

SUPERVISOR'S DECLARATION

“I hereby declare that have read this thesis and in our research is sufficient in terms of scope and quality. This project is submitted to Universiti Teknikal Malaysia Melaka as a requirement for completion and reward Bachelor Degree of Technopreneurship with Honours”

Signature :

Name : En. Amir bin Aris

Date :

ENTREPRENEURIAL CHARACTERISTICS:
A SURVEY OF FPTT'S STUDENTS IN
UNIVERSITI TEKNIKAL MALAYSIA MELAKA (UTEM)

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STUDENT'S DECLARATION

I declare that this project entitled “Entrepreneurial Characteristics: A Survey of FPTT’s Students in Universiti Teknikal Malaysia Melaka (UteM)” is the result of my own research except as cited in the references. The project paper has not been accepted for any degree and is not concurrently submitted in candidature of any other degree.

Signature :

Name : Farahana Aina binti Zainal Abidin

Date :

DEDICATION

To

ibu,

ayah,

along,

haiqal,

muizz,

You mean the world to me.

ACKNOWLEDGEMENT

I would like to express my deepest gratitude to Allah Almighty as with His blessing this project has successfully been concluded. I would like to express my appreciation to my supervisor, Mr. Amir bin Aris for his constant support and guidance in making this project possible. Not forgotten also to my panel, Dr. Syaiful Rizal Bin Abd Hamid for all the advices. Sure, I will use it in future.

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ABSTRACT

Entrepreneurship is defined by many economists as a driving force of industrialization in terms of general and economic development. The objective for this project is to see and identify the entrepreneurial characteristics and tendency a student to become an entrepreneur. This study focuses more on the six physiological characteristics; risk taking propensity, tolerance of ambiguity, locus of control, need for achievement, innovativeness and self-confidence. This study was conducted in University Teknikal Malaysia Melaka (UTeM) at city campus. The empirical test was carried out on the data collected from questionnaire by the sources from the internet and journal. From the result, researchers can identify that the fourth year's students in Faculty of Technology Management and Technopreneurship (FPTT) had a very high need for achievement, willing to be innovative, high risk taking propensity, high in self-confidence level, high of locus of control and moderate to tolerance for ambiguity. Other than that, from the result, researcher can identify that need for achievement, innovativeness, risk taking propensity, self-confidence and locus of control have a positive relationship with the tendency a student to become an entrepreneur. While only the characteristic of tolerance for ambiguity is not.

Keyword: Entrepreneurship, characteristic, students, university, entrepreneur, tendency a student.

ABSTRAK

Keusahawanan ditakrifkan oleh ramai pakar ekonomi sebagai penggerak utama dalam perindustrian dari segi pembangunan umum dan ekonomi. Objektif bagi projek ini adalah untuk melihat dan mengenal pasti ciri-ciri dan kecenderungan pelajar untuk menjadi seorang usahawan. Kajian ini lebih tertumpu kepada enam ciri-ciri fisiologi; pengambilan risiko kecenderungan, toleransi kekaburan, lokus kawalan, keperluan terhadap pencapaian, inovasi dan keyakinan diri. Kajian ini dijalankan di Universiti Teknikal Malaysia Melaka (UTeM) di kampus bandar. Ujian empirikal telah dijalankan ke atas data yang diperoleh daripada soal selidik melalui sumber dari internet dan jurnal. Daripada hasil dapatan kajian, penyelidik dapat mengenal pasti bahawa pelajar tahun empat Fakulti Pengurusan Teknologi dan Teknousahawan (FPTT) mempunyai kecenderungan yang sangat tinggi terhadap keperluan pencapaian, bersedia untuk menjadi inovatif, pengambilan risiko, tahap keyakinan diri yang tinggi, lokus kawalan yang tinggi dan tahap toleransi untuk kekaburan yang sederhana. Selain daripada itu, hasil dapatan kajian juga menunjukkan bahawa keperluan untuk pencapaian, daya inovasi, kecenderungan pengambilan risiko, keyakinan diri dan lokus kawalan mempunyai hubungan yang positif terhadap kecenderungan pelajar untuk menjadi usahawan. Manakala hanya ciri toleransi bagi kekaburan yang tidak mempunyai hubungan yang positif terhadap kecenderungan pelajar untuk menjadi usahawan.

Kata kunci: Keusahawanan, ciri-ciri, pelajar, universiti, usahawan, kecenderungan pelajar.

TABLE OF CONTENT

CHAPTER	TOPIC	PAGE
	DECLARATION	ii
	DEDICATION	iii
	ACKNOWLEDGEMENT	iv
	ABSTRACT	v
	<i>ABSTRAK</i>	vi
	TABLE OF CONTENT	vii
	LIST OF TABLES	xi
	LIST OF FIGURES	xii
	LIST OF APPENDICES	xiii
CHAPTER 1	INTRODUCTION	
	1.1 Introduction	1
	1.2 Background of Research	2
	1.3 Problem Statement	3
	1.4 Research Question	5
	1.5 Research Objective	5
	1.6 Hypothesis	6
	1.7 Scope of the Study	7
	1.8 Limitation of the Study	7

1.9	Importance of the Study	8
1.9.1	Contribution to knowledge	8
1.9.2	Contribution to practice	8
1.10	Conceptual and Operational Definition	9
1.10.1	Need for achievement	9
1.10.2	Locus of control (LOC)	9
1.10.3	Risk taking propensity	10
1.10.4	Tolerance for ambiguity	10
1.10.5	Innovativeness	11
1.10.6	Self-confidence	11
1.10.7	Tendency to become an entrepreneur	12

CHAPTER 2 LITERATURE REVIEW

2.1	Development of Entrepreneurship	13
2.2	Entrepreneurship Program	14
2.3	Definitions of Entrepreneur	15
2.4	Definitions of Entrepreneurship	17
2.5	Entrepreneurial Characteristic	18
2.6	Review of Entrepreneurial Characteristic	19
2.6.1	Characteristics of entrepreneur	19
2.6.2	Characteristic model of successful entrepreneurs	20
2.6.2.1	Need for achievement	23
2.6.2.2	Locus of control (LOC)	25
2.6.2.3	Risk taking propensity	26
2.6.2.4	Tolerance for ambiguity	27
2.6.2.5	Innovativeness	28
2.6.2.6	Self-confidence	29
2.6.2.7	Tendency to become an entrepreneur	30
2.7	Theoretical Framework	31

CHAPTER 3 RESEARCH METHODOLOGY

3.1	Introduction	32
3.2	Research Design	33
3.2.1	Quantitative	33
3.2.2	Deductive	34
3.2.3	Explanatory research design	34
3.3	Research Location	35
3.4	Research Subject	35
3.5	Research Instrument	35
3.5.1	Questionnaire	36
3.5.2	Internal validity	36
3.5.3	External validity	36
3.6	Data Analysis	37
3.6.1	Statistical package for social science (SPSS)	37
3.6.2	Descriptive	38
3.6.3	Correlation	38

CHAPTER 4 DATA ANALYSIS AND FINDINGS

4.1	Introduction	40
4.2	Respondent General Information	41
4.2.1	Gender	41
4.2.2	Age	42
4.2.3	Ethnic group	43
4.2.4	Course	44
4.3	Objective Result 1	45
4.4	Correlation Analysis	46
4.5	Objective Result 2	48

CHAPTER 5 CONCLUSION AND SUGGESTION

5.1	Introduction	51
5.2	Conclusion Objective 1	52
5.3	Conclusion Objective 2	53
5.4	Conclusion	55
5.5	Recommendation	55
5.5.1	Recommendation to university and faculty	56
5.5.2	Recommendation to future researcher	57

REFERENCES	58
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APPENDICES	61
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LIST OF TABLES

TABLE	TITLE	PAGE
2.1	Characteristic of entrepreneur (Donald, 2009)	19
3.1	Analysis method used to analyses research objectives	39
4.1	Result of survey respondents by gender	41
4.2	Result of survey respondents by age	42
4.3	Result of survey respondents by ethnics group	43
4.4	Result of survey respondents by course	44
4.5	Descriptive statistical analysis	45
4.6	Correlation of the dependent and independent variable	46
4.7	Simple linear regression analysis	49

LIST OF FIGURES

FIGURE	TITLE	PAGE
2.1	Four primary of successful entrepreneurs (entrepreneurship success launching new ventures)	21
2.2	Characteristic of successful entrepreneur (Moorman and Holloran, 2006)	21
2.3	Theoretical framework	31

LIST OF APPENDICES

APPENDIX	TITLE	PAGE
A	Questionnaire	61

CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter identifies and briefly explains about the background of the research. It explicates the importance of the characteristic of entrepreneurial and to identify what are the major of characteristic that fourth year's students of University Teknikal Malaysia Melaka (UTeM) have. This research will only concentrate on the student of Faculty of Technology and Technopreneurship (FPTT), UTeM. In this chapter, this research will briefly discuss about the problem statement, objective of this study, research question, research objective, scope of study, limitation, and besides the conceptual and operational definition of characteristics of an entrepreneur.

1.2 Background of Research

Universiti Teknikal Malaysia Melaka (UTeM) was incorporated in December 2000. The Faculty of Technology Management & Technopreneurship (FPTT) was launched on 19th March 2009 and has taken up its operations at Jalan Hang Tuah, Melaka. The faculty was located in the middle of the city, which is the reason why the faculty is called a city campus. FPTT has three courses; Bachelor of Technopreneurship (BTEC), Bachelor of Technology Management Marketing (BTMM) and Bachelor of Technology Management Innovation (BTMI). The Faculty's objective is to develop students with entrepreneurial thinking.

Why and how that some individuals decide to create a business and then actually do so? Why and how those others do not, even though they appear to have what it takes to succeed in business? These two questions were among the first that researchers in the field of entrepreneurship try to answer, and this is the same question which the problem is much more difficult to solve than it first appeared thirty years ago (Alain, 2007).

Entrepreneurship is associated with starting business, but this is a term that has a rich history and much more significant meaning. The term "entrepreneur" originated from France as early the 17th and the 18th centuries, In French, it signifies someone who "undertakes," not an "undertaker" in the sense of a funeral director, but someone who undertakes a significant project or activity. More specifically, it got to be applied to identify the venturesome individuals who stimulated economic progress by finding new and better ways of managing things. (J. Gregory, 2001).

Entrepreneurship nowadays has been an important research field among economists and students worldwide for some considerable time. This prolonged interest in entrepreneurship is prompted by several factors. First, for developing economies entrepreneurial activity is a means of revitalizing stagnated economies and coping with unemployment problem by offering new business opportunities.

Most of existing researches of entrepreneurship in Malaysia tend to concentrate on the field entrepreneurship in general factors, and the entrepreneur is examined from various prospective, such as attitude, backgrounds, personality traits, economic factors, contextual circumstances, and prospects of social marginality, gender and geographical location. But there is no unified, generally accepted definition and model of entrepreneurial activity and growth. A number of factors have been found to be linked with the likelihood of an individual becoming an entrepreneur.

Entrepreneurship is one of engine for economic development in Malaysia and also the entire world. Entrepreneurship is said to be the symbol of business achievement and can be considered a pioneer for today's testimony on new business venture success. From the Seminar Pendidikan Kejuruteraan dan Alam Bina (PEK '09) decades ago, Malaysia was an agricultural country and the economy was developing within the action. As for now, Malaysia is developing itself into a newly industrialized country since economic growth arises entrepreneurship. This situation will be the chances for entrepreneurs to create many works for people.

1.3 Problem Statement

FPTT has organized few programs which are linked to entrepreneurial activity such as the 3P (Penampilan, Pengurusan dan Perniagaan) program, Program Keusahawanan Muda and more. The programs conducted to build student's leadership skills, self-confidence and etc. Unfortunately, the programs itself do not really effective to the students in terms of their entrepreneurial thinking.

The university plays a functional role in promoting entrepreneurship education to develop regional and society economics, and many numerous studies indicate the importance of entrepreneurship education due to its vital role in producing entrepreneurial individuals (Edwards and Muir 2005). Co *et al.* (2006) states that school

and university have a key role in promoting entrepreneurship education since educational institutions are ideally considered the place in shaping entrepreneurial cultures and aspiration among students while they are studying to survive in today's robust business.

The university is one of the institutions that provides entrepreneurship training and programs for students, so university itself must take this opportunity to do their best in creating a conducive place for undergraduate student to learn more about the entrepreneurship programmes and to experience the reality of entrepreneurship world. At the same time, the university should develop a situation of entrepreneurial activity which would help to develop an entrepreneurial culture among university students which are the future entrepreneur.

There are many researches in the area of entrepreneurship in Malaysia nowadays, but most of the existing researches on entrepreneurship in Malaysia tend to focus more on the field of entrepreneurship in general. For instance, the researches mostly tend to concentrate on the success factors of actual entrepreneurs until certain extent characteristic of an entrepreneur (Nor, Ezlika and Ong, 2000). According to Kamariah, et al. (2004), empirical research on student's perceptions or inclination toward entrepreneurship is also limited and focuses more on factors influencing entrepreneurship inclination rather than examining other personal factors.

In Malaysia, the government has created an enormous funding towards the promotion of entrepreneurship especially for small medium- sized enterprise. But the uptake is still slow. In fact, over the last few years, graduate unemployment has become a major problem in Malaysia. This is because current graduates are more depending on the government and the private sector for employment. To solve this issue, the research of higher education system is needed to find out the stumbling block that hinders the growth of entrepreneurship among graduates. This is also the time to further examine whether our existing university student are inclined toward entrepreneurship (Mohar, Manjit and Kamal, 2007).

This study focuses on identifying the relationship between entrepreneurial characteristic and tendency of a student to become an entrepreneur among the student at University Teknikal Malaysia Melaka (UTeM). This will help in developing a clear cut policy to promote entrepreneurship at the national level and will help the future graduate's generation in becoming successful entrepreneurs.

1.4 Research Question

The research questions are stated as below:

1. What are the entrepreneur's characteristics that influence on the tendency a student to become an entrepreneur?
2. How entrepreneur's characteristic effects on the tendency a student to become an entrepreneur?

1.5 Research Objective

The objectives of the study are stated as below:

1. To identify the most entrepreneur characteristic that influences on tendency a student to become an entrepreneur.
2. To study the relationship between entrepreneurs characteristic and tendency a student to become an entrepreneur.

1.6 Hypothesis

- Hypothesis 1 (H_0): There is no relationship between entrepreneurs' characteristic and tendency a student to become an entrepreneur
- Hypothesis 2 (H_0): There is no relationship between the level of need for achievement and tendency a student to become an entrepreneur
- Hypothesis 3 (H_0): There is no relationship between the level of locus of control and tendency a student to become an entrepreneur
- Hypothesis 4 (H_0): There is no relationship between the level of risk taking propensity and tendency a student to become an entrepreneur
- Hypothesis 5 (H_0): There is no relationship between the level of tolerance for ambiguity and tendency a student to become an entrepreneur
- Hypothesis 6 (H_0): There is no relationship between the level of innovativeness and tendency a student to become an entrepreneur
- Hypothesis 7 (H_0): There is no relationship between the level of self-confidence and tendency a student to become an entrepreneur

1.7 Scope of the Study

This research is focusing on the level of the characteristics of entrepreneurs and its relationship with a tendency of the student to become an entrepreneur. The population for this study will be the fourth year's students in Faculty of Technology Management and Technopreneurship (FPTT), UTeM. This research will only focus on the six characteristics of entrepreneurs; need for achievement, locus of control (LOC), risk taking propensity, tolerance for ambiguity, innovativeness and self-confidence.

1.8 Limitation of the Study

Limitation is the scope that is not covered in this study and also the things that cannot be controlled by the researcher. One of the limitations is the population of this study. This study only focuses on the fourth year's students in University Teknikal Malaysia Melaka in Faculty of Technology Management and Technopreneurship and the objective is to study whether they have the characteristics of entrepreneur in themselves thus, have a tendency to become an entrepreneur in the future. However, it is possible to suggest that in future studies, the population would be enlarged to more university instead of UTeM only. In addition, it would be more interesting if the researcher can differ the tendency the students in public and private universities to become an entrepreneur.

Next, dishonesty in answering the questionnaire would be the other limitation of this study. It was the part that the researcher cannot be controlled. By giving the respondents some rewards, researchers can help to control this limitation. The last limitation of this study is the time constraint, as this study only conducted in the period of around 30 weeks.

1.9 Importance of the Study

This research will be important in the future based on the two aspects, knowledge and practice. The contribution to knowledge is more on the basic things that the students get from this research in order to apply the characteristics in their understanding of entrepreneurship while the contribution to practice is basically more on the technical side. It means that, the students will practice the six characteristics that have discussed in this study in their personality.

1.9.1 Contribution to knowledge

The important for this study in terms of contribution to knowledge is that this research study can be used as reference for any research project pertinent to entrepreneurial characteristics. This research can add the understanding of the entrepreneurial characteristics in the area of entrepreneurship. From the research, we might find missing fundamental parts of the entrepreneurship area that was not discovered in the previous study.

1.9.2 Contribution to practice

The importance for this study in terms of contribution to the practice is that students who take this research as their reference for their research study may use and installed the six characteristics of the successful entrepreneur stated in this research study as guidance for developing their entrepreneur's value for themselves. For example, in terms of self-confidence, as a business student, they should have confidence in themselves as they have a close involvement with people outside.

1.10 Conceptual and Operational Definition

The explanation of the definition of each of the characteristics; need for achievement, locus of control, risk taking propensity, tolerance for ambiguity, innovativeness and self-confidence will be included with the supported statement from the previous studies. The statement from the previous studies is included in the conceptual definition part while the operational definition will briefly interpreted by the researcher based on the conceptual definition.

1.10.1 Need for achievement

Lussier and Achua (2007) defined the need for achievement as the, “unconscious concern for excellence in accomplishments through individual efforts”. While Daft (2008) stated the need for achievement is “the desire to accomplish something difficult, attain a high standard of goals, master complex tasks, and beyond the ability of others”. Individuals who exhibit the need for achievement, seek to accomplish realistic but challenging goals.

As for an operational definition in this research stated that, need for achievement is an unconscious concern for excellent success to achieve challenging goals, expert in difficult task, and equal or exceed the ability of others.

1.10.2 Locus of control (LOC)

According to the Book of Basic of Entrepreneurship written by C Nieuwenhuizen (2008), locus of control refers to the extent to which a person perceives him/herself as being within or beyond personal control and understanding. It is a

psychological term which refers to how much individuals believe they can control events that affect them. Psychologists believe it is an essential element of individual personalities. (Ethan, 2012)

In this research, the operational definition refers locus of control as a psychological term to a person who go beyond personal control and understanding. The LOC is also one of the essential elements in individual personalities.

1.10.3 Risk taking propensity

Risk taking was the earliest identified entrepreneurial characteristic. Cantillon (1755) and later J.S. Mill (1848) both portrayed an entrepreneur as an individual who assumed the risk of the firm. In fact, Mill included the term risk-bearing to distinguish “entrepreneur” from “manager”.

The operational definition of risk taking propensity in this research is risk taking is one of the entrepreneurial characteristic and an entrepreneur is the person who takes the risk of the firm.

1.10.4 Tolerance for ambiguity

Wikipedia defines ambiguity tolerance as the ability to perceive ambiguity in information and behavior in a neutral and open way. Based on GREG (2010) definition, a tolerance for ambiguity means “planning and executing appropriate actions in light of limited information”. It is more emphasis on being able to move forward in spite of limited or conflicting information, as opposed to just neutrally recognizing that such a situation exists.