%) garnered very high levels of agreement, and an understanding of the business start-up process was also high (90.0%). The results indicate that entrepreneurship education in the universities involved has successfully taught them basic entrepreneurial skills that they need to create and manage their own businesses.

Comparatively the results indicate moderate entrepreneurial intentions, despite high entrepreneurial literacy. The majority of the respondents (83.6%) had positive attitudes toward entrepreneurship as a desirable career. But fewer of the respondents saw entrepreneurship as a career option (67.7%), preferred self-employment (64.2%) or had a definite plan to start a business after graduation (70.8%). Likewise, 70.6% had a positive overall perception about entrepreneurship. This gap between entrepreneurial literacy and entrepreneurial intentions also implies that students have enough entrepreneurial knowledge,

but they are not equally confident and able to apply their entrepreneurial knowledge in entrepreneurial action. The results suggest that other factors, in addition to entrepreneurial literacy such as access to finance, fear of failure in business, limited entrepreneurial experience, uncertainty about the market and institutional support, can affect students' decisions to become entrepreneurs after graduation.

Results provide empirical evidence for the Theory of Planned Behaviour (TPB), which states that knowledge has a positive impact on attitudes and perceived behavioural control, and that this has a positive influence on entrepreneurial intentions (Ajzen, 1991). The high scores achieved in the literacy section show improvement in entrepreneurial competence and confidence of students as a result of entrepreneurship education. However, the relatively low intention scores indicate that entrepreneurial knowledge is not enough to ensure entrepreneurial behaviour. This result strengthens the case that external environment and context are as important as entrepreneurial intentions as are resources, perceived risk, social support, and institutional conditions.

Results are consistent with previous empirical studies. Nabi et al. (2017) found that entrepreneurial education has a positive impact on improving entrepreneurial knowledge, confidence and opportunity recognition, which in turn increases entrepreneurial intentions among university students. Likewise, Fayolle and Gailly (2015) reported that entrepreneurship education has a positive effect on entrepreneurial attitudes, but they state that this effect can be further strengthened by the use of experiential learning activities like business incubation, mentorship, internship or enterprise simulation. Similarly, James & Sahid (2022) and Akinyemi & Adejumo (2021) found that entrepreneurial literacy has a positive impact on entrepreneurial intention in that it enhances the entrepreneurial capacity of students to identify business opportunities and address entrepreneurial problems.

In terms of policy implication, there is a gap between entrepreneurial literacy and entrepreneurial intention that is observed, which is an important policy implication for higher education institutions in Malawi. It seems that universities are doing a good job of providing knowledge about entrepreneurship, but more needs to be done to get them to act like entrepreneurs. This may be done through practical entrepreneurship programmes like business incubation centres, innovation hubs, mentorship by successful entrepreneurs, enterprise competitions, industry partnerships and better access to start-up funding. This would boost students' entrepreneurial self-efficacy and help to mitigate the challenges that often hinder graduates from turning their entrepreneurial ideas into viable business ventures.

5.3 Comparison of Entrepreneurial Intentions between Public and Private Universities

An independent samples *t*-test was performed to determine whether entrepreneurial intentions differed according to university type.

Table 3: Independent Samples *t*-Test Results.

University Type	N	Mean	Mean Difference	<i>t</i>	<i>p</i> -value
Public	34	3.9265	0.0427	0.247	0.806
Private	34	3.8838			

Source: Field Survey (2026).

The results showed that there was no significant difference between the mean of entrepreneurial intention score of students of public universities and their counterparts in private universities ($p = 0.806$). Thus, the null hypothesis that the entrepreneurial intentions are not different across institutional types is not rejected. This discovery indicates that the entrepreneurial intentions of Malawian university students are more influenced by their own entrepreneurial skills than by the type of university they attend (public or private).

6. DISCUSSION

The results show that entrepreneurial literacy is an important component of entrepreneurial intentions among the university students in Malawi. The level of literacy was high across all entrepreneurial competencies, especially business planning and opportunity recognition, and financial management. These results support the proposition put forward by Entrepreneurial Literacy Theory that the entrepreneurial knowledge has the power to increase the confidence of individuals to recognize and pursue entrepreneurial opportunities.

The study also validates the previous international findings that show the positive entrepreneurial intentions among the university students who received entrepreneurship education (Fayolle & Gailly, 2015; Nabi et al., 2017). Despite this, the overall entrepreneurial intentions were high, but a significant percentage of the respondents were still not sure about entrepreneurship, indicating that theoretical entrepreneurship education may not be enough to encourage entrepreneurial behavior.

The most significant contribution of this study may be that it shows that there are no significant differences between the intention to become a business owner of students from public and private universities. The present results indicate that institutional affiliation is not the only factor that has an impact on the entrepreneurial experience and graduate employment, but that wider socio-economic factors such as graduate unemployment may have a more significant impact than the institutional affiliation itself. Therefore, entrepreneurship policy

should be geared towards building up the entrepreneurial ecosystems in practical universities rather than only differences in institutions.

CONCLUSION

This study aimed at investigating the effect of entrepreneurial literacy on entrepreneurial intentions of students in public and private higher education institutions in Lilongwe, Malawi. The results indicate that the entrepreneurial literacy of university students is relatively high in the main competency areas (opportunity recognition, business planning, financial management, marketing and knowledge of business start-up). These are the basic skills essential for the success of entrepreneurs and reflect the positive impact that entrepreneurship education has had on students' entrepreneurial readiness. It also found that the overall entrepreneurial intention among the respondents was found to be high, with most students expressing their desire to undertake entrepreneurial career in the future. This result further supports the hypothesis that entrepreneurial literacy is an important factor in enhancing students' confidence and motivation for entrepreneurship. The findings were in line with the Theory of Planned Behaviour (Ajzen, 1991) which indicates that knowledge and perceived behavioural control have significant impact on entrepreneurial intentions.

One of the significant contributions of this study is the discovery that there is no significant difference between entrepreneurial intentions of students in public and private universities. Entrepreneurial aspirations were similar for both groups, although the environment of the institutions differed in terms of resources and teaching methods. This implies that entrepreneurial literacy is more significant factor in determining entrepreneurial intention in Malawian higher education institution than institutional ownership.

Finally, the study shows that entrepreneurial literacy is an effective approach in fostering entrepreneurial intentions among university students, on average. But, the realization of these intentions in actual business creation is a process that needs support that goes beyond class. However, it is recommended that universities should concentrate on experiential learning techniques that put students in contact with real entrepreneurial contexts to close the gap between entrepreneurial intention and entrepreneurial behaviour.

8. Practical Implications

The results of this research can be used practically by higher education institutions, policy makers, entrepreneur support organisations and development partners. The first is that universities should move from a theoretical orientation of entrepreneurship education to

competency-based entrepreneurship education. Overall, students' knowledge of entrepreneurship was found to be satisfactory, but there was some uncertainty about creating a business, suggesting that there are not a lot of students with practical entrepreneurship experience. Secondly, university management should enhance collaboration with private sector entities to support mentoring initiatives, industrial attachment, business incubation centres and entrepreneurship competition for the students to provide them with real business environments. Thirdly, there should be a linkage between the government institutions that are responsible for youth development and enterprise promotion and the university entrepreneurship programmes and the national youth enterprise financing programmes. Greater access to start-up capital and technical assistance would enhance the probability that entrepreneurial intentions would be realised in the successful creation of an enterprise. Finally, entrepreneurship educators must use experiential teaching techniques, such as case studies, simulation exercises, business model development and innovation laboratories, to enhance the entrepreneurial confidence and problem-solving skills of students.

9. Policy Recommendations

Based on the results, the following recommendations are made in the study:

1. Higher education institutions should enhance the entrepreneurial education programmes through the incorporation of entrepreneurial business development exercises in the programmes. Entrepreneurship education should not be limited to classroom learning but should also involve Business Incubation Centres, Mentorship Programmes, Internship with Entrepreneurs, Innovation Hubs and Student Enterprise Competitions. These interventions would boost entrepreneurial self-efficacy and help to convert entrepreneurial knowledge into entrepreneurial business creation.
2. The Ministry responsible for Higher Education should improve cooperation with universities by offering financial support, innovation grants and entrepreneurship development programmes for university graduates, in cooperation with the agencies promoting Micro, Small and Medium Enterprises (MSMEs). Graduate entrepreneurship needs to be a key focus for policy interventions to address youth unemployment and boost economic growth.
3. Entrepreneurship ecosystems need to be nurtured in universities, which can be done by supporting entrepreneurship hubs, innovation challenges, entrepreneurship accelerator programmes, and entrepreneurship mentorship programmes. Such interventions would

enhance students' exposure to entrepreneurship in action and enhance graduate employability skills.

4. Graduate entrepreneurs should have dedicated financing products tailored to their needs by commercial banks, microfinance institutions and youth enterprise funds. Easing of lending requirements and entrepreneurship financing arrangements would lower the financial hurdles for university graduates to create businesses.

10. Limitations of the Study

This study, therefore, gives empirical evidence that is important in the context of entrepreneurial literacy and entrepreneurial intentions in Malawi, however, some limitations must be noted. The study design was cross-sectional, thus only respondents' perceptions at a specific time were captured. Thus, it was not possible to analyze changes in entrepreneurial intentions over time. Secondly, the data were collected from just two higher education institutions (HEIs) in Lilongwe. Thus, the results are not necessarily representative of all universities in Malawi. Third, the study was based on the self-reported responses to questionnaires, which could have been influenced by social desirability bias (when respondents exaggerate entrepreneurial attitudes). Lastly, the small sample size restricted the use of more sophisticated multivariate statistical analysis methods like the Structural Equation Modelling (SEM), which could be used to simultaneously analyze direct and indirect relationships between entrepreneurial literacy constructs.

11 Directions for Future Research

The use of longitudinal study designs would be useful in future research to assess the impact of entrepreneurial literacy on entrepreneurial intentions as well as entrepreneurial actions after graduation. Following graduates over a number of years would give a better indication of the long-term impact of entrepreneurship education. Comparative studies between universities across the different regions of Malawi would also enhance the external validity of findings and allow for a regional comparison. Other factors that could influence entrepreneurial intentions, such as entrepreneurial self-efficacy, access to finance, family business background, digital entrepreneurship competencies, innovation capability and institutional support systems, could be explored in further research. Lastly, researchers must use Structural Equation Modelling (SEM) or Partial Least Squares Structural Equation Modelling (PLS-SEM) to investigate the complicated causal relations among entrepreneurial literacy, entrepreneurial self-efficacy, entrepreneurial intentions and entrepreneurial behavior.

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