

A STUDY ON THE CONTRIBUTION OF ENTREPRENEURSHIP EDUCATION
TOWARD ENTREPRENEURIAL SKILLS DEVELOPMENT AMONG
GRADUATES: THE CASE ON HIGHER LEARNING INSTITUTION IN
MALACCA

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This Report Submitted in Partial Fulfillment of Requirement for the award of Bachelor
of Technopreneurship with Honours

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STUDENT'S DECLARATION

I hereby declare that the work in this thesis is my own except for quotations and summaries which have been duly acknowledged. This thesis has not been accepted for any degree and is not concurrently submitted for award of other degree.

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Date :

DEDICATION

This thesis is dedicated

To my beloved parents, Ismail Bin Zakaria and Faridah Binti Zakaria and also my
siblings who have been my constant source of inspiration.

Without their love and support, this thesis would not have been made possible.

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ABSTRACT

The Entrepreneurship Education seeks to provide students with the direction to stimulating them to self-employment in futures. Entrepreneurship education creates high job satisfaction and enhances entrepreneurial skills before graduated. Of late, many higher learning institutions around the world are in the process of strengthening their entrepreneurship education in order to create graduates with entrepreneurial skills and more entrepreneurs. The purpose of the study is to investigate the contribution of entrepreneurship education toward entrepreneurial skills development among graduates. This study will use survey technique to evaluate the factors that contribute the effectiveness of entrepreneurship education towards graduates' entrepreneurial skills. A total of 200 respondents from students and graduates in selected higher learning institution in Melaka were selected to participate in this study. Data onto this study was collected from structured quantitative questionnaires. The results shown entrepreneurship education have influenced the strength of a significant relationship between independent variables and dependent variable. The findings suggest a strong relationship between the roles of higher learning institution, development of entrepreneurship curricular and teaching methods. Thus, this study has suggested that entrepreneurial skills can be spurred through entrepreneurship education in higher learning institution. Besides, the researcher would like to recommend further research to study others contributions, criteria and factors that will impact on students and graduates' entrepreneurial skills and expand the research location.

ABSTRAK

Pendidikan Keusahawanan bertujuan untuk menyediakan pelajar dengan arah yang merangsang mereka untuk bekerja sendiri di dalam dunia perniagaan pada masa akan datang. Pendidikan keusahawanan mewujudkan kepuasan kerja yang tinggi dan meningkatkan kemahiran keusahawanan sebelum tamat pengajian. Akhir-akhir ini, banyak institusi pengajian tinggi di seluruh dunia dalam proses memantapkan pendidikan keusahawanan dalam usaha untuk mewujudkan graduan dengan kemahiran keusahawanan dan lebih ramai usahawan. Tujuan kajian ini adalah untuk menyiasat sumbangan pendidikan keusahawanan ke arah pembangunan kemahiran keusahawanan dalam kalangan graduan. Seramai 200 orang responden yang terdiri daripada pelajar dan juga graduasi dari institut pengajian tinggi yang terpilih di Melaka telah terpilih untuk menyertai kajian ini. Kajian ini akan menggunakan kaedah tinjauan untuk menilai faktor-faktor yang menyumbang keberkesanan pendidikan keusahawanan ke arah kemahiran keusahawanan graduan. Data kajian ini telah dikumpulkan daripada soal selidik kuantitatif berstruktur. Keputusan yang ditunjukkan pendidikan keusahawanan telah mempengaruhi kekuatan hubungan yang signifikan di antara pembolehubah bebas dan pembolehubah bersandar. Hasil kajian menunjukkan hubungan yang kuat antara peranan institusi pengajian tinggi, pembangunan kaedah keusahawanan kurikulum dan kaedah pengajaran. Oleh itu, kajian ini telah mencadangkan bahawa kemahiran keusahawanan boleh dirangsang melalui pendidikan keusahawanan di institusi pengajian tinggi. Selain itu, penyelidik ingin mengesyorkan kajian lanjut untuk mengkaji sumbangan, kriteria dan faktor lain yang akan memberi kesan kepada pelajar dan kemahiran keusahawanan siswazah malah mengembangkan lokasi kajian.

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CHAPTER 1

INTRODUCTION

1.1 Research Background

The study of entrepreneurship has advanced and significantly, showing a greater research, more breadth and depth. In today's rapidly changing world of innovation and technology, entrepreneurship is considered as the main driver of business growth. This growth started from the grassroots with the contribution of entrepreneurship education itself toward the development of entrepreneurial skills among graduates. Up to now, several recent studies show that entrepreneurship education play a significant role in cultivating the entrepreneurship spirit among young people (Katz, 2003).

Considering the importance of entrepreneurship education which provides students with the opportunity and potential for a career in entrepreneurship field, The Ministry of Education of Malaysia have demonstrated their commitment in implementation of entrepreneurship culture which introduced living skills subject on 1991. The effort continued to cultivate entrepreneurship when student given the opportunity to choose an elective subject related to entrepreneurship in high school.

The purpose of entrepreneurship introduction towards student at the school level is to nurture students as the job creator not a job seeker (C.A., 1990).

Although entrepreneurship education introduced as early as 1980s, a wide opportunities for degree-level of entrepreneurship only took place around the year of 2000. Since the implementation of the third outline perspective plan in 2001, entrepreneurship education has been promoted as part of a strategy to increasing the quantity human capital, capable of developing and promoting technological innovation and business growth in order to realise a new commercial and industrial community by 2020 (Malaysia, 2010). As a result, entrepreneurship education has been more widely offered in Higher Learning Institutions, as a means of developing entrepreneurial skills and potential in university students. In this level of education, the awareness about the entrepreneurship, business skills such (start-up, accounts, business plan, marketing plan, etc), creativity, mind-set and interaction would be encouraged.

Entrepreneurship education provides the students an understanding of entrepreneurship area which covered its purpose, structure and interrelationship with other segment of economy and society. According to (Kolvereid Professor & Moen, 1997), entrepreneurship students show more interest toward becoming an entrepreneurs and act more entrepreneurially and the non-entrepreneurship are vice-versa. In addition of these, government also strengthened higher learning institutions with business training and programmes to support the development of entrepreneurship (skills) in Malaysia.

Despite emphasis and claims that the higher learning institution in Malaysia had fully integrated entrepreneurship education but, the students still doesn't have confidence and lack of entrepreneurship skills to engage in business world because of inadequate of entrepreneurship skills, creativity, innovation and ability (Harun & Karim, 2004). In this view, the researcher fills the gap between the contributions of entrepreneurship education in the development of entrepreneurial skills especially the case of higher learning institution. This paper intended to empirically identify the critical influencing factors of the problems.

1.2 Problem Statement

The lack of knowledge and awareness on entrepreneurship education among our youth is a huge challenge nowadays. With the unemployment rate in Malaysia had been a concern which report stated that 3.5 % as at December 2011 (Department of Statistic, 2016). In recent years, the graduates employment had been a vital issue in Malaysia with the increasing number of higher learning institution (public and private) each year had witnessed a significant increased the number of graduates. As an outcome, every year the huge of number of graduates will seek jobs and no doubt, not all will be successful.

A study conducted by some researchers, (Kroon & Meyer, 2001) had suggested the entrepreneurship education should take place effectively on in an individual's life as it essential to make sure that the knowledge and skills can be transferred directly and well-prepared in industry. Although it is impossible to develop entrepreneurship from education directly, to a certain degree entrepreneurship education have an effect in contributing to the development of entrepreneurship skills. According to (Webb et al., 1982), students who are get involved in entrepreneurship area more likely to start their own business than others.

Data from several sources by a group of researchers in USA believed that it is impossible to create entrepreneurs but entrepreneurial skills needed to be successful within an individual (Wu & Li, 2011). Entrepreneurial skills can be both learned and experientially acquired through entrepreneurship education. It is the process of providing individual with ability to identify knowledge especially entrepreneurship knowledge and skills and self-esteem.

Thus, this research try find out the role of entrepreneurship education and its contribution in the development of entrepreneurial skills among graduates in higher learning institution. Therefore, this research trying to figured out whether the entrepreneurship education is helpful in enhancing entrepreneurship skills of the students.

1.3 Research Objectives

This research is based on exploratory research conducted in higher learning institutions in Malacca. The following specific objectives are addressed:

1. To investigate the contributions of entrepreneurship education towards the development of entrepreneurial skills among graduates.
2. To identify the factors that contributes to the effectiveness of entrepreneurship education in developing entrepreneurial skills among graduates.
3. To identify the dominant factor that contributes to the effectiveness of entrepreneurship education towards the development of entrepreneurial skills among graduates.

1.4 Research Questions

This research focused on the following key questions:

1. What are the contributions of entrepreneurship education toward the development of entrepreneurship skills?
2. What are the factors that contribute to the effectiveness of entrepreneurship education in developing entrepreneurship skills among graduates?
3. What is the dominant factor that contribute to the effectiveness of entrepreneurship education towards the development of entrepreneurial skills among graduates?

1.5 Scope of the Research

The scope of the study is focused on young people either students or graduates as targeted respondents. This research covered in Higher Learning Institution in Malacca due to the accessibility of researcher to complete the research successfully in order to know the contribution of entrepreneurship education towards their entrepreneurial skills. Besides, this research will investigate the development of entrepreneurial skills among graduates. Thus, this research will recommend the factor that affect to the effectiveness of entrepreneurship education towards the development of entrepreneurial skills among graduates. The method used in this research is by distributed direct survey through questionnaires.

1.6 Limitation of the Research

There are several limitation occur in this research. First, this research is limit to investigate the development of entrepreneurial skills among graduates in Higher Learning Institution in Malacca only. The researcher also will focus on five higher learning institution especially around the city of Malacca. Thus, the students and graduates from another state are not included and will not discuss. Then, the researcher will assume that all respondents will answer honestly. The respondent may be less cooperation and unwillingness to answer honestly which are does not have sense of interest or under duress. The method used in this research is by distributed direct survey only which are through online and questionnaire. So, the researcher is limit to get more feedback and appropriate results.

1.7 Importance of the Research

The major importance of the research is will benefit to the higher learning institution which are conducting the entrepreneurship education. It will be a great importance to measure the effectiveness of this education towards graduates' skills. Besides, this research will provide a deeper study on the key factor that contributes towards the effectiveness of entrepreneurship education. The success of this research will help the higher learning institution to make an improvement of entrepreneurship education. Next, this research also will benefit to the future researchers who are interest to carry out the same study on the entrepreneurship education and it relationship towards graduates' entrepreneurial skills.

1.8 Summary

This chapter introduces the reader about the background, problem statement, objectives and research questions, scope, limitation and importance of the research. It also outline a little bit about the relationship between entrepreneurship education and entrepreneurial skills of graduates. Thus, further research of this topic will make the readers clearer about the effectiveness of entrepreneurship education towards entrepreneurial skills among graduates.

CHAPTER 2

LITERATURE REVIEW

2.1 Introduction

This chapter will review the empirical literature for the subject matter. This chapter will be reviewed on entrepreneur and entrepreneurship, applied theory, entrepreneurship education and entrepreneurial skills and higher learning institution. The relevant literature will be reviewed under the following outlines.

2.2 Overview of Entrepreneur and Entrepreneurship

To achieve the objectives of this study, the need to define entrepreneur is very crucial. The definition of entrepreneur is defined differently by sociologists, economists, psychologists, academicians and scholars (Evans, 1995). An entrepreneur is an individual who creates a new business for the purpose of achieving growth and profit by identifying and capitalizing opportunities and assembling the necessary resources to capitalize on the identified opportunities (Zimmerer et al, 2008).

An entrepreneur is a person who dares to take risk and opportunities of creating, operating and growing a new business. The term entrepreneur in 'French' word which is *entreprendre* means to undertake refers to a person who undertake and operates a new enterprise or venture and assumes accountability for the inherent risk. According The Encyclopedia Americana, entrepreneur defines as a businessman who take risks to combine the factors of production such raw materials, capital, labour and accept the rewards through the profit made by the market value of his products.

Based on (Hisrich et al, 2005) the concept of entrepreneur is further defined when principles and terms from a business, managerial and personal perspective are considered. (Harper, 1996) defines entrepreneur as a person who take the initiative to combine the factors of production to produce a good or service in what is hoped will be profitable venture and making basic business policy decisions that set the course of the business enterprise.

According to (Gartner, 1990), entrepreneurship has had many different meanings and foci at various time and context. For example, (Schaper & Casimir, 2007) defined entrepreneurship as a process by individuals to identify new opportunities and converting them into marketable products and services.

A more concrete view of entrepreneurship is as a process of change, emergence and the creation of new value and new entrepreneur (Bruyat & Julien, 2000). Entrepreneurship can be summarised as any attempt at new venture creation or new business such as self-employment, new business organisation or the expansion of an existing business by a person, a group of individuals or an established organisation (Reynolds & White, 1997). Thus, entrepreneurship defines as a wide range of activities that innovate and create enterprise by the combination of all resources by considering the probability of success and failure.

(Sorenson & Singh, 2007) look at a more innovative perspective and suggested that entrepreneurship associated with innovation and management dynamics. Basically, entrepreneurship is a dynamics process of vision change and creation. It required an application of energy and passion toward implementation of new ideas and

creative solutions. It includes the willingness to take risk, creative skill to marshal needed resources, fundamental skill to create a solid business plan, create an effective venture team and finally recognise and take opportunities while others see confusion and chaos (Kuratko & Hodgetts, 2004).

2.3 Review on Entrepreneurship Education

2.3.1 Entrepreneurship Education

Entrepreneurship education was started in business school in early 1970s with the launched of MBA programs by University of California. By 1980s, over 300 higher learning institution around the world reported implement entrepreneurship course (Solomon et al, 1994). The continued of increasing the entrepreneurship or business education as a field of study take a broad integration for those who interested and aspire to be an entrepreneur. Recent studies by researchers stated that entrepreneurship education field is still very young although it has come a long way. The lack of theories and accepted paradigm of entrepreneurship education had been stressed by many researchers (Katz, 2003).

Entrepreneurship education is a growth industry which can produce successful business and industry leaders. There is no clear definition of entrepreneurship education itself (Kailer, 2007). According to (Young, 1997) stated that entrepreneurship education as the formal, structured conveyance of entrepreneurial knowledge. Based on Centre of Entrepreneurial Leadership Clearinghouse, entrepreneurship education defined as the process of providing individuals with the skills and concepts to recognize opportunities, to have insight, self-esteem and knowledge to act where others have hesitated (Jones and English, 2004). (Bechard and Toulouse, 1998) defines entrepreneurship education as collection of formalized teaching that educated, trains and informs anyone interested in business creation. It is one of platform to inculcate new entrepreneurs.

According to (Flemming, 1996) entrepreneurship education can promote an awareness to motivate and equip young people with skills, knowledge and experience required for business ownership. Thus, entrepreneurship education is a platform for a young people for self-employment as a career option. Furthermore, (Matlay, 2008) argued that the young people who take part in entrepreneurship programs were more likely to participate in business than others.

Entrepreneurship education is more than business management or starting a new business. Entrepreneurship education is all about learning which is learning to integrate experience, skills and knowledge to be prepared to the entrepreneurial future and new venture. Thus, entrepreneurship education play an important role to recognise business opportunities, search customer's insights, network and understand the need in market, create ideas, implement a business plan, start a new business and evaluate environmental, institutional and political issues.

2.3.2 The Need and Importance of Entrepreneurship Education

Entrepreneurship education considered as a key driver to the economic survival of the country. Wealth and a high majority of jobs are created by business started by entrepreneurially minded. Many researchers such (Stevenson & Lundstrom, 2002) argued that the entrepreneurship education should take place early on individual's life because it is a vital ingredient to ensure the knowledge and skills is transferred directly to the industry. This shows that the teaching of entrepreneurship education needs careful planning and hence to expose its impact to the individual's knowledge and skill on entrepreneurship.

(Katz, 2003); (Solomon et al, 2002) demonstrated that entrepreneurship education does play a significant role in creating the entrepreneurial spirit among graduates. This shows that the students who are major in entrepreneurship have a greater interest in becoming entrepreneurs compared to others. These students act more

entrepreneurially in taking up interest, challenge and risk to start a new business (Kolvereid Professor & Moen, 1997).

Entrepreneurship education is essential in today's society. It can provide students with an understanding of business which is its purpose, structure and interrelationship with other segment of the economy and society. (Gibb, 2005) reviewed the three main objectives for beginning of entrepreneurship education which are develop a wide understanding of entrepreneurship (Chen et al, 1998), acquire and entrepreneurial mindset (Hytti & O'Gorman, 2004) and how to start and operate enterprise effectively (Solomon et al, 2002). Thus, one of the ways to acculturate entrepreneurial thinking is by integrating entrepreneurship to educational system.

Entrepreneurship education is an ongoing process that requires talents, skills and knowledge. Policy makers and educational planners should seriously look into this aspect and considered revisiting the existing education process and system. Entrepreneurship education can be viewed broadly in terms of skills and characteristics that can be taught in individuals that enable them to develop new and innovative plans (Lundstrom & Stevenson, 2001). Lastly, the aim is to produce graduates who are capable to be innovative person and recognise and create opportunities will others vice versa. The need an important of entrepreneurship education is essential to produce a highly-minded individual who dare to take risks, make decision, analyse and solve problem, good communication and think beyond the horizon and enterprising way.

2.3.3 The Case on Higher Learning Institution in Malaysia

Many nations begin to introduce entrepreneurship education in school, colleges and universities (Fayolle & Klandt, 2006). In 1980s, most of the European Community supported entrepreneurship education for young people with the support of both private and public organisations (Erkkila, 1996).