

**THE FACTORS THAT HINDER THE INTENTION OF BUSINESS  
MANAGEMENT GRADUATE TO CHOOSE ENTREPRENEUR AS THEIR  
CAREER**

**NURUL HAZLYANA BINTI NOR AZLI**

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## APPROVAL

‘I / We\* hereby declare that I / We\* have read this thesis and in my / our\*

Opinion this thesis is sufficient

In terms of scope and quality for the award of the Degree of Technopreneurship’

Signature : .....

Name of Supervisor : MDM. MURZIDAH BINTI AHMAD MURAD

Date : .....

Signature : .....

Name of Panel : DR. FARARISHAH BINTI ABDUL KHALID

Date : .....

\*Cut if not applicable

## DECLARATION

'I declare that thesis entitle The Factors That Hinder The Intention of Business Management Graduate to Choose Entrepreneur As Their Career is the result of my own research except as cited in the references'

Signature : .....

Name : NURUL HAZLYANA BINTI NOR AZLI

Date : .....

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## ABSTRACT

Entrepreneur is now one of factor to enhance economy growth. Entrepreneurial education is required to build company that establish well to community. World of business has growth widely and has various type of business but it also has challenge to start up business. Now day, many people study in business management course in purpose to build their own business but from overview not all of them success to become entrepreneur. To determine why these situations occur this research has been conducted to identify the factors that hinder the intention of business management graduate that to choose entrepreneurship as their career goal. This factors need to define in order to overcome or reduce the challenges to change the intention of people to choose entrepreneur as career goal especially educated entrepreneurial. This educated entrepreneurial will have systematic way to manage company, new innovation or idea in order to enhance economy growth. This research using questionnaire that distribute in media social (Facebook) or by hand to graduate business student in six institutions in Melaka. This institution is choice randomly by business course their offer in University or Collage.

## ABSTRAK

*Usahawan kini merupakan salah satu faktor untuk meningkatkan pertumbuhan ekonomi. Pendidikan keusahawanan diperlukan untuk membina syarikat yang menubuhkan baik kepada masyarakat. Dunia perniagaan mempunyai pertumbuhan secara meluas dan mempunyai pelbagai jenis perniagaan tetapi ia juga mempunyai cabaran untuk memulakan perniagaan. Sekarang hari, ramai orang belajar di kursus pengurusan perniagaan dalam tujuan untuk membina perniagaan mereka sendiri tetapi daripada gambaran keseluruhan tidak semua daripada mereka berjaya untuk menjadi usahawan. Untuk menentukan mengapa situasi ini berlaku kajian ini telah dijalankan untuk mengenal pasti faktor-faktor yang menghalang niat graduan pengurusan perniagaan yang memilih keusahawanan sebagai matlamat kerjaya mereka. Ini faktor perlu menentukan untuk mengatasi atau mengurangkan cabaran untuk mengubah niat orang untuk memilih usahawan sebagai matlamat kerjaya terutama pendidikan keusahawanan. Ini keusahawanan berpendidikan akan mempunyai cara yang sistematik untuk menguruskan syarikat, inovasi baru atau idea bagi meningkatkan pertumbuhan ekonomi. Penyelidikan ini menggunakan soal selidik yang mengedar di media sosial (Facebook) atau dengan tangan untuk bergraduasi pelajar perniagaan di enam institusi di Melaka. Institusi ini adalah pilihan secara rawak oleh kursus perniagaan tawaran mereka dalam Universiti atau kolej*

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## LIST OF ABBREVIATIONS

DV	=	Dependent Variable
IV	=	Independent Variable
UKM	=	Univerisiti Kebangsaan Malaysia
UTeM	=	Universiti Teknikal Malaysia
IPTA	=	Institusi Pengajian Tinggi Awam
UiTM	=	Univerisiti Teknologi Mara
HEIs	=	High Education Institutes
UUM	=	Univerisiti Utara Malaysia
F	=	Frequency
Sig.	=	Significant

## LIST OF SYMBOLS

B	=	Beta Coefficient
H <sub>0</sub>	=	Null Hypothesis
%	=	Percentage

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## CHAPTER 1

### INTRODUCTION

#### 1.1 BACKGROUND OF STUDY

Now days, entrepreneur is a necessary one of important for stimulating economic growth and employment opportunity in all societies. According 9<sup>th</sup> Malaysia Plan, the Malaysian Government has planned to promote entrepreneurship among the 1.5 million people with a focus on student, youth, women and develop graduates especially dedicate to the graduate entrepreneur to become competitive and resilient (9<sup>th</sup> Malaysia Plan, 2006).

An entrepreneur is an individual who identifies opportunities in the marketplace, allocates resources, and creates value (UNCTAD, 2012). The behavior of the entrepreneur reflects a kind of person who is willing to put his or her career and financial security on the line and take risks in the name of an idea, spending much time as well as capital on an uncertain venture (Bitler, et al., 2005).

Entrepreneurs are individuals who are dynamic, creative and innovative also someone who undertook a project but after a while it came to mean someone who started a new business-often a new kind of business or a new (and improved) way of doing business (Marioti & Glackin, 2010). Characteristics of an entrepreneur is someone who took the initiative to see and seize the opportunity, perseverance, information, emphasizes the high quality of work, commitment to employment

agreements, oriented towards efficiency, systematic planning, creative problem solving, confidence in the ability of the body, assertiveness, convince others and use of influence strategies (Ibrahim, 2009).

## 1.2 PROBLEM STATEMENT

Now days, the awareness to become an entrepreneur as a career still small this is because of the risks are too high to start business. At the same time, traditional business school entrepreneurship education needs to change this is because many students and academics, especially those in non-business disciplines, do not see its narrow focus on business start-up as relevant (UNCTAD, 2012).

This is evidenced by the number of entrepreneurs in Universiti Kebangsaan Malaysia (UKM) in 2013, en route undergraduate students and full-time diploma (not including graduate students) to gain exposure through the program or activity entrepreneurial structure (outside of the curriculum) is about 8044 students above target is 7000 but the number of graduate students or university graduates to venture into business after graduation of 75 students compared to the 150 students who have been targeted (*Pencapaian KPI PSPTN UKM 2013,2014*).

In addition, Dato' Mukriz Tun Mahathir, Timbalan Menteri Perdagangan Antarabangsa dan Industri (2014) mentioned while the entrepreneurship development program has been conducted by institute with the university, but graduates still lacking interested to get involved in entrepreneurship as graduates. This statement is based on the detection of graduate study in year 2007 by the Univerisiti Utara Malaysia, only 147 people who become entrepreneurs than 19,000 graduates (0.77 percent).



Scott et al (1988) study found that students have the aptitude and interest to become entrepreneurs, but they prefer to work on getting more training for entrepreneurs. This is because it has a working knowledge of low and inexperienced on how to business operations.

### **1.3 RESEARCH QUESTIONS**

The research focuses on study the factors that hinder the intention of business management graduate towards entrepreneurship as their career. The research question for this project is as below:

- i. What are the factors that hinder intention of business management graduate to choose entrepreneurship as their career?
- ii. What the most impacted factor hinder towards choosing entrepreneurs as their career?

### **1.4 OBJECTIVE OF RESEARCH**

- i. Identify the factors that hinder intention of business management graduate to choose entrepreneurship as their career.
- ii. Identify the most impacted factor hinder towards choosing entrepreneurs as their career.

## **1.5 SCOPE OF STUDY**

The scope of this study is Institusi Pengajian Tinggi Awam (IPTA) around Melaka state. The six IPTA have been selected at random by the courses offered primarily to business management courses are Universiti Teknologi MARA (UiTM), Univeristi Teknikal Melaka (UTeM), Politeknik Merlimau, Politeknik Kota Melaka, Kolej Profesional Mara Ayer Molek and Kolej Antarabangsa Yayasan Melaka.. This research involve graduate student from business management courses which is business administration, financial, marketing and commerce.

### **1.5.1 Graduate of Business Management.**

According to Prof Madya Dr.Mohd.Hassan Bin Mohd Osman (2007), graduate is a student who has successfully completed his studies at institutions with getting the award as a certificate, diploma and degree by the university. As inform this research to define the factors that hinder the intention to choose entrepreneur as career, graduate of business management is suitable candidate to become respondent. This is because business management graduate has learned to become entrepreneur and variety of business information scope also entrepreneur as well.

## **1.6 SIGNIFICANCE OF STUDY**

### **1.6.1 The Government**

According to Schumpeter, J.A. (1934) as cited in Carreea and Thurik (2002), said that in The Theory of Economic Development he emphasizes the role of the entrepreneur as prime cause of economic development. This study enhance the government incentive to provide any practice or programs to increase the number or entrepreneur from graduate student that has knowledge and skill has been learn in University.

### **1.6.2 The Future Graduate**

This research will gain new knowledge to student that has intention to be entrepreneur as career after graduate to avoid the factors that will be hinder the intention to being entrepreneur. In the same time, student will more alert to opportunity from any program that has been held by the government.

### **1.6.3 The Researcher**

After this study, the researcher able to apply the knowledge and the finding result to improve the ability of student to overcome all the factors hinder the intention to be becomes successful entrepreneur. In other to apply the theory and knowledge entrepreneurship as become one of graduate entrepreneur.

## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 INTRODUCTION**

This chapter discusses the literature review of factors that hinder the intention of graduate business management graduate to choose entrepreneurship as their career goals. The information in literature review will make the understanding of research more clearly.

#### **2.2 OVERVIEW OF ENTREPRENEURS EDUCATION**

According of research in Entrepreneurship in higher education (2008), especially within non-business studies the important of education in promoting more entrepreneurial attitudes and behavior starting even at primary school, is now widely recognized. In addition, entrepreneurs education to promote creativity innovation and

self-employment and include developing personal attributes and skills that form the basis of an entrepreneurial mindset and behavior (creativity, sense of initiative, risk-taking, autonomy, self-confidence, leadership, team spirit, etc.), raising the awareness of students about self-employment and entrepreneurship as possible career options, working on concrete enterprise projects and activities, also providing specific business skills and knowledge of how to start a company and run it successfully.

In this instance undergraduate, Masters and PhD students as well as policy makers and researchers are also considered as entrepreneurs where entrepreneurship is viewed as a social phenomenon (Zakaria et al., 2011).

Mention by Faudziah & Habshah (2006) a similar phenomenon was observed in Malaysian universities. With support from the government and other public sector organizations, soon local High Education Institutes (HEIs), public and private, began to offer a full range of academic courses in entrepreneurship Universiti Utara Malaysia (UUM) is HEI that put emphasis on entrepreneurship education by offering different programs in entrepreneurship education and training. UUM's brand of entrepreneurship programs reflects a mix of the environmental influences and the processes of planning, researching and developing entrepreneurial education and training (as cited in Zakaria et al., 2011).

Entrepreneurship education is primarily aimed at stimulating entrepreneurship in the sense of business start-up and ownership or at developing (Per Blenker et al., 2006). Entrepreneurship education programs have expanded across post-secondary education in the past thirty years, leading to an increased need to further understand the impact entrepreneurship education has along the construct of entrepreneurship development (Newbold, K. F., Jr., 2014).

According to Koch (2003), said that the theory entrepreneurship education "any reflection on the teachability and learnability of entrepreneurial expertise first demands and understanding of teaching and learning subjects. Here the focus is on subjects who undertake something innovative as intrapreneurs or entrepreneurs to generate added value through change.

The universities have reached by seeking to recruit over more students from abroad, develop global partnership, increases the commercialization of research in the form of technology transfer consultancy services, and least by the developing in management culture and infrastructure to govern and manage these new activities (Scott, 2004).

Those who have attended courses have indicated significant higher entrepreneurial intention (Norudin Mansor, 2011). According to Nnditsheni J. Muothe and Willem F. du Toit (2011), mention that entrepreneurship students have a more positive attitude towards becoming entrepreneurs and have higher entrepreneurial self-efficacy and intentions of becoming an entrepreneur than non-entrepreneurship students.

As conclusion, all University and College in Malaysia include business management courses in syllabus to expose student to be an entrepreneur even their major studies focus on engineering.

## 2.3 THEORY OF PLANNED BEHAVIOR

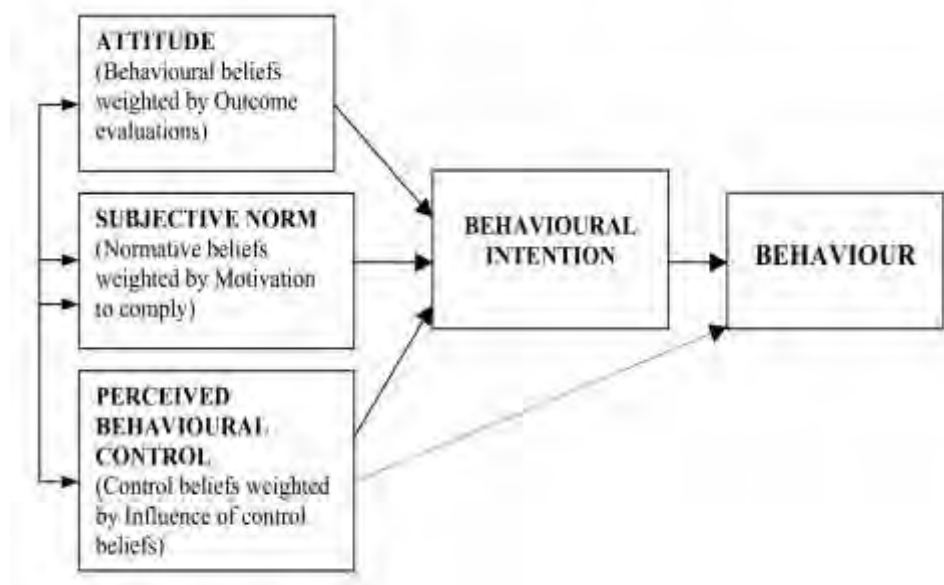


Figure 1.0: Theory Plan Behavior (Sources: Ajzen 1991)

According to Ajzen (1991) the original theory of reasoned action, a central factor in the theory of planned behavior is the individual's intention to perform a given behavior.

### 2.3.1 Intention

Intentions are assumed to capture the motivational factors that influence a behavior; they are indications of how hard people are willing to try, of how much of an effort they are planning to exert, in order to perform the behavior (Ajzen, 1991).

Loewenstein et al. (2001) define the intentions can be conceived of as goal states in the expectancy value tradition that are the result of a conscious process that takes time, requires some deliberation, and focuses on consequences (as cited in Anonymous, 2015).

## **2.4 FACTORS TO BEING AN ENTREPRENEURSHIP.**

### **2.4.1 Financial**

The relationship between the availability of financial capital and the opportunities for growth of new companies has been studied by different authors who note that the participation of venture capitalists in the company's capital improves its opportunities for development and consequently for growth (Mejía, et al.,2008).

Small firms commonly faced problems related to financial (Greagory et al. 2005). The problem of shortage of funds is able to bring to limits in an effort to develop the commercial potential in the future are dependent on the presence and agency or certain parties may also harms firm power struggle as market participants are able to compete with firms others in the industry (Ishak, et al., 2012).

PertanikaJ. Soc. Sci. and Hum (2014) studies have found that marketing management and financial management is the weakest among traders. The study also noted in these skills is needed but Bumiputera entrepreneurs do not have a high ability in this regard. These skills are essential to ensure the success of a business (Kiesner 1990) and Kohn (1985) also believe that business failure is caused by lack of experience in the management of entrepreneurs, entrepreneurs are incompetent, inadequate capital, marketing strategy is wrong, and records and accounting procedures do not complete.