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FACTORS INFLUENCING UTeM
UNDERGRADUATE ENGINEERING STUDENT'S
INTENTION TO BE ENTREPRENEURS

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DECLARATION BY SUPERVISOR

I hereby declare that I have checked this project and in my opinion, this project is adequate in terms of scope and quality for award of the degree of Bachelor of Technopreneurship (Honour)

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**FACTORS INFLUENCING UTeM UNDERGRADUATE ENGINEERING
STUDENT'S INTENTION TO BE ENTREPRENEURS**

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Submitted in Partial Fulfilment of the Requirement for the Bachelor of
Technopreneurship (Honours)

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DECLARATION OF ORIGINAL WORK

“I hereby declare that the work of this research is mine expect for the quotations and summaries that have been duly acknowledge.”

Signature : _____

Name : _____

Date : _____

DEDICATION

This research paper is lovingly dedicated to my parents, Encik Ishek Bin Hj Ahmad and Puan Norizan Binti Abd Rahman, who have been my constant source of inspirations and they have given unconditional support with my studies. I am honoured to have them as my parents. Thank you for giving me a chance to prove and improve myself through all my work of life. To my siblings and family thank you for your endless love, prayers and encouragement towards me. Not forgetting, to those who directly contributed in this research, your kindness mean a lot to me. Thank you very much.

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In the name of Allah, the Most Gracious and the Most Merciful.

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ABSTRACT

It has always been the interest of our government to promote entrepreneurship and new venture in business to enhance economic growth for the nation and creating jobs to help to solve the problem of unemployment. Regarding, the Research Institutes of Higher Education (IPPTN) in 2009 stated that the main cause of unemployment for graduates of technical and vocational fields is due to lack of skills they acquired during their studies. This problem occurs because of a lack of knowledge about one of the seven elements of the generic skills of entrepreneurial skills. Therefore, this research will be conducted among the undergraduate engineering students at several faculties in Universiti Teknikal Malaysia Melaka (UTeM) to find out their entrepreneurial intention. The objective of this research are to study the factors that influence the UTeM undergraduate engineering student's intention to become entrepreneurs. Second, to identify the main factor that influence the UTeM undergraduate engineering student's intention to become entrepreneurs. Besides that, this research adopted Theory of Planned Behaviour to test the relationship of the factors towards the UTeM undergraduate engineering student's intention to become entrepreneurs. The research is based on explanatory research which is to identify the relationship between independent variable and dependent variable. The researcher use quantitative method by conducting a survey through the questionnaire and take a sample of 200 undergraduate engineering students as respondents at Universiti Teknikal Malaysia Melaka (UTeM).

Key Words: Entrepreneurial Intention, Engineering Student.

ABSTRAK

Aktiviti keusahawanan sentiasa menjadi kepentingan kerajaan kita untuk menggalakkan keusahawanan dan usaha baru dalam perniagaan untuk meningkatkan pertumbuhan ekonomi negara dan mewujudkan pekerjaan untuk membantu menyelesaikan masalah pengangguran. Menurut, Institut Penyelidikan Pendidikan Tinggi (IPPTN) pada tahun 2009 menyatakan bahawa punca utama pengangguran bagi graduan bidang teknikal dan vokasional adalah kerana kekurangan kemahiran yang mereka perolehi dalam pelajaran. Masalah ini berlaku kerana kurangnya pengetahuan tentang salah satu daripada tujuh elemen kemahiran generik kemahiran keusahawanan. Oleh itu, kajian ini akan dijalankan dalam kalangan pelajar kejuruteraan sarjana muda di beberapa fakulti di Universiti Teknikal Malaysia Melaka (UTeM) untuk mengetahui niat keusahawanan mereka. Objektif kajian ini adalah untuk mengkaji faktor-faktor yang mempengaruhi niat pelajar kejuruteraan UTeM sarjana muda untuk menjadi usahawan. Kedua, untuk mengenal pasti faktor utama yang mempengaruhi niat pelajar kejuruteraan UTeM sarjana muda untuk menjadi usahawan. Selain itu, kajian ini diterima pakai Teori Perancangan Tingkahlaku untuk menguji hubungan antara faktor-faktor ke arah hasrat pelajar kejuruteraan UTeM sarjana muda untuk menjadi usahawan. Kajian ini adalah berdasarkan kepada penyelidikan yang maksudnya adalah untuk mengenal pasti hubungan antara pembolehubah bebas dan pembolehubah bersandar. Pengkaji menggunakan kaedah kuantitatif dengan menjalankan kajian melalui soal selidik dan mengambil sampel 200 orang pelajar sarjana muda kejuruteraan sebagai responden di Universiti Teknikal Malaysia Melaka (UTeM).

Kata Kunci: Niat Keusahawanan, Pelajar Kejuruteraan.

TABLE OF CONTENT

CHAPTER	CONTENT	PAGE
	DECLARATION OF ORIGINAL WORK	i
	DEDICATION	ii
	ACKNOWLEDGEMENT	iii
	ABSTRACT	iv
	<i>ABSTRAK</i>	v
	TABLE OF CONTENT	vi
	LIST OF FIGURES	x
	LIST OF TABLES	xi
	LIST OF CHART	xii
	LIST OF ABBREVIATIONS	xiii
	LIST OF APPENDIX	xiv
 CHAPTER 1	 INTRODUCTION	
	1.1 Background of the study	1
	1.2 Problem Statement	2
	1.3 Research Questions	3
	1.4 Research Objectives	4
	1.5 Scope and Limitation	4
	1.6 Important of the Research	5

CHAPTER 2	LITERATURE REVIEW	
2.1	Introduction	7
2.2	Overview of Entrepreneurial Intention	8
2.3	Overview of Entrepreneurship	10
2.4	Factors that Encourage Entrepreneurial Intention	11
2.4.1	The University's Role in Promoting Entrepreneurship	12
2.4.2	Role Models	13
2.4.3	The Demographic Characteristics & Family Background	14
2.5	Theoretical Framework	15
2.6	Hypothesis	16
CHAPTER 3	RESEARCH METHODS	
3.1	Introduction	17
3.2	Research Design	18
3.3	Quantitative Method Research	19
3.4	Methodological Choice	19
3.5	Method of Primary and Secondary Data Sources	20
3.6	Location of the Research	20
3.7	Research Strategy	21
3.8	Time Horizon	21
3.9	Reliability	22
3.10	Development of Questionnaire	22

CHAPTER 4	DATA ANALYSIS AND FINDINGS	
4.1	Introduction	23
4.2	Demography Analysis	24
4.2.1	Gender	25
4.2.2	Age	26
4.2.3	Race	27
4.2.4	Education Level	28
4.2.5	Faculty	29
4.2.6	Heard About Entrepreneurship	30
4.2.7	Awareness to Attended Course/ Training Entrepreneurial	31
4.3	Reliability Test	32
4.4	Multiple Regression Analysis (MRA)	33
4.5	Testing Study Hypothesis with Simple Linear Regression	36
4.6	Correlation Analysis	39
4.6.1	Analysis the Extent of Factor Influence UTeM Undergraduate Engineering Student's Intention to Become Entrepreneurs	41
4.6.2	Analysis of Element Dependent Variables	43

CHAPTER 5:	DISCUSSION, CONCLUSION AND RECOMMENDATIONS	
5.1	Introduction	44
5.2	Discussion of Findings	44
5.3	Factors of The University’s Role in Promoting Entrepreneurship, Role Models And The Demographic Characteristics & Family Business Background Give Relevant Influence to UTeM Undergraduate Engineering Students	45
5.4	Recommendations	48
	5.4.1 Suggestion for General	48
	5.4.2 Suggestion for Future Research	49
5.5	Conclusion	49
	REFERENCES	51
	APPENDIX	53

LIST OF FIGURE

NO	TITLE	PAGES
2.1	Azjen's Theory of Planned Behavior	10
2.2	Theoretical Framework	15

LIST OF TABLE

NO	TABLE	PAGES
4.2.1	Gender of Respondents	25
4.2.2	Age Group of Respondents	26
4.2.3	Race Group of Respondents	27
4.2.4	Education Level of Respondents	28
4.2.5	Faculty of Respondents	29
4.2.6	Heard About Entrepreneurship	30
4.2.7	Awareness to Attended Course/ Training Entrepreneurial	31
4.3	Cronbach's Alpha	32
4.4.1	Model Summary	33
4.4.2	ANOVA	35
4.4.3	Coefficients	35
4.6	Correlations of Dimensions	39
4.6.1	Descriptive Statistics	41
4.6.1.1	Correlations Role Models (X_2)	42
4.6.2	Descriptive Statistics	43

LIST OF CHART

NO	CHART	PAGES
4.2.1	Gender of Respondents	25
4.2.2	Age Group of Respondents	26
4.2.3	Race Group of Respondents	27
4.2.4	Education Level of Respondents	28
4.2.5	Faculty of Respondents	29
4.2.6	Heard About Entrepreneurship	30
4.2.7	Awareness to Attended Course/ Training Entrepreneurial	31

LIST OF ABBREVIATIONS

IPPTN	=	Research Institutes of Higher Education
UTeM	=	Universiti Teknikal Malaysia Melaka
HEIs	=	Higher Education Institutions
TPB	=	Theory of Planned Behavior
IV	=	Independent Variable
DV	=	Dependent Variable
FKEKK	=	Faculty of Electronics and Computer Engineering
FKE	=	Faculty of Electrical Engineering
FKP	=	Faculty of Manufacturing Engineering
FKM	=	Faculty of Mechanical Engineering
FTK	=	Faculty of Engineering Technology
SPSS	=	Statistical Package for Social Science
MRA	=	Multiple Regression Analysis

LIST OF APPENDICES

NO	TITLE	PAGES
A	Questionnaire	53

CHAPTER 1

INTRODUCTION

1.1 Background of Study

Nowadays, entrepreneurship is regarded as one of the best economic development strategies to develop countries economic growth and sustain the country's competitiveness in facing the increasing trends of globalization (Schaper and Volery 2004; Venkatachalam and Waqif 2005). Conferences, seminars and workshops are being organized every year across the world which emphasized on the importance of entrepreneurship to country, society as well as individual development (Bécharde and Toulouse 1998; Schaper and Volery 2004; Matlay and Westhead 2005).

For most people, the popularity of entrepreneurship is largely due to the positive effects it has on many countries as a catalyst that creates wealth and the generation of job opportunities (Postigo and Tamborini 2002; Othman, Ghazali et al. 2005; Gurol and Atsan 2006). Besides that, entrepreneurship is a major engine driving many nations' economic growth, innovation and competitiveness (Scarborough and Zimmerer 2003; Kuratko and Hodgetts 2004). Meanwhile, most studies have shown there is a positive relationship between entrepreneurship and economic growth in terms of job creation, firm survival and technological change (Gorman, Hanlon et al. 1997; Lena and Wong 2003; Karanassios, Pazarskis et al. 2006).

This, consecutively, has increasingly made entrepreneurship emerged as one of the most famous research domain in academic circles to study on the importance and contributions of entrepreneurship (Lee, Chang et al. 2005). Courses in entrepreneurship are also becoming a famous at college and university levels (Brown 1999). An exponential interest in entrepreneurship studies has increased amongst both undergraduate and graduate students over the last decade (Soloman, Weaver et al. 2005). One of the key factors explaining this unparalleled phenomenon is the fact that wages employment or ‘secure’ employment is no longer a guarantee especially in the public sector for university graduates (Collins, Hannon et al. 2004; Kamau-Maina 2006; Postigo, Iacobucci et al. 2006).

In today’s competitive job environment, the total job opportunities are inevitably limited and thus one must compete to secure a job as job creation is limited (Ooi Yeng Keat, Christopher Selvarajah and Denny Meyer 2011). As a result, a lot of graduates are unable to get a job upon graduation. Students are now apparently searching for a business education that can equip them with the necessary entrepreneurial knowledge and skills to succeed in running business or to create a job from seizing existing entrepreneurial opportunities (Brown 1999; Henry 2003). Therefore many universities and colleges around the world have responded to this demand by introducing entrepreneurship career (Postigo and Tamborini 2002).

1.2 Problem Statement

According to World Bank report in 2013 revealed that not only was unemployment highest among young Malaysians, unemployment peaked among young degree holders. The report stated that one in five degree holders in Malaysia under the age of 25 were unemployed. (Malaysia Economic Monitor, December 2013). In 2014, the World Bank once again warned of the high rates of graduate unemployment, citing Ministry of Higher Education 2013 statistics that out of 220,527 graduates in 2012, 25.6% had not secured a job six months after graduation. (Malaysia Economic Monitor, December 2014).

In addition, according to another study conducted by the Research Institutes of Higher Education (IPPTN) in 2009 stated that the main cause of unemployment for graduates of technical and vocational fields is due to lack of skills they acquired during their studies as well as an understanding of the theory alone. This problem occurs because of a lack of knowledge about one of the seven elements of the generic skills of entrepreneurial skills.

The problem of unemployment at present can be overcome by making entrepreneurship as a career in which this is an opportunity that has the potential to be explored. The approach used to achieve the goal of creating a society Malaysia entrepreneurial culture is through entrepreneurship education in higher education institutions aimed at providing awareness, knowledge and entrepreneurial skills (Ministry of Education 2001; Malaysia 2001; Ministries and Entrepreneurial Development Cooperation 2005; Malaysia 2006). Therefore, it will be able to foster a culture of entrepreneurship among graduates who have changed the mentality of the students towards self-employment (Buang, 2008) of working with others.

Therefore, the extent of which will form the desire for entrepreneurship among future graduates of technical fields and areas of technology and business management with minimal education acquired in entrepreneurship education curriculum in Higher Education Institutions (HEIs). Therefore, this study will be conducted among the undergraduate engineering students at several faculties in Universiti Teknikal Malaysia Melaka (UTeM) to identify the extent of factor that create the intention of undergraduate engineering students to be entrepreneurs.

1.3 Research Questions

Through this problem statement, a clear research question are stated below:

1. What are the factors that influence the UTeM undergraduate engineering student's intention to be entrepreneurs?

2. To what extent do the factor influence the UTeM undergraduate engineering student's intention to be entrepreneurs?

1.4 Research Objectives

There are two objectives for the study :

- I. To study the factors that influence the UTeM undergraduate engineering student's intention to become entrepreneurs.
- II. To identify the extent of factor influence the UTeM undergraduate engineering student's intention to become entrepreneurs.

1.5 Scope and Limitation

This research is about to study the factors that influence the UTeM undergraduate engineering student's intention to become entrepreneurs. Besides that, the scope is also to identify the extent of factor influence the UTeM undergraduate engineering student's intention to become entrepreneurs are investigated thoroughly and stated beautifully for other uses in this report.

On top of that, this research will be obtain the undergraduate engineering students at UTeM which is located in Main campus at Durian Tunggal, and also Technology campus at Ayer Keroh only. However, there are limitations for this research. First, the study is limited to collect empirical data via a questionnaire from a sample population which is UTeM undergraduate engineering students that had been interest in business. Other than that, the researcher also might faces some constraints and problem:

- i. Financial problem
The cost involved in conducting this study is relatively high which it involves activity cost like printing cost, logistics cost and a gift to respondents.
- ii. Difficulty to seeks respondent's cooperation
This study is involved in other faculties. Students may be difficult to give cooperation because they themselves engaging with assignment or final year project too.

1.6 Importance of the Research

1.6.1 To The Future Entrepreneurs

This research will provides the information regarding the extent factor influence the intention towards entrepreneurship response to the future entrepreneurs. Therefore, this research can encourage themselves to have an interest to be entrepreneurs and can improve entrepreneurship knowledge and skills.

1.6.2 To The Students

This research will also give some knowledge and increase the awareness of the entrepreneurial intention that is very vital nowadays towards the students. By answering the questionnaire, the students itself will be able to know their knowledge and understanding towards entrepreneurial intention to become entrepreneurs.

1.6.3 To The Researcher

It is the best way for the researcher to apply all those theories that have been learned in class. As a Technopreneurship student, this research will be positively beneficial for them to apply all those theories that have been learned in class. Through this study, they might gain knowledge and share their ideas and findings regarding to the area of study.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

Research has been extensively focused on the field of entrepreneurship education, which has enjoyed exponential growth level internationally (Hill, Cinneide et al. 2003; Raichaudhuri 2005). This is evident from the strands of studies which have been conducted on the ability of entrepreneurship to create new jobs and the importance of entrepreneurship education in producing potential entrepreneurs from the educational system (Kourilsky 1995; Kuratko 2005; Venkatachalam and Waqif 2005). For example, Volery and Mueller (2006) highlight the possibility of the role of entrepreneurship education in influencing an individual's decision to become an entrepreneur. Participation in entrepreneurship education, in this regard, has been associated with the increasing interest towards choosing entrepreneurship as a viable career option (Gorman, Hanlon et al. 1997).

The selected factors that will be studied are the university's role in promoting entrepreneurship, role models, and the demographic characteristics and family business background. Thus, these three criteria are investigated thoroughly.