

The Relationship between Digital Literacy and Entrepreneurial Intention in a New Business

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Abstract

Digitization has substantially changed the world, where advanced and innovative digital technologies cause massive implications in every aspect of human life. Consequently, it is not surprising that the spread of digital technologies has created a promising environment for entrepreneurship and has considerably inspired entrepreneurs to use these technologies in the creation of new firms or the execution of commercial operations. Therefore, it is important for us or entrepreneurs to adapt to the development of this digital technology. The objective of this study is to identify the relationship between digital literacy and entrepreneurial intention in a new business. Quantitative research by distributing a set of questionnaire through Google Form is used. A total of 229 respondents from UTHM helps in filled in the questionnaire. The data is gathered using a questionnaire and will be quantitatively evaluated using the SPSS software. Descriptive analysis and correlation analysis is used to reach the objectives of this study. All three objectives that has been stated in the early of this study has been achieved. Hence, this research can contribute to enhance the knowledge to the education sector to understand the respondents' perception on digital literacy towards entrepreneurial intention in a new business.

1. Introduction

Digitization has substantially changed the world, where advanced and innovative digital technologies cause massive implications in every aspect of human life (Elnadi & Gheith, 2023). This digital revolution can be considered as an opportunity or threat to all organisations in all industries and sectors via radically reshaping their traditional processes, products and services, and strategies (Elia *et al.*, 2020). Consequently, it is not surprising that the spread of digital technologies has created a promising environment for entrepreneurship and has considerably inspired entrepreneurs to use these technologies in the creation of new firms or the execution of commercial operations (Elia *et al.*, 2020). Therefore, it is important for us or entrepreneurs to adapt to the development of this digital technology (Noorrizki *et al.*, 2022). According to (Sariwulan *et al.*, 2020), digital literacy holds the utmost importance in the contemporary era dominated by digitalisation. It encompasses the skill set required to adeptly navigate and utilize digital technology while ensuring safety, wisdom, and productivity in its usage (Onwubuya & Odogwu, 2023). Thus, entrepreneurs should have digital literacy to survive in their business in this digitalisation era.

Hardika *et al.*, (2022), said that cultivating digital literacy can significantly boost the growth and success of entrepreneurs. Digital literacy is an important skill in order for individual, especially entrepreneurs to succeed in this digitalization era. The terms literacy refers to skill sets in a variety of disciplines that have the same

potential for expression, communication, and access to knowledge (Long & Magerko, 2020). Digital literacy is the ability to know how to operate digital technology, and to use it safely, wisely, and productively (Hardika *et al.*, 2022). Entrepreneurs' performance can be enhanced through digital literacy, which includes digital business relationships, online communication and network. Furthermore, these digital technologies can offer various opportunities to entrepreneurs whether to start-up a new business or expand their business. Potential customers can now be easily reached through e-commerce sales channels, allowing for the rapid commercialization of newly developed products and services (Oppong *et al.*, 2020).

Entrepreneurs are viewed as innovators who take risks in an effort to improve their environment (Ezeh *et al.*, 2020). Starting a successful business and turning a profit is difficult for start-ups and involves a number of obstacles that need to be overcome (Lee *et al.*, 2022). Before starting a business, most people and entrepreneurs usually have the intention and put a lot of work into planning it out. The impact of digital literacy on entrepreneur performance is both direct and indirect, emphasizing its critical importance (Onwubuya & Odogwu, 2023). The interaction between digital literacy and entrepreneurial prowess vividly demonstrates the critical role it plays in promoting the growth and effectiveness of company initiatives, as well as the establishment and amplification of marketing. The predisposition for entrepreneurship, also known as entrepreneurial intention, is a key predictor of individuals' future participation in entrepreneurial ventures and the development of their business (Onwubuya & Odogwu, 2023).

1.1 Research Background

Previous research has shown that entrepreneurial intention is a potent predictor of entrepreneurial action and a requirement for starting a firm (Chang *et al.*, 2020). There have been many researchers doing research to determine the entrepreneurial intention. As a result, numerous studies on the determinants and predictors of graduates' entrepreneurial intention have been conducted in the literature, (Rahman *et al.*, 2020). It was discovered that entrepreneurship education does help to raise entrepreneurial attitudes and intentions, but entrepreneurial aspiration and a sense of innovation contribute the most to strengthening entrepreneurial intentions (Zhang *et al.*, 2022). Moreover, some recent studies have focused on the relationship between entrepreneurship education and entrepreneurial intention building (Srivastava *et al.*, 2019). The literature on the relationship between entrepreneurship education and entrepreneurial intention yields conflicting results. According to a meta-analytic study, the relationship is weak but significant (Martin *et al.*, 2013).

Furthermore, academics, researchers, educators, entrepreneurs, and most jobs around the world have identified digital skills or digital literacy as one of the key competencies for the workforce, lifelong learning, and active participation in social and economic life. The main point is that people who understand and effectively use digital means and facilities are significantly empowered and advantaged in terms of educational opportunities and success, job opportunities, and many other aspects of their personal and social life (Jimoyiannis, 2015).

Although research on entrepreneurial intention in general has been carried out in various research, but specifically researching the digital literacy impact on entrepreneurial intention among gen Z is still relatively limited (Setyawati *et al.*, 2022). Even though Gen Z is considered to have a better digital literacy compared to previous generation (Schwieger & Ladwig, 2018). The adoption and innovation of technology and its effects have been the subject of more studies with generation Z participants, but discussions of entrepreneurial intentions are still uncommon (Titko *et al.*, 2020). Previous research put more focus on factors that influence individuals' success as entrepreneurs (Ibrahim *et al.*, 2019). Therefore, this study will focus on the relationship between digital literacy and entrepreneurial intention in a new business among gen Z.

1.2 Problem Statements

Even though the development of digital can help entrepreneurs to expand their business, not all countries can up to date with the digitalization. According to Akhter *et al.* (2022), Although several countries have committed financial and non-financial resources to promoting digital entrepreneurship, developing nations have had a low rate of adoption of digital platforms and technologies for business operations.

Furthermore, digital technologies enable the internationalization of entrepreneurial firms, but widely neglects the role of the individual capabilities to make use of those technologies (von Arnim & Mrozewski, 2020).

Therefore, to achieve the research objectives the level of digital literacy and entrepreneurial intention in a new business among Gen Z are determined. Consequently, the relationship between digital literacy and entrepreneurial intention in a new business among Gen Z.

1.3 Scope of The Study

Data collection for this research is through quantitative research and students among UTHM have been targeted as the research respondents. The reason of UTHM students were selected because they fall in Gen Z category.

1.4 Significance of The Study

There are several benefits that could be gained from this study. Firstly, this study has the potential to provide valuable insights to entrepreneurs, enabling them to comprehend the essential skills required for achieving success in their entrepreneurial endeavors, which in this study is digital literacy skill. By identifying the specific digital literacy competencies that contribute to entrepreneurial achievement, this study can serve as a guidance for aspiring entrepreneurs. Secondly, this study offers a comprehensive understanding of how digital literacy influences entrepreneurial intention especially among gen Z. This knowledge can help young entrepreneurs with the necessary digital skills to thrive in today's business landscape. Thirdly, this study can become a valuable input for future researchers in the field of entrepreneurship. By consolidating digital literacy and entrepreneurial intention within a single framework, it lays the foundation for further exploration and analysis in this area.

2. Literature Review

This chapter will provide a further explanation of the research keywords that will be used in this study. The past studies review will provide the background of the key concepts on the relationship between digital literacy and entrepreneurial intention. Further, this chapter provides a comprehensive and elaborated review of literature regarding the various forms of digital literacy.

2.1 Entrepreneurial Intention

Entrepreneurial intention leads in pursuing an entrepreneurial project or in the establishment of a new company that is controlled in accordance with individuals' self-interests (Shahzad *et al.*, 2021). Since it requires long planning and execution, starting a new business depends on the fixed temperament, personal motivations, and attitude of the entrepreneurs (Lee *et al.*, 2022). Ajzen (1991) asserts that since intentions represent people's level of willingness to try and how much effort they intend to put to carry out a behaviour, they are thought to capture the motivational factors that influence behaviour. There are many factors that contribute to entrepreneurial intentions. According to Sharaf *et al.* (2018), an individual's choices regarding the establishment of a new business are influenced by internal and external factors. These factors arise from their individual characteristics and are influenced by the external environment, exerting a substantial influence on the trajectory of their professional journey.

2.2 Digital Literacy

Being capable to recognize, control, and assimilate digital resources for producing economic or social values is known as digital literacy (Young *et al.*, 2020). Digital literacy, technical literacy, and human literacy, according to Naz *et al.* (2022), are likely to have a big impact on how adaptable workers are in the age of technological advancement. A digitalized era requires an entrepreneur to possess specific core competencies in order to recognize, manage, access, evaluate, integrate, synthesise, and analyse digital resources, according to Young *et al.* (2020). It builds gradually on fundamental skills and knowledge that have been acquired (Ng, 2012). Thus, having a basic understanding of technology makes life easier and improves quality of life.

2.3 Gen Z

According to Hasmidyani *et al.* (2022), generation Z (Gen Z) is the generation that born between 1995 and 2010. Gen Z is also known as the iGeneration, the internet generation, or the net generation. They are always connected to the virtual world and can do anything using current technology's sophistication (Dolot, 2018). Moreover, Patel (2020) stated that compared to millennials, Generation Z is 55% more likely to be interested in launch a business. In fact, 72% of Gen Z students in high school say they want to launch a business. Entrepreneurship is ideally the best job for Gen Z.

2.4 The Relationship Between Digital Literacy and Entrepreneurial Intention

Based on previous research, digital literacy have an influence on the entrepreneurial intention to start-up a new business implementing the TPB theory. Digital literacy falls in perceived behavioral control as digital literacy is a skill or ability that individuals need to have to perform. According to Hardika *et al.* (2022), financial literacy and digital literacy influence entrepreneurial intention. They conducted the research on students in Bali State Polytechnic Accounting Department where the respondents show an excellent financial literacy and good digital literacy and shows how they have entrepreneurship intention to start a business.

2.5 Underpinning Theories

Several theories have been used to explain the entrepreneurial intention including Theory of Planned Behavior (TPB), Technology Acceptance Model (TAM) and Entrepreneur Intention Model (EIM). Both TAM and EIM were derived from TPB. These theories have been used to understand in depth behavioral factors which lead to entrepreneurial intention. Of the extant intention models, Ajzen's theory of planned behavior (Ajzen, 1991) has been widely operationalized and examined in the entrepreneurship literature.

2.5.1 Theory of Planned Behavior (TPB)

According to Ajzen, (1991), there are three predictors of intentions in TPB. Which is attitude toward the behavior, subjective norm and perceived behavior control. Subjective norms refer to how much family, friends, peers, and society as a whole expect or pressure the individual to perform the behavior in question. The degree to which an individual feels capable of performing a behavior is referred to as perceived behavioral control. This is based on the individual's knowledge and experience, as well as his or her assessment of potential barriers to performing the behavior. The stronger the intention to perform the behavior, the greater the sense of behavioral control. TPB is the fundamental theory for explaining entrepreneurial intention (Al-Jubari, 2019).

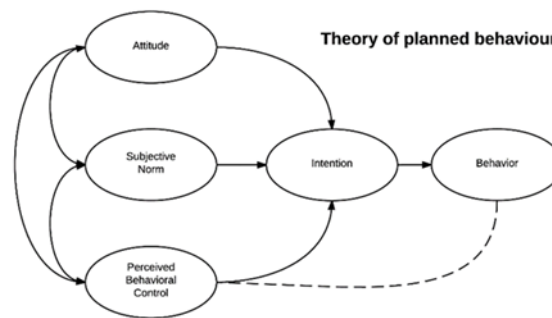


Fig. 1 The diagram of TPB (Gjzen, 1991)

2.5.2 Technology Acceptance Model (TAM)

Technology Acceptance Model, TAM (Davis, 1989) is based on social psychology theory by studying the relationship between, cognitive, emotional factors, and technology application. TAM is specially derived for modelling user's acceptance to information system or technology. TAM predicts that intentions leads to behaviour, however intentions does not always guarantee behaviour.

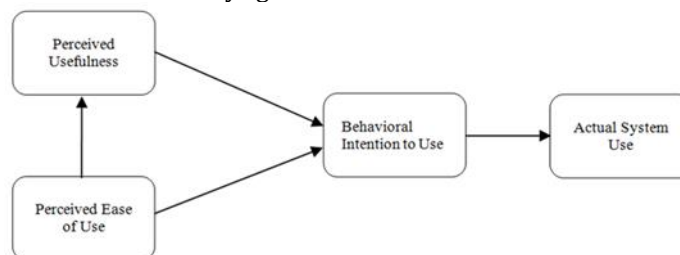


Fig. 2 The diagram of tam (Davis, 1989)

2.5.3 Entrepreneurial Intention Model (EIM)

Entrepreneur intention model which established in 2009 has roots in the TPB and focuses on an individual's internal processes and interactions with their surroundings to foster entrepreneurial intention (Srivastava *et al.*, 2019b). Professional attraction, social valuation, and entrepreneurial capacity are the antecedents for predicting entrepreneurial intention (Nawang, 2023).

2.6 Research Framework

The aim of the conceptual framework is to expose the key points comprising the framework which include the independent variable and dependent variable of this study. This research provided one dependent variable which is entrepreneurial intention and an independent variable with three dimensions of digital literacy which include technical literacy, cognitive literacy, and social-emotional literacy according to Ng (2012). Fig. 3 shows the research framework of this research.

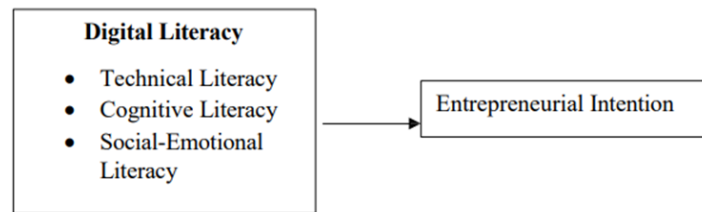


Fig. 3 Research framework

2.6.1 Technical Literacy

According to Ng, (2012), technical literacy dimension means processing the technical and operational skills to use ICT for learning and in everyday activities. It also includes the ability to use technological devices. For instances, user knows how to connect headphone, use wireless speaker and smartboards. Furthermore, a digitally literate individual is able to operate technologies adequately (Ng, 2012). For example, through understanding file structure, managing data transfer and understand the file size and storage. The skills or knowledge to install and uninstall applications, turn on Bluetooth and changing account for social media is also important.

2.6.2 Cognitive Literacy

Cognitive skills are the foundation for learning. The cognitive dimension in digital literacy is associated with the ability to think critically, evaluate and handling digital information (Ng, 2012). Cognitive literacy requires the individuals to be knowledgeable in with the ethical and legal issues related to online business and creating content. Entrepreneurs especially entrepreneur that is using social media as their primary platform should be aware of all these as to create content, individual or entrepreneur should be knowledgeable in multimedia resources.

2.6.3 Social-Emotional Literacy

The social-emotional literacy involves in being able to use the internet for communicating, socializing and observing 'netiquette'. Which indicates that entrepreneurs should learn to respect their customers privacy as entrepreneur will interact with many people for the course of selling their products. Social-emotional literacy means that individual know how to build and maintain relationship with the customer while know how to respond appropriately. Thus, entrepreneur can increase their business by having a loyal customer.

2.7 Hypothesis

H1: There is a significant relationship between technical literacy and entrepreneurial intention to start a new business.

H2: There is a significant relationship between cognitive literacy and entrepreneurial intention to start a new business.

H3: There is a significant relationship between social-emotional literacy and entrepreneurial intention to start a new business.

3. Research Methodology

This chapter will discuss the research methodology used to conduct this study. In this chapter, it includes the method and approaches used including research procedure, research design, sampling method and research instruments. The aim of the research methodology is to identify and explain the method used in collecting the data to achieve goals and objectives that have been set.

3.1 Research Design

The objective of this study is to determine the relationship between digital literacy and entrepreneurial intention to start a new business. This research will use descriptive research and quantitative research. Descriptive research aims to accurately describe a population or sample. This research will use quantitative research because quantitative research have a systematically measure before data collection, thus it can shows a precise results in number. When conducting a quantitative research, questionnaire will distributed to the respondents.

3.2 Data Collection

Two types of data collections are used in this study. Firstly, primary data collection. Secondly, secondary data collection. Primary data collection is by using a survey. A set of questionnaire is distributed to the respondents via Google Form. The questionnaire consists of three sections. Section A is a demographic information of the respondents. nominal and ordinal scale will be used in this section. The information gathered by this section is the gender, faculty and ethnic of the respondents. Next, Section B and Section C is a likert scale measurement. Section B will gather the respondent’s level of digital literacy meanwhile Section C is their entrepreneurial intention. The questionnaire for independent variable will be adopted from the research by Yeboah *et al.* (2013), while questionnaire for dependent variable were adopted from the research by from Ng (2012) and Boren (2010).

3.3 Data Analysis

The data is analysed using version 22.0 of the Statistical Package for Social Science (SPSS). SPSS is a software that helps in the management and analysis of massive amounts of data by producing accurate and timely results in the form of tables and graphs. Responses are tabulated and analysed in terms of mean, percentage, and standard deviation for the descriptive analysis. Data analysis used in this research is descriptive analysis, and correlation analysis. The data gathered is utilized to look into the demographics of the UTHM students that take part in the study. Correlation tests are utilized to determine the relationship between digital literacy and entrepreneurial intention to start a new business.

4. Data Analysis and Findings

This study seeks to identify the level of digital literacy in a new business among Gen Z and also to identify the level of entrepreneurial intention in a new business among Gen Z. Lastly, the relationship between digital literacy and entrepreneurial intention in a new business is identified.

4.1 Response Rate

In this study, the selected respondents are students from University Tun Hussein Onn Malaysia (UTHM) that consists of 16,000 students. According to Krejcie and Morgan (1970) on calculating the sample size based on population number, this study required at least 377 respondents to answer the questionnaire. Thus, the online surveys had been distributed through social media platform. For example, WhatsApp, Telegram and Instagram. However, only 229 sets were getting back. Based on that, the response rate of this study is 60.74 percent.

Table 1 Questionnaire response rate

Population	Sample Size	Questionnaire Distributed	Questionnaire Received	Percentage (%)
16000	377	377	229	60.74

4.2 Reliability Test

The result of data collection from questionnaires that had been distributed to respondents has determined the validity and reliability by using Cronbach’s Alpha method.

4.2.1 Pilot Study

A total of 30 questionnaires have been distributed to UTHM students and the data has been analysed using the SPSS. If the value of Cronbach’s Alpha is more than 0.7, then the questionnaire can be distributed.

Table 2 Cronbach’s alpha value for 30 respondents

Factors	Cronbach’s Alpha	No. Item
Technical Literacy	0.801	5
Cognitive Literacy	0.542	4
Social-Emotional Literacy	0.586	4
Entrepreneurial Intention	0.949	6

Table 2 shows the summary of reliability test for this study. The Cronbach’s Alpha values for technical literacy, cognitive literacy, and social-emotional literacy are 0.801, 0.542, and 0.586 respectively. While the value of

Cronbach's Alpha for entrepreneurial intention is 0.949. According to Bonett and Wright (2014), the reliability level for Cronbach's alpha of the questionnaire is excellent if the value of each construct is greater than 0.7. with the excellent result obtained from the pilot study, researcher can proceed with the actual study.

4.2.2 Actual Study

The actual study will be conducted once the result from the pilot test is valid and reliable. Table 3 shows the result of reliability test conducted for the actual study for each variable. For this study, 229 students from UTHM have been used to get their responses.

Table 3 Reliability test (actual study)

Factors	Cronbach's Alpha	No. Item
Technical Literacy	0.961	5
Cognitive Literacy	0.948	4
Social-Emotional Literacy	0.950	4
Entrepreneurial Intention	0.987	6

Based on the Table 3, the Cronbach's alpha value for technical literacy, cognitive literacy, and social-emotional literacy are 0.961, 0.948, and 0.950 respectively. While the value of Cronbach's alpha for entrepreneurial intention is 0.987. according to Bonett and Wright (2014), the reliability level for Cronbach's alpha of the questionnaire is excellent if the value of each construct is greater than 0.7. The result shows that the reliability level of each variables of the questionnaire is more than 0.7, which means that the research instrument that being used are reliable.

4.3 Normality Test

Normality analysis is required before proceeds to the next test which is correlation analysis. If the data is normally distributed, the data parametric test is used by conducting Pearson correlation test. However, if the data is not normally distributed, then the non-parametric test will be conducted using Spearman correlation test. Besides, researcher needs to use whether Kolmogorov-Smirnov or Shapiro-Wilk test to determine the distribution of data normality.

Table 4 Normality test analysis

Variables	Kolmogorov-Smirnov			Shapiro-Wilk		
	Statistic	df	Sig.	Statistic	df	Sig.
Technical Literacy	.195	229	<.001	.902	229	<.001
Cognitive Literacy	.185	229	<.001	.929	229	<.001
Social-Emotional Literacy	.192	229	<.001	.924	229	<.001
Entrepreneurial Intention	.247	229	<.001	.879	229	<.001

Table 4 shows the results of normality test using Kolmogorov-Smirnov and Shapiro-Wilk test. The analysis used 229 respondents and Kolmogorov-Smirnov values were taken into account because it was exceeded 50 respondents. This analysis shows that all the value of variables, p value p value <0.005 which are 0.000, 0.001 and 0.003. Hence, this data is not normal and non-parametric test of Spearman's correlation test will be used to describe the relationship between two variables and to achieve the objectives of the study.

4.4 Correlation Analysis

In this research, the parametric test of Spearman correlation test was used to describe the relationship between two variables.

4.4.1 The Relationship Between Technical Literacy and Entrepreneurial Intention

Table 5 Correlation between technical literacy and entrepreneurial intention

		Entrepreneurial Intention
Technical Literacy	Correlation Coefficient	0.84**
	Sig. (2-tailed)	<.001
	N	229

** . Correlation is significant at the 0.01 level (2-tailed)

Table 5 illustrates the result on the relationship between technical literacy and entrepreneurial intention by using Spearman’s correlation coefficient. The result indicates 0.84 which is higher than more than 0.05 (P<0.05). Thus, there is a positive significant relationship between technical literacy and entrepreneurial intention. H1 is accepted.

4.4.2 The Relationship Between Cognitive Literacy and Entrepreneurial Intention

Table 6 Correlation between cognitive literacy and entrepreneurial intention

		Entrepreneurial Intention
Cognitive Literacy	Correlation Coefficient	0.806**
	Sig. (2-tailed)	<.001
	N	229

** . Correlation is significant at the 0.01 level (2-tailed)

Table 6 illustrates the result on the relationship between technical literacy and entrepreneurial intention by using Spearman’s correlation coefficient. The result indicates 0.806 which is than more than 0.05 (P<0.05). Thus, there is a positive significant relationship between cognitive literacy and entrepreneurial intention. H2 is accepted.

4.4.3 The Relationship Between Social-Emotional Literacy and Entrepreneurial Intention

Table 7 Correlation between social-emotional literacy and entrepreneurial intention

		Entrepreneurial Intention
Social-Emotional Literacy	Correlation Coefficient	0.867**
	Sig. (2-tailed)	<.001
	N	229

** . Correlation is significant at the 0.01 level (2-tailed)

Table 7 illustrates the result on the relationship between technical literacy and entrepreneurial intention by using Spearman’s correlation coefficient. The result indicates 0.867 which is than more than 0.05 (P<0.05). Thus, there is a positive significant relationship between social-emotional literacy and entrepreneurial intention. H3 is accepted.

5. Discussion

In general, all the research questions have been answered. The next few sections will discuss the objectives of this study.

5.1 The level of digital literacy in a new business among Gen Z

Table 8 Level of digital literacy towards entrepreneurial intention among gen z

Item	Average Mean Score	Level
Technical Literacy	3.57	Medium
Cognitive Literacy	3.63	Medium
Social-Emotional Literacy	3.81	High

In this study, descriptive analysis has been used to describe the average mean score. Table 8 shows the level of average mean score for each variable that have been measured. Based on these three dimensions of digital literacy, the level of social-emotional literacy is at high level while the level of technical literacy and cognitive literacy are at medium level. The results that have analysed significantly confirm the hypotheses that have been set. The result shows the social-emotional literacy is strong factor that influence entrepreneurial intention in a new business.

5.2 The level of entrepreneurial intention in a new business among Gen Z

Table 9 *Entrepreneurial intention in a new business among gen z*

No.	Item Entrepreneurial Intention	Mean (M)	Level
1.	I am ready to do anything to start a new business	3.65	Medium
2.	My professional goal is to become an entrepreneur and start a new business	3.36	Medium
3.	I will make every effort to start and run my own business	3.61	Medium
4.	I am determined to start a new business in the future	3.59	Medium
5.	I have very serious thought of starting a new business	3.63	Medium
6.	I have an intention to start a new business some day	3.81	High
	Total Average	3.61	Medium

Table 9 illustrates the findings for level of entrepreneurial intention in a new business among Gen Z. The findings show the overall level of factors that influence entrepreneurial intention among Gen Z is at medium level. The statement "*I have an intention to start a new business some day*" is at high level. The results show that technical literacy, cognitive literacy, and social-emotional literacy are strong factors that influence the entrepreneurial intention in a new business among Gen Z.

Besides, most of the respondents have the intention to start a business some day. They also ready to do anything to start anew business. Overall, respondents in this study have a very positive feedback whether they want to start a business or not which can conclude that the level of entrepreneurial intention in a new business among Gen Z is between medium and high level in this study.

5.3 The relationship between digital literacy and entrepreneurial intention in a new business among Gen Z

Table 10 *Hypothesis of the relationship between independent variables and dependent variable*

Item	Correlation Coefficient	Level
H1= There is a significant relationship between technical literacy and entrepreneurial intention	0.814**	Positive significant relationship
H2= There is a significant relationship between cognitive literacy and entrepreneurial intention	0.806**	Positive significant relationship
H3= There is a significant relationship between social-emotional literacy and entrepreneurial intention	0.867**	Positive significant relationship

Based on Table 10, the result shows that all the independent variables dimension which are technical literacy, cognitive literacy, and social-emotional literacy has a positive significant relationship with the dependent variable which is entrepreneurial intention. Overall, all hypothesis can be accepted.

5.4 Limitation of Study

Just like other studies, this study also has its own limitation in order to complete this research. The initial constraint lies in the choice of respondents. By specifically targeting students at UTHM in Batu Pahat, this study's findings are not reflective of the entire Malaysian population; rather, they only encapsulate the experiences of UTHM students. A second limitation arises from the abbreviated data collection period. Additionally, the study exclusively employs a quantitative methodology, neglecting the qualitative approach, thereby preventing respondents from expressing their feedback in their own words. Respondents are constrained to selecting from the predetermined options in the researcher-prepared questionnaire. Lastly, the study concentrates solely on Generation Z, overlooking other available generations.

5.5 Recommendation for Future Research

Future research endeavors hold the potential to refine the proposed model and validate previously rejected hypotheses. To enhance the effectiveness of subsequent studies, several recommendations are proposed. Firstly, it is suggested that future research broaden its scope beyond UTHM students, extending to include respondents from the Parit Raja area. This expansion would contribute to a more comprehensive understanding of the subject. Additionally, extending the data collection period is recommended to ensure a more representative and substantial dataset.

Next, make careful attention to questionnaire design is emphasized. Ensuring simplicity and clarity in questions facilitates respondent comprehension and accurate feedback. By adopting these recommendations, future research can advance the understanding of digital literacy and entrepreneurial intention, incorporating diverse perspectives and refining methodologies for a more nuanced exploration of this dynamic field.

6. Conclusion

Digital literacy is being capable to recognize, control, and assimilate digital resources for producing economic or social value. The objective of the research is to identify the level of digital literacy in a new business among Gen Z as well as to identify entrepreneurial intention in a new business among Gen Z. Besides that, this research also aims to identify the relationship between digital literacy and entrepreneurial intention in a new business among Gen Z.

As a conclusion, the dimension for independent variables, which are technical literacy, cognitive literacy and social-emotional literacy are significant to the entrepreneurial intention in a new business among Gen Z. furthermore, the entrepreneurial intention among Gen Z is between medium and high level. In addition, this study states there is a positive significant relationship between technical literacy, cognitive literacy, and social-emotional literacy and entrepreneurial intention in a new business among Gen Z. Therefore, all three objectives that has been stated in the early of this study has been achieved. Hence, this research can contribute to enhance the knowledge to the education sector to understand the respondents' perception on digital literacy towards entrepreneurial intention in a new business.

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Conflict of Interest

Authors declare that there is no conflict of interests regarding the publication of the paper.

Author Contribution

The authors confirm contribution to the paper as follows: **study conception and design:** N.S.S.M.R. and S.A.S.; **data collection:** N.S.S.M.R.; **analysis and interpretation of results:** N.S.S.M.R. and S.A.S.; **draft manuscript preparation:** N.S.S.M.R. All authors reviewed the results and approved the final version of the manuscript.

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