

**INTENTION TOWARDS ENTREPRENEURSHIP AMONG
UNIVERSITY STUDENTS**

AMIRAH MAT SALIM

**This report is submitted in partial fulfillment for the Bachelor Degree of
Technopreneurship**

**Faculty of Technology Management and Technopreneurship (FPTT),
Universiti Teknikal Malaysia Melaka**

JUNE 2014

SUPERVISOR APPROVAL

I hereby declare that I have read this report and in my opinion this report is sufficient in terms of scope and quality for the award of the degree of Bachelor of or the award of the degree of Bachelor of Technopreneurship.

Signature :

Supervisor Name : En. Mukhiffun Bin Mukapit

Date :

DECLARATION

I hereby declare this report is my own work, which has been duly acknowledge by the organization as one complete report within the project period.

Signature :

Student Name : Amirah binti Mat Salim

Matric No. : B061010190

Date :

This thesis is dedicated to my beloved parents and family
For their endless love, support and encouragement,
To my friends,
and
To the person who always support me through ups and downs,
I love you guys!

ACKNOWLEDGEMENT

I have prepared this research with the blessings of Almighty Allah. I would like to take this opportunity to acknowledge the assistance, guidance and encouragement of all who have supported me throughout this research project. Without their guidance and advices, I would have never been able to accomplish my research project successfully as part of the fulfillment of the requirements for the Degree of Bachelor of Technology Management in Technopreneurship.

First of all, I would like to express my sincere gratitude to my research project supervisor En. Mukhiffun bin Mukapit, for his continuous support throughout the whole progress of this research project. His constant valuable ideas, comments and encouragement had considerably enriched and improved my work. Without his time, guidance, support, advice and expertise, this research project would not be possible done successfully. I would also like to thank all students of UTeM who gave their most valuable responses without which this research study would not be possible.

Secondly, I would like to thank you to all the participants for their valuable time, kind assistance and support in participating in the surveys conducted as part of this research project. Their opinions have provided the statistics necessary for both this research, as well as future research in the field of entrepreneurship.

Lastly, I am also grateful to all my colleagues and friends for their knowledge sharing and comments in which had helped me to enrich my research project towards a better quality work. I also thank almighty, my parents, brother, sisters and friends for their constant encouragement without which this assignment would not be possible.

ABSTRACT

This study attempted to examine entrepreneurial intention of UTeM undergraduates. The undergraduates entrepreneurial intention was examined with family background, entrepreneurship education and attitude or personality. Accordingly, It was rationalized that entrepreneurial intention is influenced by entrepreneurship education, family background and attitude. The researcher will random select 100 respondents of UTeM student in answering questionnaires. From the SPSS analysis results, it shows that the three factors have relation in entrepreneur purposes. The three factor independent variable will be proceed of the research topic with distributing questionnaires and collect back from 100 respondent at Faculty of Technology Management and Technopreneurship (FPTT). From the analysis SPSS results, it was found that the objectives research was achieve when hypothesis test of three factors have shown relationship in entrepreneurship purpose. From the result of benefit entrepreneurial intention with business purposes, it can be found the factors entrepreneurship education most influenced in the entrepreneurship purposes with compare other factors. Hence for this research the objective was achieved. In the end of this research, it will discuss base on the three factors and suggestion idea for future research.

ABSTRAK

Kajian ini bertujuan untuk mengkaji kecenderungan keusahawanan mahasiswa UTeM. Kecenderungan keusahawanan mahasiswa diperiksa latar belakang dari segi latar belakang keluarga, pendidikan keusahawanan dan sikap atau personaliti. Oleh itu, untuk merealisasikan kecenderungan keusahawanan dipengaruhi oleh pendidikan keusahawanan, latar belakang keluarga dan sikap, penyelidik dikehendaki memilih secara rawak pilih 100 pelajar UTeM sebagai responden untuk menjawab soal selidik. Dari keputusan analisis SPSS, ia menunjukkan bahawa tiga faktor mempunyai hubungan dalam tujuan usahawan. Ketiga-tiga faktor pembolehubah bebas akan meneruskan topik penyelidikan dengan mengedarkan soal selidik dan mengumpul kembali dari 100 responden di Fakulti Pengurusan Teknologi dan Keteknousahawan (FPTT). Daripada analisis SPSS, keputusan, didapati bahawa kajian objektif telah dicapai apabila ujian hipotesis daripada tiga faktor telah menunjukkan hubungan di tujuan keusahawanan. Dari hasil daripada manfaat kecenderungan keusahawanan dengan tujuan perniagaan, ia boleh didapati pendidikan keusahawanan adalah faktor keusahawanan paling dipengaruhi dalam tujuan-tujuan keusahawanan dengan membandingkan faktor-faktor lain. Oleh itu, kajian ini objektif telah dicapai. Pada akhir kajian ini, ia akan membincangkan asas kepada tiga faktor dan idea cadangan untuk kajian akan datang.

TABLE OF CONTENT

CHAPTER	Page
Declaration	ii
Dedication	iii
Acknowledgment	iv
Abstract	v
<i>Abstrak</i>	vi
List of content	vii
List of tables	xii
List of Figures	xiv
List of Abbreviations	xv

CHAPTER 1: INTRODUCTION RESEARCH

1.1	Research Background	3
1.2	Problem Statement	3
1.3	Research Questions	5
1.4	Research Objectives	6
1.5	Scope of the project	6
1.6	Importance of the project	7
1.8	Summary	7

CHAPTER 2: LITERATURE REVIEW

2.1	Theoretical Background	8
	2.1.1 Entrepreneurship	9
	2.1.2 Entrepreneurial Intention	10
	2.1.3 Internal Influences Entrepreneurial Belief Attitude	11
	2.1.4 Perceptions of Desirability of Entrepreneurship	12
	2.1.5 The Demographic Characteristics and Family Business Background	13
2.2	Summary	14

CHAPTER 3: RESEARCH METHOD

3.1	Introduction	15
3.2	Research Design	16
	3.2.1 Sample	16
	3.2.2 Study variables and conceptual framework	17
3.3	Methodological Choices	19
3.4	Data Collection Method (Primary Data Sources)	19
3.5	Secondary Data	20
3.6	Population and Sampling Procedure	21
	3.6.1 Population	21
	3.6.2 Sample	22
	3.6.3 Secondary Data	23
3.7	Location of Research	24
3.8	Research of Strategy	24
3.9	Time Horizon	25

3.10	Data analysis	25
	3.10.1 Simple Linear Regression Analysis	26
3.11	Scientific Canons	27
	3.11.1 Validity	
	3.11.2 Reliability	
3.12	Summary	28

CHAPTER 4: DATA ANALYSIS

4.1	Introduction	29
4.2	Respondent Demography Analysis	30
	4.2.1 Frequency Table (Gender)	30
	4.2.2 Frequency Table (Age)	31
	4.2.3 Frequency Table (Race)	32
	4.2.4 Frequency Table (Religion)	32
	4.2.5 Frequency Table (Courses)	33
4.3	Data Analysis	34
	4.3.1 The relationship between Variables towards Entrepreneurial Intention	34
	4.3.1.1 Correlation between Entrepreneurship Education and Entrepreneurial Intention	34
	4.3.1.2 Correlation between Personality and Entrepreneurial Intention	35
	4.3.1.3 Correlation between Family Background and Entrepreneurial Intention	35
	4.3.2 The Factors contributes to Entrepreneurial Intention	36
	4.3.3 The main factor towards Entrepreneurial Intention	37
4.4	Hypotheses	39

CHAPTER DISCUSSION AND CONCLUSION**5:**

5.1	Introduction	40
5.2	Respondent Demography	41
5.3	Discussion Objective 1	42
5.4	Discussion Objective 2	44
5.5	Discussion Objective 3	45
5.6	Discussions	47
	5.6.1 Recommendation to future research	49
5.7	Limitation of Research	50
5.8	Summary	51

BIBLIOGRAPHY**APPENDIX**

LIST OF TABLES

Table		Page
3.1	No. of FPTT students	22
3.2	Data Analysis Method	26
3.3	A Level of Relationship	26
4.1	Correlation between Entrepreneurship Education and Entrepreneurial Intention	34
4.2	Correlation between Personality or Attitude and Entrepreneurial Intention	35
4.3	Correlation between Family Background and Entrepreneurial Intention	35
4.4	Model Summary (Correlation)	36
4.5	ANOVA	37
4.6	Coefficients	37
4.7	Model Summary (Regression)	38
5.1	Factors contribute to Entrepreneurial Intention	42
5.2	Correlation	44
5.3	Coefficients	45

LIST OF FIGURES

Table		Page
2.1	Theoretical Framework Design	13
3.1	Theoretical Framework of Intention toward Entrepreneurship	17
3.2	Location of City Campus (FPTT)	24

CHAPTER 1

INTRODUCTION

1.0 Introduction

This study tends to investigate intention towards entrepreneurship among university students at UTeM. This chapter firstly addresses the background of the intention towards entrepreneurship. Then the research questions, the research objectives, the contribution of this study and organization of the chapters of this study are presented. Entrepreneurship has become an everyday buzzword. Policymakers, economists, academics and even university students are talking about it. Seminars, conferences 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). Today, entrepreneurship is regarded as one of the best economic development strategies to develop country's economic growth and sustain the country's competitiveness in facing the increasing trends of globalization (Schaper and Volery 2004; Venkatachalam and Waqif 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). More specifically, entrepreneurship is a major engine driving many nations' economic growth, innovation and competitiveness (Scarborough and Zimmerer 2003; Kuratko and Hodgetts 2004). At the same time, 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).

1.1 Research Background

Intention is higher-consciousness thought. In other words, it's using the mind for a higher purpose higher, meaning that you are not limiting yourself to certain outcomes or procedures. When you hold intent, you call forth the actual awareness of the universe and therefore have at your disposal all the intelligence contained within it. Here is the difference between thought and intention: Thought is like tying up a care package with string and sending it for delivery to a specified address. Intention is more like being on the other end of a delivery, with or without knowing its sender or contents. An intention-based life is approached, always, with optimism that gifts are arriving all the time. As the recipient, we are only responsible for signing for the package, unraveling the string and accepting the gift. This realm of universal consciousness, where everything is a potential arriving gift, is where infinite creativity lives.

Entrepreneurship is a worldwide phenomenon with economic growth across the globe positively impacted by the emergence of new and innovative business start-ups. These new small businesses play a significant role in job creation, influencing politicians to recognize and support entrepreneurial start-up activity due to its positive contribution to the economy. Historically, economists have supported the view that entrepreneurship is responsible for economic expansion (Cole, 1965; Weber, 1930) due to its association with profit orientation, capital investment and the creation of new markets (Cantillon, 1755; Schumpeter, 1934).

Business schools are supposed to provide people who are equipped with knowledge, skills and attitudes to manage business as a result of their management education. For personal use only institutions (Gelderen et al., 2006). Higher education courses can play a role in providing a useful insight to the challenges involved in being an entrepreneur (Henderson and Robertson, 2000). In particular, business management programs have an important role to play in generation of entrepreneurial human capital since the creation of an entrepreneurial culture in a society can be significantly influenced by entrepreneurship education. At present, most of the universities in Malaysia have started

getting entrepreneurship as a new course or program for their degree programs. This has been evidenced in business management degree programs in particular. Thus, entrepreneurial education is an emergent phenomenon in Malaysia business management studies and there is a need to better understand the context of entrepreneurial education in Malaysia since many believe that higher education in general and business management programs are at crossroads in Malaysia.

Thus, this study attempts to examine the Malaysia undergraduates' entrepreneurial intention. The undergraduates' entrepreneurial intention was examined with entrepreneurial personality and attitude towards self-employment as it is rationalized that entrepreneurial intention is influenced by entrepreneurial personality and attitude towards self-employment. Thus, how gender impacts on these three aspects are examined, since male and female entrepreneurial orientation in a country provides insights on managerial and policy decision making.

1.2 Problem Statement

In this study, we are interested in how people with undergraduate students perceive entrepreneurship as a personal career alternative. In line with the conceptualization of this research, it has problem to identify what are the factors are affecting entrepreneurial intention. From the study, there are three factors that mostly impact the entrepreneur intention which are entrepreneurship education, family background and attitude towards entrepreneurial intention. Attitude towards performing the behavior, entrepreneurship education and family background taps the perceptions of the personal desirability of performing the behavior it works or not. Thus, it is expected to find a positive relationship between undergraduate's attitude towards entrepreneurship factors and entrepreneurial intention.

The role of university undergraduates shall also be enhanced as founders of innovative business (Robinson and Sexton 1998). An entrepreneurial intention survey would be conducted to see the founding intentions among students and what make them intend to become self-employed. We must acknowledge the fact that the scope of study would be too wide if we want to cover all universities, and all groups of academic graduates besides the fact that among the university graduates are highly heterogeneous. Hence, we will select only the students of FPTT as our targeted respondents to examine how they perceive entrepreneurship.

1.3 Research Question

Many students do not consider entrepreneurship as a career and that very few will start a business immediately after graduation. Given the importance of new business start-ups to the economy and society this is a problem and is a research area requiring further attention. To understand more about this problem it is important to know more about university students' career intentions and the impact of their individual environments.

- i) What is the relationship of entrepreneurship factors that contribute to entrepreneurial intention?
- ii) Which factors those contribute in entrepreneurial intention?
- iii) What is the main factor of intention towards entrepreneurial intention?

1.4 Research Objective

Objectives of through this research were achieved. As it clearly stated in the problem statement, this research aim to:

- 1) To determine the relationship of entrepreneurship factors that contributes to entrepreneurial intention.
- 2) To identify factors that contributes in entrepreneurial intention.
- 3) To determine the main factors of intention towards entrepreneurship.

1.5 Scope of the Project

The scope of this research is to examine the factors of intention towards entrepreneurship at Faculty of Technology Management (FPTT). The scope of the study will concentrate on the entrepreneurial intention, family background, attitude or personality and entrepreneurship education among the undergraduate students of FPTT only. The main respondent in this research is all undergraduate students at UTeM which is students from three courses which are Bachelor of Technopreneurship (BTeC), Bachelor of Technology Management and Innovation (BTMI) and Bachelor of High Technology and Marketing (BTMM).

1.6 Limitation

The study has the following limitations:

The study will examine the students currently enroll in FPTT only. The limitation would be to get the feedback from those students who had undergone the entrepreneurial subject. We have not been able to find out how many have actually ventured into their own businesses in future. The role of university in developing entrepreneurial behavior has been evaluated in this research on the basis of students own opinions.

1.7 Importance of project

The finding of the study hopefully can give some indication on what are the examined with entrepreneurship education, family background and personality or attitude towards entrepreneurial intention. Accordingly, it was rationalized that entrepreneurial intention is influenced by entrepreneurship education, family background and personality or attitude. Gender impacts on these three aspects were also examined suitable entrepreneurial courses, programs and training that would promote the graduates interest to start up their own businesses. The proposals derived from the survey can also provide some initiatives in formation of educational curriculums for the creation of future entrepreneurs and success of their new ventures

1.8 Summary

The study begins with Chapter One which outlines the introduction of the research. It consists of research background, research problem, research questions and research objectives. Significance of the study and organization of the study are also addressed.

CHAPTER 2

LITERATURE REVIEW

A literature review is a critical and depth evaluation of previous research. It is a summary and synopsis of a particular area of research, allowing anybody reading the paper to establish why you are pursuing this particular research program. A good literature review expands upon the reasons behind selecting a particular research question. (Shuttleworth , 2009).

2.1 Theoretical Background

In this section, a review of theoretical background of entrepreneurship education, entrepreneurial intention, family background and personality and attitude .The history of entrepreneurship education could be dated back in 1938 when Shigeru Fiji, who was the teaching pioneer at Kobe University, Japan had initiated education in entrepreneurship (Alberti, Sciascia et al.2004). Despite that, most of the entrepreneurship courses and programmes were pioneered and introduced in American universities. Many American universities have comparatively long tradition as entrepreneurship education providers through its business schools and have well documented entrepreneurship courses, paving the way for entrepreneurship studies as a legitimate area of academic programmes (Franke and Luthje 2004; Raichaudhuri 2005).Entrepreneurship education, according to Binks (2005), refers „to the pedagogical process involved in the encouragement of

entrepreneurial activities behaviours and mindsets...” (p. 2). Functionally entrepreneurship education has been lauded as being able to create and increase awareness as well as promote self-employment as a career choice among young people (Clayton 1989; Fleming 1996). Therefore the role of entrepreneurship education is mainly to build an entrepreneurial culture among young people that, in turn, would improve their career choices towards entrepreneurship (Deakins, Glancey et al. 2005). In other words, the objectives of entrepreneurship education are aimed in changing students’ state of behaviours and even intention that makes them to understand entrepreneurship, to become entrepreneurial and to become an entrepreneur that finally resulted in the formation of new businesses as well as new job opportunities (Fayolle and Gailly 2005; Hannon 2005; Venkatachalam and Waqif 2005). In achieving this, the design of entrepreneurship education curriculum need to be creative, innovative and imaginative and most importantly is „tying academic learning to the real world“ (Robinson and Haynes 1991, p. 51). It worth noting that entrepreneurship education is the general term used in the North America while in the United Kingdom, Ireland and some European countries, the term enterprise education is widely used (Hagan 2004). For the purpose of this paper, entrepreneurship education is employed as it has been termed and broadly used and accepted by most Malaysian universities.

2.1.1 Entrepreneurship

Entrepreneurship is defined as having a passive and active component with propensity to induce changes oneself, but also the ability to welcome and support innovation brought by external factors by welcoming change, taking responsibility for one's actions, positive or negative, to finish what we start, to know where we are going to set objective and meet them, and have the motivation to succeed. (Shapero-Sokol, 1982). Entrepreneurship is not just the abilities and skills to run an enterprise but include a set of other key competencies and goes beyond a narrow perspective. It includes planning, organizing, analyzing, communicating, doing, and de-briefing, evaluating and recording progress in learning. Other important aspects of entrepreneurship include

identifying one's personal strengths and weaknesses, displaying proactive behavior, being curious and creative, understanding risk, responding positively to changes and the disposition to show initiative (Spaero-Sokol, 1982).

2.1.2 Entrepreneurial Intention

Entrepreneurship is about the exploitation of a business idea for self-employment. The students who are interested in self-employment may be due to independence (Martínez et al., 2007). The most common values amongst students facing the new labor market are linked to those of the self-employed: independence, challenge and self-realization (Lüthje and Franke, 2003). The intention to be an entrepreneur is stronger for those with more positive attitudes to risk and independence (Evan and Dean, 2002). From an organizational psychology perspective, theories of motivation have progressed from static, content-oriented theories to dynamic, process oriented theories (Segal et al., 2005) and both have been applied in Undergraduates' Intention Towards Entrepreneurship 107J. *Enterprising Culture* 2012.20:105-118. For personal use only entrepreneurial studies. With this phenomenon, entrepreneurial studies mainly can be categorized as content oriented and process oriented, based on the concerns about the entrepreneurial orientation. Content oriented entrepreneurial studies focus on the specific factors within individuals that initiate, direct, sustain and stop behavior related to entrepreneurship i.e. (Shinnar et al., 2009). Process oriented entrepreneurial studies focus on examining how behavior is initiated, directed, sustained, and stopped related to entrepreneurship i.e. (Krueger et al., 2000; Segal et al., 2005). As such, this study concerns about entrepreneurship intention as a process oriented entrepreneurship study and hence would be significant of understanding how entrepreneur behavior is initiated and directed.

Intentionality is a state of mind directing an individual's attention towards a specific goal (Bird, 1988) and thus, intentions predict behavior (Krueger et al., 2000). Entrepreneurial intention is therefore a state of mind directing a person's attention towards starting a business venture. According to Shane et al. (2003) the entrepreneurial process occurs because people act to pursue opportunities i.e. starting a new business.

The intention leads the act to pursue opportunities. The intentional process begins with person's personal needs, values, wants, habits and beliefs, which have their own precursors (Bird, 1988). Thus, a long tradition of research is devoted to the question of why some people choose to be self-employed and start their own businesses (Franke and Lüthje, 2004). Thus, the explanation of entrepreneurial intentions is an area of research where a sizeable body of comparable studies has emerged (Gelderen et al., 2006). Much of entrepreneurship is intentional (Krueger et al., 2000). „Intentions are assumed to capture the motivational factors that influence a behavior and to indicate how hard people are willing to try or how much effort they would exert to perform the behavior“ (Ajzen, 1991), p. 181. The conceptual model of the study is developed based on that entrepreneurial intention is influenced by entrepreneurial belief and attitude towards self-employment.

2.1.3 Internal Influences (Entrepreneurial Belief Attitude/ Personality)

Internal influences, though no doubt shaped in part by external forces, tend to reflect attitudes, beliefs, abilities, and personality. Internal influences include interest and aptitude in the field, one's personal image, and the influence of others. Interest in the field has long been recognized as an important factor in choosing a major and working in that field following graduation (Adams, Pryor, & Adams, 1994; Malgwi, Howe, & Burnaby, 2005; Mauldin et al., 2000; Strasser et al., 2002). Several studies have found that interest in the field is the most influential factor in the choice of a college major (Downey et al., 2009; Kim et al., 2002; Zhang, 2007). It makes intuitive sense, backed by empirical evidence, that students typically choose major fields that they find interesting