

MOTIVATION ATTRIBUTES TO BECOME  
A GRADUATE ENTREPRENEUR AMONG  
TECHNICAL UNIVERSITY STUDENT

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Motivation Attributes to be a Graduate Entrepreneur among Technical University  
Student

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The research proposal is submitted in partial fulfilment of the requirements for the  
award of

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**DECLARATION**

“I admit that this report is the result of my own, except certain explanations and passages where every of it is cited with sources clearly.”

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## ABSTRACT

Early of 2015, Malaysia Prime Minister, YAB Dato' Sri Mohd Najib has launched the Malaysia Education Blueprint (2015-2025) which projected to produce more graduate entrepreneur in Malaysia. For that reason, this research is conducted to determine and identify the motivation attributes among Universiti Teknikal Malaysia Melaka (UTeM) student to intention become entrepreneur. This research conducted by collected data from the 250 respondent by using questionnaire. The results present the most motivation level attracted technical student to intention become entrepreneur. This research contributes to the development on young entrepreneur in Malaysia.

## **ABSTRAK**

*Awal tahun 2015, Perdana Menteri Malaysia, YAB Dato 'Sri Mohd Najib telah melancarkan Pelan Pembangunan Pendidikan Malaysia (2015-2025) yang bertujuan untuk melahirkan lebih ramai graduan usahawan di Malaysia. Atas sebab itu, kajian ini telah dijalankan untuk menentukan dan mengenalpasti sifat-sifat motivasi antara pelajar Universiti Teknikal Malaysia Melaka (UTeM) kepada niat menjadi usahawan. Kajian ini dijalankan dengan mengumpulkan data daripada responden 250 dengan menggunakan soal selidik. Keputusan memperlihatkan tahap motivasi yang paling menarik pelajar teknikal kepada niat menjadi usahawan. Kajian ini boleh menyumbang kepada pembangunan pada usahawan muda di Malaysia.*

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**LIST OF ABBREVIATIONS**

<b>ABBREVIATION</b>	<b>MEANING</b>
ANOVA	Analysis of Variance
EI	Entrepreneurial Intention
HM	Higher level Motivation
LM	Lower level Motivation
MM	Medium level Motivation

## CHAPTER 1

### INTRODUCTION

#### 1.1 Background of Study

Early of 2015, Malaysia Prime Minister, YAB Dato' Sri Mohd Najib has launched the Malaysia Education Blueprint (2015-2025). According to the blueprint, Ministry of Education projected to create new higher education system to compete with global economy.

In the University 21 (U21) report ranked Malaysia overall higher education system at 28<sup>th</sup> out of 50 countries. There are four assessment categories which included resources, environment, connectivity and output. While, Malaysia ranked 12<sup>th</sup> out of 50 in term of resources invested, but has ranked 44<sup>th</sup> out of 50 in term of outputs.

To ensure a successful higher education system, Malaysia Education blueprint (higher education) has outline 10 shifts to be support in Malaysia higher education. The most highlighted in MEB is the holistic, entrepreneurial and balanced graduates. Entrepreneur play an important role in job creation, innovation and economic growth in a country. Therefore, Ministry of Education projected to produce higher education graduates become job creator rather than a job seeker.

Ministry of Education Malaysia has defined a mismatch between supply and demand of graduate in lack of targeted requirement skills, knowledge and attitude. Based on this issues, Ministry of Education has focus on the developing on holistic, integrated curricular and enhancing the ecosystem of graduate development by taking three keys of initiatives:

- 1) Enhancing undergraduate learning experience,
- 2) Devising an integrated cumulative grade point average (CGPA) system,
- 3) Creating opportunities for undergraduates and academic staff to acquired entrepreneurial skills.

Unfortunately, there are only 50.40% of Malaysian aged 18 to 64 seek entrepreneurship as a good choice for career under Global Entrepreneurship Monitor (GEM) report 2014. It is important to understand student intention to become entrepreneur beside than the three keys initiatives by Ministry of Education.

## **1.2 Problem Statement**

Olufunso (2010) cited in Achchuthan (2012) has define graduate entrepreneurship as an entrepreneur process taken by graduates to start a business in terms of personal career orientation. According to the Global Entrepreneurship Monitor, the growth expectation of entrepreneur in Malaysia is still low which less than 7 % of new start-up business able to create 20 jobs opportunities. However, there are around 84% from themselves created less than 5 hobs opportunities. Another issues stated that the average entrepreneur in Malaysia mostly aged between 35-44 years old with an upper secondary level education and a mid-range income.

Based on the information above, I have concluded that there are a low number of graduate entrepreneur produce in Malaysia. These phenomena happened due to the lack of perceived of ability to become entrepreneur among the youths.

This research consists of three research question that able to meet the research purpose:

Research Question 1: What are the motivation attributes for student to be an entrepreneur?

Research Question 2: What are the relationship between motivation and intention to become an entrepreneur?

Research Question 3: Is there any differences between motivation attributes among engineering student and technology student?

### **1.3 Research Objective**

The objective for this research paper is to determine the motivation attributes that affect student to become an entrepreneur. The other objective is:

Research objective 1: To determine the major motivation attributes for student to become an entrepreneur;

Research Objective 2: To discover the relationship between motivation attributes and intention to become an entrepreneur;

Research Objective 3: To identify the differences of the motivation attributes between technology student and the engineering student.



#### **1.4 Justification significant of the research**

The study of this research is to identify the major motivation attributes that affect to the student intention to become entrepreneur. The number of jobless among first graduate still increasing, and the number of young entrepreneur still low. The motivation attributes could be the main factor to influence the student intention to become entrepreneur. Therefore, this research will find out the major motivation attributes for technology student and engineering student.

#### **1.5 Contribution of the Research**

This study of this research is to identify the major motivation attributes for student to become the entrepreneur. Government nowadays taking student to become entrepreneur, therefore this research able to find out student motivation attribution to become entrepreneur, and government may take the correct initiative to increase young entrepreneur in Malaysia.

#### **1.6 Assumption and scope of Study**

This research assume that the responder will answer honestly and patient to the questionnaire provided. The second assumption in the research the motivation attribute able to influence student's intention to become entrepreneur.

The scope of study for this research will focus on the technical student intention to become entrepreneur. Student motivation attribute will be the main focus in this

research. However, there are a lot of element of motivation, researcher will minimize the scope of finding on human being's needs and desires that able motivate undergraduate to become entrepreneur. In this research, only UTeM fourth year student from every faculty be select as the sample. The other technical university students are exclusive form this research. This research did not suggest any solution to solve the current entrepreneurial issues.

## **1.7 Organization of the Research**

This research consists of 5 chapter.

Chapter one present the introduction of the research. It content of the background study of the entrepreneur status in Malaysia, objective of the research, and the scope of the research.

Chapter two present the literature review. This section defines the entrepreneur and entrepreneurial from other literature review. This section also will discuss the several type of motivation attribute to become entrepreneur from different theory. The theoretical frame work will present in this chapter.

Chapter three will present the methodology used in this research. This section present the sample used in this research. This section also explain the method used on data collection for the quantitative data. The method used to analyse the data will be show in this section.

Chapter four present the data analysis and the discussion on the results collected. The major motivation that influence technical student's intention to become entrepreneur will discuss in this section. Second, the different of motivation attribute between engineering student and technology student will discuss in this section. Lastly,

the relationship between motivation attribute and intention to become entrepreneur will be answered in chapter four.

Chapter five will conclude this thesis. It also presents the limitation on this research. The three research questions in early of the research will conclude with the result gather in the research.

## **1.8 Summary**

In conclusion entrepreneur is important in develop economic and country. Therefore, undergraduate should be motivated to having intention to become entrepreneur. These phenomena will decrease the number of unemployment in Malaysia. Whatever the course studying, every undergraduate have the opportunities to become entrepreneur.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.1 Introduction

This section will discuss the concept of entrepreneur from several source such as dictionary and other researcher review on previous research. Secondly, the several type of the theories about motivation will be discuss in this section. Thirdly, the concept of entrepreneur attributes will be present. The relationship between motivation attribute and intention to become entrepreneur will slightly present other researcher review on previous studies.

#### 2.2 Definition of Entrepreneur

Based on the history, the word “entrepreneur” was first introduce in early of 18<sup>th</sup> century by a French economist Richard Cantillon. According to Richard Canntillon (1680-1734) he formally defines entrepreneur as an agent who buy means of production at certain price in order to sell the product at uncertain price in future.

The word entrepreneur was derived from French which means “to undertake or to try” and can refer to the person who undertakes the business risk. While, Zimmerman and Scarborough define entrepreneur as an individual who creates a new business with an objective to gain profit and continuous growth.

According to Merriam Webster, an entrepreneur is defined as an individual who organizes, manages, and assumes the risk of a business. There is another definition of entrepreneur, as a person who organizes and manages any enterprise, especially a business with considerable initiative and risk. (Brett Nelson, 2012)

In Malaysia, the word “entrepreneur” became widely used since the year 1970 when starting to implement the New Economic Policy (NEP). There is a common definition of entrepreneur, that means a person who creates a new entity to offer a new product or service into a new market within profitable or non-profitable purposes.

### **2.3 Definition of Entrepreneurship**

There are several definitions about entrepreneurship. First and foremost, Richard Cantillon defined entrepreneurship as the process of bearing the risk to buy a product at a certain price and selling it at an uncertain price. The definition of entrepreneurship later improved as a process where entrepreneurs bring people to create productive items by Jean-Baptiste Say (1767-1832).

Year after year, the Richard Cantillon’s concept about entrepreneurship was adopted by Frank Knight. Frank Knight (1885-1972) was the first to introduce the dimension of risk-taking as a main characteristic in entrepreneurship. In other words, entrepreneurs earned the profit as a reward by taking several risks.

In addition, Alfred Marshall wrote 4 important factors which included organization, capital, labour and land as factors in entrepreneurship in his book *Principles of*

Economics (1980). Max Weber (1864-1960) has identify the sociological theory for entrepreneur where entrepreneur is a role player for the society on religion belief, taboos, and customs.

Therefore, entrepreneurship can be defining as a process of seeking business opportunities by taking considerable risk. Besides that, entrepreneurship also refer as a process to create something valuable by using time, money, effort and assuming the risk to receiving reward to achieve personal satisfaction.

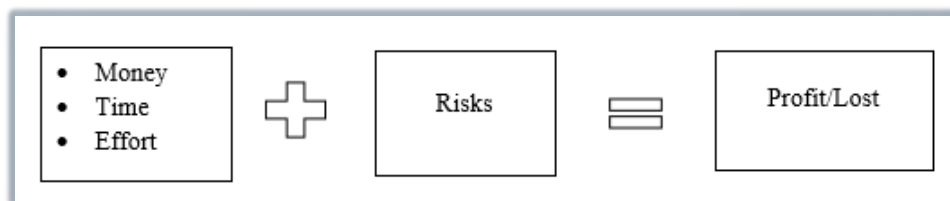


Figure 2.1 Process of Entrepreneurship (Research, 2015)

## 2.4 Entrepreneurship in Malaysia

According to the Global Entrepreneurship Monitor (GEM) annual report (2014), the Adult Population Survey Measure 2015 show that entrepreneurial intention in Malaysia has a dramatically deduction from 13.30% in year 2012 to 11.63% in year 2014. The survey is taking more than 2,000 respondents as a sample in a nation.

Besides that, the perceived of opportunities among Malaysian to the entrepreneurship are always higher than the perceived of capabilities among Malaysian to the entrepreneurship. The percentage of perceived opportunities has increase from 36.00% to 43.40%. While the percentage of perceived capability has a slightly drop from 31.00% in year 2012 to 28.00% in year 2013 and increase to 38.40% in year 2014.

Based on the result above, Malaysian's perceived of opportunities and capability is still low. Entrepreneurs Malaysia able to identify the problem at surrounding as the opportunities but they still need more entrepreneurial education, skills and ability.

The lack of entrepreneur skills among Malaysian also be prove by the statistic of the high status successful entrepreneurship. There are 51.00% successful rate in year 2012 with a dramatically drop to 45.00% in year 2013. In year 2014, the percentage of successful entrepreneurship increase to 49.95%, and still not achieve the percentage at year 2012. (GEM-Adult Population Survey Measures, 2015)

In conclusion, the current entrepreneurial status in Malaysia is still under developing. Malaysia government need to take a lot of new initiative like having entrepreneurial programmes, entrepreneurial related activities to encourage more youngster to become entrepreneur.

## **2.5 Technical Based Public University in Malaysia**

Technical university refer to the technology based education institution that provide knowledge and skills to training engineers and doing technical scientific research. Due to the rapid development on the technology in the world, many university starting adopt entrepreneurship into technical courses. The term like Technology entrepreneur (also known as Technopreneur), Innovation entrepreneur (also known as Innopreneur) are some new term in entrepreneurial.

There are some technical and technology based public university in Malaysia like University Teknikal Malaysia Melaka (UTeM), University Tun Hussien Onn Malaysia (UTHM), University Malaysia Perlis (UniMAP), and University Malaysia Pahang (UMP). All of the four public university in Malaysia created Malaysian Technical University Network (MTUN) which with mission to “educate, train and

prepare highly skilled human resources who are capable of contributing towards the country's vision of a world class industrial nation”.

Technical based university in Malaysia mostly offering engineering course which provide engineering based knowledge, skills and ability. A technical university also specialize on technology course. For example, University Technology Malaysia are leading innovation-driven entrepreneurial research in engineering science and technology.

While, UTeM is another famous technical university in Malaysia which has cemented a reputation of high-quality engineering graduate with capability to meet the requirement of high-tech industries. UTeM advanced in technical field with engineering course, Information Technology, and Technology Management course.

In this research, researcher only taking UTeM as the sample to complete the data collection process. This is because the limitation is focus in Melaka area.

## **2.6 Entrepreneur Motivation**

This section will define the concept of the motivation. The several theories about motivation from different researcher will discuss in this section.

### **2.6.1 Definition of Motivation**

According to the Oxford Dictionary (2015), the word Motivation define as a reason or reasons for acting or behaving in a particular way. The Cambridge Dictionary define Motivation as enthusiasm, need, or reasons to doing something.