Alpha,
ISSN / eISSN 0716-4254 / 0718-2201,
Publisher UNIV LOS LAGOS,
DEPT HUMANIDADES ARTE, AVDA FUSCHLOCKER 1305,
CASILLA,CHILE, OSORNO, 933
Volume 26-Issue 1-(2026)
DOI:http://doi.org/10.65613/742799

THE ROLE OF GREEN FINANCIAL KNOWLEDGE IN GREENPRENEUR INTENTION AMONG MALAYSIAN YOUTH : ENERGY TRANSITION SECTOR

Intan Maizura Abdul Rashid[1], Fatin Nur Aliyah Mohd Faiz[1] , Amirah Hazimah Borhanordin[1],

[1]*Faculty of Business and Management, Universiti Teknologi MARA Cawangan Melaka, 78000*
Alor Gajah, Melaka, Malaysia

intanmaizuraar@gmail.com

Abstract. *The transition towards a sustainable economy has created increasing opportunities for youth to participate in green entrepreneurship, particularly within emerging energy transition industries. However, limited understanding of green financial concepts may constrain young individuals' ability to recognise and pursue sustainable business opportunities. This study examines the relationship between green financial knowledge and greenpreneur intention among youth in the energy transition sector in Malaysia. Data were collected from 385 respondents and analysed using Partial Least Squares Structural Equation Modelling (PLS-SEM). The findings reveal that green financial knowledge has a positive and significant effect on greenpreneur intention among youth ($\beta = 0.291$, $t = 3.839$, $p < 0.001$), indicating that greater financial knowledge is associated with stronger intentions to engage in green entrepreneurship. The findings highlight the importance of strengthening green financial knowledge through financial education, entrepreneurship programmes, and experiential learning. The study contributes to the growing literature on green entrepreneurship by providing empirical evidence on the role of green financial knowledge in shaping youth entrepreneurial intention within Malaysia's energy transition sector.*

Keywords: *Green Financial Knowledge; Greenpreneur Intention; Youth; Green Entrepreneurship; Energy Transition; Malaysia; Sustainable Finance*

1. OVERVIEW

The transition towards a more sustainable economy has increased the importance of financial knowledge in enabling individuals to understand and participate in emerging green economic opportunities. Among young people, green financial knowledge is particularly relevant because it can help them recognise the relationship between financial decisions and environmental sustainability. Understanding sustainable financial products, green investment opportunities, financing mechanisms, and responsible financial planning may provide young individuals with the knowledge required to evaluate opportunities within the green economy. This is especially important for sectors such as renewable energy, where entrepreneurial activities may require substantial financial resources and informed financial decision-making. Green financial knowledge may therefore contribute to greater confidence among youth in identifying and pursuing entrepreneurial opportunities that support sustainability (Kustina et al., 2024).

In Malaysia, the development of the energy transition sector creates new opportunities for young individuals to participate in sustainable economic activities. However, the ability to benefit from these opportunities may depend partly on their understanding of green financial concepts. Previous research has highlighted challenges associated with limited access to information, complex financial terminology, and inadequate understanding of green finance (Burchi et al., 2021). Although young people may demonstrate awareness of environmental concerns, insufficient knowledge of green financial mechanisms could make it difficult for them to translate such awareness into financial and entrepreneurial decisions. Consequently, a lack of green financial knowledge may become a barrier to their participation in green entrepreneurship. The issue is also relevant because confidence in sustainable financial systems can be influenced by concerns surrounding the transparency and credibility of green financial activities. Such concerns may further affect young individuals' willingness to explore green financial and entrepreneurial opportunities (Endriana et al., 2023). Strengthening green financial knowledge can therefore help young people better understand sustainable financial opportunities and make informed decisions related to green business activities. Despite the increasing attention given to green finance, sustainability, and youth entrepreneurship, limited research has specifically examined the relationship between green financial knowledge and greenpreneur intention among youth within Malaysia's energy transition sector. Therefore, this study focuses on examining whether green financial knowledge influences greenpreneur intention among youth in the energy transition sector.

2. PROBLEM STATEMENT

A key concern in Malaysia is the limited understanding of green finance among young individuals. Although many young people may be concerned about environmental sustainability, they may lack the knowledge needed to understand sustainable financial practices, financing mechanisms, and green investment opportunities (Kustina et al., 2024). The complexity of green financial concepts and limited access to reliable information may further restrict their ability to recognise and evaluate opportunities in green entrepreneurship (Endriana et al., 2023). In addition, limited access to financial support, including green loans and grants, together with concerns about financial risks, may discourage youth from pursuing entrepreneurial activities within the energy transition sector (Barros, 2022; Nguyen et al., 2023). Despite the growing importance of green finance and sustainable entrepreneurship, limited empirical research has specifically examined the influence of green financial knowledge on greenpreneur intention among Malaysian youth, particularly within the energy transition sector. Therefore, this study examines the relationship between green financial knowledge and greenpreneur intention among youth in Malaysia's energy transition sector, contributing to the literature on green entrepreneurship and providing insights for higher education institutions, policymakers, and other stakeholders seeking to strengthen youth participation in the green economy.

3. LITERATURE REVIEW

Financial knowledge refers to an individual's understanding of financial concepts and the ability to use such knowledge when making financial decisions (Noctor, Stoney, & Stradling, 1992; Bernheim, Garrett, & Maki, 1997). In the context of green entrepreneurship, green financial knowledge (GFK) extends this understanding to financial decisions that support environmental sustainability. The Theory of Planned Behavior (TPB) proposes that behavioural intention is influenced by attitude, subjective norms, and perceived behavioural control (Ajzen, 1991). From this perspective, financial knowledge may contribute to entrepreneurial intention by improving individuals' confidence in evaluating financial opportunities, managing resources, and making informed decisions. Chen and Volpe (1998) further highlighted the role of financial knowledge in shaping individuals' financial perceptions and decision-making. This is particularly relevant to green entrepreneurship, where potential entrepreneurs need to evaluate sustainable investments, manage financial resources, assess risks, and consider the long-term financial implications of environmentally responsible business activities.

Previous studies provide evidence of a positive relationship between financial knowledge and entrepreneurial intention. Rusu et al. (2022), in a study involving 181 students in Romania, found that financial knowledge positively influenced entrepreneurial aspirations, particularly among students with business-related educational backgrounds. Similarly, Bilal et al. (2021), based on 310 young entrepreneurs in Pakistan, reported that financial knowledge enhanced young entrepreneurs' ability to evaluate risks and manage business activities effectively. Prawestri et al. (2022), who examined 579 students in Indonesia, also found that financial knowledge significantly influenced financial behaviour and highlighted its importance in supporting informed entrepreneurial decisions. Although these studies demonstrate the relevance of financial knowledge to entrepreneurship, limited attention has been given to green financial knowledge as a specific factor influencing greenpreneur intention among youth, particularly within Malaysia's energy transition sector.

Green financial knowledge can provide young individuals with an understanding of financial planning, risk management, sustainable investment, and resource allocation in green business activities. Previous research suggests that knowledge related to sustainable finance can encourage individuals to consider environmentally responsible financial choices (Burchi et al., 2021; Lehner & Harrer, 2022; Auzepy et al., 2024). Accordingly, individuals with stronger green financial knowledge may be better positioned to recognise financial opportunities within sustainable industries and develop stronger intentions to participate in green entrepreneurship. Based on the theoretical arguments and empirical evidence discussed, green financial knowledge is expected to enhance young individuals' ability to identify, evaluate, and pursue financially viable sustainable business opportunities. Therefore, the following hypothesis is proposed:

Hypothesis: Green financial knowledge has a positive effect on greenpreneur intention among youth.

4. RESEARCH METHODOLOGY

Green financial knowledge describes the extent to which individuals are familiar with financial information and principles that can guide responsible financial decision-making in support of sustainable development. It encompasses an understanding of financial considerations associated with environmentally responsible activities and the broader green economy. Noctor, Stoney, and Stradling (1992) and Bernheim et al. (1997) identified financial knowledge as an important foundation for understanding financial concepts and making informed financial

decisions. In the present study, the measurement of green financial knowledge was developed by adapting and modifying items from Noctor et al. (1992) and Castillo et al. (2024) to align with the study context. The measurement items are presented in Table

Table 1 : Green Financial Knowledge Measurement Items

Dimension		Items
Green Financial Knowledge	GFK1	I know where to find advice when making financial decisions.
	GFK2	I know when I need advice about my money
	GFK4	I struggle to understand financial information
	GFK5	Saving money has become a regular habit for me
	GFK6	I stay within budget or spending plan
	GFK7	I stay committed to achieving the financial goals I set for myself
	GFK8	I stay committed to achieving the financial goals I set for myself

Source: Adapted and modified based on Noctor, Stoney, & Stradling (1992), Castillo et al. (2024).

Descriptive Analysis

The descriptive statistics in Table 2 show that the mean score for greenpreneur intention among youth was 4.2442 (SD = 0.6010), while green financial knowledge recorded a mean score of 4.1386 (SD = 0.6299). Both variables recorded relatively high mean scores, indicating favourable levels of greenpreneur intention and green financial knowledge among the respondents.

Table 2: Descriptive Analysis of the Variables (SPSS)

Variables	Minimum	Maximum	Mean	Std. Deviation
Greenprenur Intention Among Youth	2.00	5.00	4.2442	0.6010
Green Financial Knowledge	1.88	5.00	4.1386	0.6299

Hypothesis Testing of the Direct Relationship

The direct relationship between green financial knowledge and greenpreneur intention was examined using the bootstrapping procedure in PLS-SEM. The results indicate that green financial knowledge has a positive and significant effect on greenpreneur intention among youth ($\beta = 0.291$, $t = 3.839$, $p < 0.001$). Since the t-value exceeds 1.645 and the p-value is below 0.05, the relationship is statistically significant. Therefore, hypothesis is supported.

Table 3: Path Coefficient Table

Relationship	Std Beta	Standard Deviation (Stdev)	T-Values	P-Values	R^2	F^2	Decision
GFK -> GI	0.291	0.076	3.839	0.000	0.640	0.053	Significant

Result of the Hypothesis

The hypothesis testing results are summarised in Table 4. The findings demonstrate that green financial knowledge positively influences greenpreneur intention among youth, as indicated by the significant t-value of 3.839. Therefore, the proposed hypothesis is supported. This finding is consistent with previous studies that associate financial knowledge with stronger entrepreneurial capabilities and intentions, including Rusu et al. (2022), Bilal et al. (2021), and Sahoo et al. (2022).

Table 4 :Summary of Hypothesis Findings

Hypothesis	Research Objective	T-test	Result	Past Literature

Green financial knowledge has a positive effect towards greenpreneur intention among youth.	RO1	3.839	Supported	Rusu et al. (2022); Bilal et al. (2021); Sahoo et al. (2022)

5. DISCUSSION AND CONCLUSION

The findings demonstrate that green financial knowledge has a positive and statistically significant effect on greenpreneur intention among youth ($\beta = 0.291$, $t = 3.839$, $p < 0.001$), indicating that youths with stronger knowledge of green financial concepts are more likely to develop an intention to pursue green entrepreneurship. This finding is consistent with the Theory of Planned Behavior (TPB), as financial knowledge may help individuals evaluate opportunities, understand financial risks, and make informed decisions that strengthen their intention to engage in environmentally responsible business activities. The Natural Resource-Based View (NRBV) further supports this finding by highlighting the importance of knowledge and capabilities in recognising and utilising sustainable opportunities, while Dynamic Capabilities Theory (DCT) explains how individuals can acquire and apply knowledge to respond to changing environmental and economic conditions. The finding is also supported by previous studies, including Lehner and Harrer (2022), García-Sánchez (2021), Burchi et al. (2021), Babajide et al. (2021), Prawestri et al. (2022), Bilal et al. (2021), and Rusu et al. (2022), which indicate that financial knowledge contributes to informed financial decision-making and entrepreneurial activities. Therefore, higher education institutions, policymakers, and relevant stakeholders should strengthen green financial knowledge among youth through financial education, entrepreneurship programmes, workshops, and experiential learning, particularly by providing greater exposure to sustainable finance, green investment, financial planning, and environmentally responsible business practices. Such initiatives may enhance youths' readiness to identify and pursue green business opportunities and contribute to greater participation in Malaysia's green economy and energy transition sector.

6. REFERENCES

Ajzen, I. (1985). From intentions to actions: A theory of planned behavior. In J. Kuhl & J. Beckmann (Eds.), Action control (pp. 11–39). Springer. https://doi.org/10.1007/978-3-642-69746-3_2

Ajzen, I. (1991). The theory of planned behavior. Organizational Behavior and Human Decision Processes, 50(2), 179–211. https://doi.org/10.1016/0749-5978(91)90020-T

Auzepy, A., Bannier, C. E., & Gärtner, F. (2024). Looking beyond ESG preferences: The role of sustainable finance literacy in sustainable investing (No. 719). CFS Working Paper Series. https://doi.org/10.2139/ssrn.4773211

Bilal, M. A., Khan, H. H., Irfan, M., Ul Haq, S. M. N., Ali, M., Kakar, A., Ahmed, W., & Rauf, A. (2021). Influence of financial literacy and educational skills on entrepreneurial intent: Empirical evidence from young entrepreneurs of Pakistan. Journal of Asian Finance, Economics and Business, 8(1), 697–710. https://doi.org/10.13106/jafeb.2021.vol8.no1.697

Burchi, A., Włodarczyk, B., Szturo, M., & Martelli, D. (2021). The effects of financial literacy on sustainable entrepreneurship. Sustainability, 13(9), 5070. https://doi.org/10.3390/su13095070

Castillo, V. C., Singh, J., & Duarte, P. A. (2024). Exploring the impact of green financial literacy on sustainable consumer behavior: Evidence from emerging economies. Journal of Cleaner Production, 442, 140221. https://doi.org/10.1016/j.jclepro.2024.140221

Chen, H., & Volpe, R. P. (1998). An analysis of personal financial literacy among college students. Financial Services Review, 7(2), 107–128.

Lehner, O. M., & Harrer, T. (2022). Demand-side green finance: Eco-social dispositions, financial knowledge and consumer demand for green financial products. Journal of Sustainable Finance & Investment. https://doi.org/10.1080/20430795.2022.2090311

Noctor, M., Stoney, S., & Stradling, R. (1992). Financial literacy: A discussion of concepts and competences and opportunities for its introduction into young people's learning. National Foundation for Educational Research. https://cladea.org/wp-content/uploads/2021/12/CLADEA2019_paper_415.pdf

Prawestri, A. D., Silviani, W. D., & Astuti, Y. (2022, July). The role of financial knowledge and behaviour to sustain future business resilience. In Annual International Conference on Islamic Economics and Business (AICIEB) (Vol. 2, No. 1, pp. 212–223).

Rusu, V. D., Roman, A., & Tudose, M. B. (2022). Determinants of entrepreneurial intentions of youth: The role of access to finance. Engineering Economics, 33(1), 86–102. https://doi.org/10.5755/j01.ee.33.1.28716

Sahoo, S., Kumar, A., & Upadhyay, A. (2022). How do green knowledge management and green technology innovation impact corporate environmental performance? Understanding the role of green knowledge acquisition. Business Strategy and the Environment, 32(1), 551–569. https://doi.org/10.1002/bse.3160