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UTeM

FACTORS THAT INFLUENCE
ENTREPRENEURIAL INTENTION AMONG UTEM
STUDENTS

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FACTORS THAT INFLUENCE ENTREPRENEURIAL INTENTION AMONG
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FACTORS THAT INFLUENCE ENTREPRENEURIAL INTENTION AMONG
UTEM STUDENTS

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“I declare that this project is the result of my own research except as cited in the references. The research project has not been for any degree and is not concurrently submitted in candidature of any other degree.”

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DEDICATION

This research paper is special dedicated to my parents, En. Nagoorgani Bin Mohidwen and Puan Azian Binti Abdul Rahman, who have been my inspiration and they have given a lot of support for my studies. I am honored and proud to have them as my parents. Thank you for giving me a chance to improve and proved myself that I can do it through all path of my life. To all my family, thank you for believing me for allowing me to further my studies.

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ABSTRACT

Graduates contributions to entrepreneurship would stimulate the country's economic growth. A study was conducted to determine the factors that influence entrepreneurial intention among UTeM students. The study was built on psychological model based on Ajzen's theory of planned behavior to identify the factors influencing the entrepreneurial intention of these students. The study analyzes the factors contributing towards entrepreneurial intention among UTeM students. Data will be collected through questionnaires obtained from 259 students of three different campuses offered in of Universiti Teknikal Malaysia Melaka (UTeM). The campuses are Main Campus, Technology Campus and City Campus. The study utilized the regression statistics to analyze the data. The finding sees that there are significant relationship between entrepreneurial intention (dependent variable) and attitude toward behavior, subjective norm and perceived behavioral control (Independent variable).

ABSTRAK

Sumbangan Graduan kepada keusahawanan akan merangsang pertumbuhan ekonomi negara. Satu kajian telah dijalankan untuk menentukan faktor-faktor yang mempengaruhi kecenderungan keusahawanan di kalangan pelajar UTeM. Kajian ini telah dibina pada model psikologi berdasarkan teori Ajzen tingkah laku yang dirancang untuk mengenal pasti faktor-faktor yang mempengaruhi niat keusahawanan pelajar-pelajar ini. Kajian ini dilaksanakan untuk menganalisis faktor-faktor yang menyumbang ke arah kecenderungan keusahawanan di kalangan pelajar UTeM. Data akan dikumpul melalui soal selidik yang diperolehi daripada 259 pelajar yang terdiri daripada tiga kampus yang berbeza yang ditawarkan di Universiti Teknikal Malaysia Melaka (UTeM). Tiga kampus tersebut adalah Kampus Induk, Kampus Teknologi dan Kampus Bandar. Kajian ini menggunakan statistik regresi untuk menganalisis data. Hasil dapatan kajian melihat bahawa terdapat hubungan yang signifikan antara niat keusahawanan (pembolehubah bersandar) dan sikap terhadap tingkah laku, norma subjektif dan kawalan tingkah laku (pembolehubah Bebas).

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LIST OF SYMBOLS

P	=	Significant value
F	=	F test
Df	=	Differentiate
β	=	Beta
t	=	t test
<	=	less than
R ²	=	R square
N	=	No of sample (respondents / items)

LIST OF ABBREVIATION

UTeM	= Universiti Teknikal Malaysia Melaka
ICT	= Information and Communications Technology
MECD	= Ministry of Development Entrepreneur & Cooperative Development
IHL	= Institute of Higher Learning
NEM	= New Economic Model
HEIs	= Higher Education Institutions
MEDEC	= Malaysia Entrepreneur Development Centre
OPP 3 rd	= Third Outline Perspective Plan
MOHE	= Ministry of Higher Education
TPB	= Theory of Planned Behavior
TRA	= Theory Reasoned Action
SEE	= Shapero's Entrepreneurial Event model
Std Dev	= Standard Deviation
MRA	= Multiple Regression Analysis
PMMC	= Pearson's Product Moment Correlation

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CHAPTER 1

INTRODUCTION

1.0 Introduction

The objective of this research study is to examine factors that influence entrepreneurial intention among UTeM students. This chapter consists of research background, problem statement, research objective, research questions, scope, limitation & key assumptions of the study, importance of this study and conclusion.

1.1 Background

To face the challenges of the globalization era, Malaysia needs to have highly skilled entrepreneurs in various disciplines such as ICT skills and scientifically minded, critical, innovative and creative. Development of Science and Technology is a source of leadership that will put Malaysia on the level that can compete with other countries along with the era of globalization, economy and ICT.

Therefore, our government is very concerned about the development of the entrepreneurship world, especially based on technology. To further strengthen the entrepreneurial base in line with the trend of economic development of the country, the government has focused on aspects such as mastery of modern technology among entrepreneurs in order to produce knowledgeable entrepreneurs and entrepreneurs based on technology to enhance the quality and subsequently competitiveness and resilient in facing this fast-paced world (Nasir, 2003).

Societies who have many entrepreneurs are the best society (Ab.Aziz, 2003). This is because the entrepreneur is an individual of the most dynamic, creative and innovative. They are willing for dealing with uncertainties through creativity and determination to achieve success. This passion has led them to see tomorrow with full opportunity and confidence to seize the opportunity. Therefore, entrepreneurs need to create and venture into new field to enhance their competitiveness by giving more choice to the people and their well being.

Entrepreneurs are those who identified as an agent to changes in the world economy that we can see today (Lambing and Kuehl, 2000). They have proved the fact that prior certified by Zenk (1981) that without entrepreneurs, socio-economic development activities in one country may not be applicable. Therefore, entrepreneurs are needed by the whole world because it is often associated with the development of the national economy.

In Malaysia, the field of entrepreneurship no longer is a field unfamiliar to society. According to the monthly performance reports business activity registered at the registry for the business year 2001, from eleven types of enterprise, businesses of food and beverages recorded the highest statistics for the whole year. Other than food and beverages, many business activities are involved in retailing, construction and textiles and clothing (Malaysia, 2001).

The number of individuals who participated in the field of entrepreneurship is also growing. According to statistics released by the Ministry of Development Entrepreneur and Cooperative Development (MECD), over the period 1995 to 2000 the number of entrepreneurs increased at a rate of 75.79 percent. This

increase is due to various factors and the main is the existence of various forms of support and assistance provided by the government through the MECD. The types of entrepreneurs who have developed are pure entrepreneurs, vendors, marketing furniture, mentor and franchise (Zafir and Fazilah, 2003).

In addition, many efforts have been planned by the government for the people who are interested to venture into the field of entrepreneurship. Applying knowledge of entrepreneurship has done since primary school level for talent and hones their interests. For example, entrepreneurship development program that is being executed by the state of Johor is intended to change the minds of students from just rely on higher salaries after graduation to the engage in entrepreneurship. This is because, the government today does not want to see the next generation just depends solely on salaried jobs either government or private.

The issue of unemployment among graduates is not something new and has become a problem to the Country. Unemployment problem occurs every time the university produces thousands of graduates every year. Skills and knowledge possessed by the graduates cannot be used to contribute towards national development. Based on the statistics of the National Economic Action Council shows a number of unemployed graduates reach up to 24,000 people today (Rajmah, 2002). Therefore, the involvement of graduates in entrepreneurship can overcome and reduce the unemployment problem. In fact, this area offers employment opportunities for others. Thus, graduates should be exposed to this field since from the beginning.

1.2 Problem Statement

This study was based on the perception of the factors that affect student interest in entrepreneurship. According to Aziz and Zakaria (2004), the main thing that should be included in an individual entrepreneur is dependent on the ability and determination to achieve the goals set. This means that there must be a fundamental interest to the field of entrepreneurship and are often implicated as a major influence

to the individual in doing anything. Interest is also said to be a tendency for a person to know, learn something that led them to the desired option. There are three main factors that contribute to student interest, namely attitude towards behavior factor, subjective norm factor and perceived behavioral factor. In this study, researchers wanted to investigate what are the factors that influence entrepreneurial intention among UTeM students?

Through the factors that have been identified, various strategies have been planned by those who have responsible in development of entrepreneurship to carrying out various programs that are appropriate to university students. So, it was in response realize the government aspiration to produce more graduates who want to become an entrepreneurs. Unemployment problem occurs every time the university produces thousands of graduates every year. The result of these factors, researchers can identify what are the factors that influence entrepreneurial intention among UTeM students? Are these three factors will certainly affect them or just at the beginning of their involvement in entrepreneurship? So these studies as a guide to the university to identify factors that influence student's intention toward become an entrepreneur.

1.3 Research Question

The study seeks to answer a research question as shown below to address the researching issues.

- i. What are the factors that influence student's entrepreneurial intention among UTeM students?

1.4 Research Objective

The results of this study can be a guideline to the Institute of Higher Learning (IHL), especially UTeM in creating entrepreneurial culture at the same time

creating entrepreneurs among graduates. Therefore, the researcher needs to identify the factors that will encourage UTeM students to involve in entrepreneurship field. The objective of this research study is:

- i. To identify the factors that influence student's entrepreneurial intention among UTeM students.

1.5 Scope of The Study

This survey involved all faculties of Universiti Teknikal Malaysia Melaka (UTeM) that have 3 campuses which are City Campus, Technology Campus and Main Campus.

1.6 Limitation of Study

Limitation that must be faced for this study was:

- i. Limited time that only involves year 2014 and 2015 only. Previous and next year will not be involved. Short term research.

1.7 Key Assumption of Study

- i. Cooperation from respondents to obtain the required information
- ii. The information obtained in this study will be influenced by honesty of respondents when answering the survey questions. Researcher expects honest answers from respondents when answering the questionnaire.