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THE IMPACT OF STUDENTS' ATTITUDE AND ROLE OF FAMILY
ON ENTREPRENEURIAL INTENTION
AMONG UTeM UNDERGRADUATES

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Report submitted in fulfillment of the requirements for the Bachelor Degree of
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DECLARATION

I hereby declare that the report has been prepared by my own self except the summaries and citations that I have been clarify the resource.

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DEDICATION

I would like to dedicate this work to my dearly loved parents, who have shown me various supports such as moral and financial support, encouraged me and taught me that even the largest task can be accomplished if it is done one step at a time. It is also dedicated to my friends, who have encouraged and support me throughout completing this work.

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ABSTRACT

The importance of the entrepreneurial to Malaysian economy affect the Malaysia governments in the economic plan which government are encourage Malaysian's people in the culture of entrepreneurial. Entrepreneurial intention is a driving force which people wish to create a new business venture (Wu and Wu, 2008). In this research, the researcher aimed to know what is the factors impacting student' entrepreneurial intention and how the factor influence students' entrepreneurial intention in starting up a business among UTeM undergraduate. Hence, the researcher find out the six factors which included family business background, family support, attitude toward entrepreneurship, attitude toward self-efficacy, attitude toward risk-taking, and attitude toward work-effort that affect on entrepreneurial intention. Moreover, total of 200 students are be respondents in this research by carried out the survey questionnaire. The result of statistical analyses have been analyzed by using Pearson's Correlation to study how the factor influence students' entrepreneurial intention in starting up a business and using Linear Regression Analysis to study what is the factors impacting student' entrepreneurial intention. After conducting the result through SPSS, five out of six factor (role of family, family business background, attitude toward entrepreneurship, attitude toward self-efficacy, attitude toward risk-taking, and attitude toward work-effort) shown positively related to entrepreneurial intention and attitude toward entrepreneurial shown the most critical factor that impact on entrepreneurial intention. As a conclusion, the attitude toward entrepreneurial factor play an important role in affecting the entrepreneurial intention.

ABSTRAK

Kepentingan keusahawanan kepada ekonomi Malaysia telah memberi kesan dalam rancangan ekonomi, dimana kerajaan menggalakkan rakyat Malaysia dalam budaya keusahawanan. Dikaji oleh Wu and Wu (2008), niat keusahawanan adalah daya penggerak seseorang yang ingin mewujudkan satu usaha perniagaan baru. Dalam kajian ini, penyelidik bertujuan untuk mengetahui apakah faktor-faktor yang memberi kesan kepada niat keusahawanan dan bagaimana faktor tersebut mempengaruhi niat keusahawanan pelajar-pelajar di kalangan sarjana muda UTeM dalam memulakan perniagaan. Oleh demikian, penyelidik menerima pakai enam faktor iaitu latar belakang perniagaan keluarga, sokongan keluarga, sikap keusahawanan, sikap keberkesanan diri, sikap pengambilan risiko, dan sikap usaha berkerja yang telah memberi kesan ke atas kecenderungan niat keusahawanan. Terdapat seramai 200 pelajar responden telah terlibat dalam soal selidik kajian ini. Hasil kajian telah dianalisis dengan menggunakan Korelasi Pearson dimana untuk mengkaji bagaimana faktor tersebut mempengaruhi niat keusahawanan dalam memulakan perniagaan dan penyelidik menggunakan Regressi Linear Analisis diguna untuk mengkaji apakah faktor-faktor yang memberi kesan kepada niat keusahawanan pelajar. Selepas menjalankan hasil kajian melalui SPSS, lima daripada enam faktor iaitu latar belakang keluarga perniagaan, sikap keusahawanan, sikap keberkesanan diri, sikap pengambilan risiko, dan sikap usaha berkerja telah menunjukkan secara positif berkaitan dengan niat keusahawanan dan sikap keusahawanan menunjukkan faktor yang paling kritikal dalam memberi kesan kepada niat keusahawanan. Kesimpulannya, faktor sikap keusahawanan telah memainkan peranan penting dalam mempengaruhi niat keusahawanan.

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CHAPTER 1

RESEARCH OVERVIEW

1.0 Introduction

This chapter includes several part of study. The first part of study is background of the study. The second part is problem statement which explaining the importance and foundation of study. The next part of study is research question. The questions are what are the factors impacting students' entrepreneurial intention and how do the factors influence students' entrepreneurial intention in starting up a business. Next, there are two specific objectives of this study which are stated in the research objective. The next which are limitation of this study are being explained. This is continued by part of significance of the study that explain the important and contribution of the research. Lastly, the summary are be given.

1.1 Background of the study

The entrepreneurial sector has been growing steadily in Malaysia and it has become the national agendas in many countries. Entrepreneurial activity is a long-term economic growth for the nation (Romer, 1994). People also believe that entrepreneurial sector will give the contribution of long term in the economic growth which by their management, leadership, innovation, job creation, competitiveness, productivity and develop new business venture. Therefore, the importance of the entrepreneurial to Malaysian economy affect the Malaysia governments in the economic plan which government are encourage Malaysian's people in the culture of entrepreneurial. According to Ariff and Abu Bakar (2005), in year 1995, Ministry of Entrepreneur Development was establishment, it clearly shown that the government is concern of their role for the issue of development the entrepreneur. Besides that, Malaysia government also had set the policies of the entrepreneurial activities with encourage the society, especially the young adult such as undergraduate to grab the opportunity, chance, and challenge to be an entrepreneur by starting up a new business.

In create potential entrepreneurs, universities and colleges are playing an indispensable role which all the universities will offer the courses and programs of entrepreneurship. Therefore, understanding the entrepreneurial intention among the undergraduate will allow university to have a prediction of whether the students' will start a new business or not (Wu and Wu, 2008). According to Astrachan and Shanker (2003), the role of family will motive and drive the students to become a successor of their family own business. Besides that, the students' attitude of entrepreneurship will make them feel interesting to start their own business in the future. (Wang & Wong, 2004). Thus, by this research will have a better understand of why certain young adult are choose to be entrepreneurs while some of them are not. The purpose of this study is to investigate two factors that affect students on entrepreneurial intention to starting up a new business venture, which is role of family and students' attitude.

1.2 Problem Statement/ Research Questions

According to Prime Ministry Najib Tun Razak (2014) in budget 2015, there are several strategies of formulated with focus on the people's economy, and one of the strategies is developing national youth transformation programme. Which the government is enhance entrepreneurial talent among the youth through the programmes under Malayisan Global Innobation & Creativity Centre (MaGIC), SME Bank and Agro Bank as well as introduce Online Resource Centre and organize an international social entrepreneurship conference. This mean that, one of the Malaysian government's economic plan is to encourage the culture of entrepreneurship with enhance entrepreneurial talent among the youth.

Thus, this research is to understand the entrepreneurial intention of student after graduation, whether they will become an entrepreneur or not and to have a better understand of why certain young adult are choose to be entrepreneurs while some of them are not. Hence, the purpose of this study is to investigate the two factors that affect UTeM students' intention to start up a business, which are the role of family and students' attitudes.

The research questions research are:

1. What are the factors impacting students' entrepreneurial intention?
2. How do the factors influence students' entrepreneurial intention in starting up a business?

The researcher aimed to know what is the factors impacting student' entrepreneurial intention and how the factor influence students' entrepreneurial intention in starting up a business.

1.3 Research Objectives

There are two research objectives base on the research question formulate:

1. To identify the factors impacting the students' entrepreneurial intention.
2. To measure the influence of the factors on students' entrepreneurial intention.

1.4 Scope of study

The scope of this study is limited to study the impact of students' attitudes and role of family on the entrepreneurial intention among undergraduates. This study is conducted only among students based in the campus bandar of Universiti Teknikal Malaysia Melaka. Besides that, this study will only focus for the student which is business management field and for those students is engineering field will not be respondent in this research.

1.5 Limitations of the study

In this research, there are certain limits that may cause the limitation of this study, or towards the finding of the researcher. The limits are:

- i) This study is limited for UTeM students' which on business management field only. Thus, the findings of the researcher will only cover the perception of students' are business management field, and not for the students' are engineering field.
- ii) In this research, the time is limitation. The researcher only can target the undergraduate students in the current semester, which limited the sample size.

1.6 Key Assumptions of the Study

During the study, the researcher made the assumption that the respondents will provide correct and valid information. Besides that, the researcher also makes the assumption that the selected sample was not be biases and was representative of the population.

1.7 Importance of the Study

This study aimed to have a better understand of why certain young adult are choose to be entrepreneurs while some of them are not. Therefore, the factor of students' attitude and role of family on the entrepreneurial intention among the undergraduate will allow university to have a prediction of whether the students' will start a new business or not. This will encourage more business management students' to start up a business after they graduate. Besides that, knowing the factors that will affect the entrepreneurial intention will also allow the government to set up more effective policies on the economy plan, which to encourage the entrepreneurial intention among the undergraduate in starting up a business.

1.8 Summary

This study will be exposed to readers about the factor of students' attitude and role of family effect on entrepreneurial intention. Therefore, this will encourage more business management students' to become an entrepreneur in the future and this will increase the economy of our country. Besides that, this research is to have a better understand of why certain young adult are choose to be entrepreneurs while some of them are not. Thus, this can allow university to have a prediction by offer the more courses and programs of entrepreneurship to students.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

In order for the researcher to come out with a theoretical framework, the literature reviews were given to introduction of Entrepreneurial Intention, Role of Family, Family Business Background, Family Support, Attitudes toward Entrepreneurship, Attitude toward Self-efficacy, Attitude toward Risk Taking and Attitude toward Work Effort that affect Entrepreneurial Intention among undergraduate of UTeM students.

2.1 Introduction of Entrepreneurial Intention

The Oxford English Dictionary defines intentions as a plan or desire to do something. According to Dutta and L.Thornhill (2008), was argued that the concept of intentions is weakened by the ..."*inconsistent definition of entrepreneurial intent across studies. In some studies, entrepreneurial intent was defined as intent to own one's own business while in other studies; entrepreneurial intent was defined as intent to start a business... Other studies never clearly defined what they meant by entrepreneurial intent.*" Besides that, the definition of intention defines as a state of mind that directing person's attention, experience, and action towards specific object in order to accomplish something (Bird 1988). This is much more specific to entrepreneurship, because it is this