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I / ~~We~~* hereby declare that have read this work and in My / ~~our~~* view this work is sufficient in terms of scope and quality for the award of Bachelor of Technopreneurship with honors

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THE RELATIONSHIP BETWEEN ENTREPRENEURIAL CHARACTERISTIC
AND ENTREPRENEURIAL INCLINATION AMONG UNDERGRADUATES
UNIVERSITI TEKNIKAL MALAYSIA MELAKA

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DECLARATION

I declare that this project entitled “The Relationship between Entrepreneurial Characteristic and Entrepreneurial Inclination among Undergraduates 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.

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DEDICATION

I would like to dedicate this research to my beloved parents and my siblings and to my lecturer. Their unconditioned love and encouragement have allowed me to strive and push myself beyond limits that I never thought would be possible. With their support, I was able to complete this research paper smoothly. I will give this thesis as a special gift for my parents especially to my father and mother for their support, this also as feedback for what they have done for me during my whole life.

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ABSTRACT

The purpose of this study is to explore the entrepreneurship profile of students of University Teknikal Malaysia Melaka and to investigate the relationship between entrepreneurial inclination and entrepreneurial traits. There are six traits were indentified in this study according to the past literature: [1] Need of achievement, [2] locus of control, [3] risk taking propensity, [4] tolerance for ambiguity, [5] self-confidence and [6] innovativeness.. 369 undergraduates from 7 faculties were surveyed to examine their entrepreneurial inclination. The result shows that, the innovativeness is a higher effected inclination of entrepreneur among undergraduates. Meanwhile, locus of control is a less effected through inclination of entrepreneur rather than others traits in this study. Besides that, this study shows that the relations between need of achievement, locus of control, self-confidence, risk taking propensity, tolerance for ambiguity, and innovativeness with the entrepreneurial inclination. Based on the result, there are only 5 traits have significant relations with entrepreneurial inclination among undergraduates UTeM. Lastly, students should emphasis on important of all the traits in this study because there will influence the inclination towards entrepreneur to became a successful entrepreneur.

Keywords: Entrepreneurial Characteristic, Entrepreneurial Inclination, Need of Achievement, Locus of Control, Self-confidence, Risk Taking Propensity, Tolerance for Ambiguity, Innovativeness

ABSTRAK

Tujuan kajian ini adalah untuk meneroka profil keusahawanan pelajar Universiti Teknikal Malaysia Melaka dan untuk mengkaji hubungan antara kecenderungan keusahawanan dan ciri-ciri keusahawanan. Terdapat enam sifat yang dikenalpasti dalam kajian ini menurut kesusasteraan yang lalu: [1] Keperluan pencapaian, [2] lokus kawalan, [3] Kecenderungan pengambilan risiko, [4] toleransi terhadap kekaburan, [5] keyakinan diri dan [6] inovasi. 369 mahasiswa dari tujuh fakulti ditinjau untuk menilai kecenderungan keusahawanan mereka. Hasilnya menunjukkan bahawa, inovasi adalah mempunyai tahap kecenderungan yang lebih tinggi usahawan di kalangan mahasiswa. Sementara itu, lokus kawalan yang kurang kecenderungan kearah usahawan berbanding dengan ciri-ciri lain dalam kajian ini. Selain itu, kajian ini menunjukkan bahawa hubungan antara keperluan pencapaian, lokus kawalan, keyakinan diri, kecenderungan mengambil risiko, toleransi terhadap kekaburan, dan inovasi dengan kecenderungan keusahawanan. Berdasarkan keputusan itu, terdapat hanya 5 ciri-ciri mempunyai hubungan yang signifikan dengan kecenderungan keusahawanan di kalangan mahasiswa UTeM. Akhir sekali, pelajar perlu menekankan pentingnya dalam semua sifat-sifat dalam kajian ini kerana akan mempengaruhi kecenderungan ke arah usahawan untuk menjadi usahawan yang berjaya.

Katakunci: Ciri-ciri Keusahawanan, Kecenderungan Keusahawanan, Keperluan pencapaian, lokus kawalan, Kecenderungan pengambilan risiko, Toleransi terhadap kekaburan, Keyakinan diri, Inovasi

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LIST OF ABBREVIATION

| Abbreviation | Stands For |
|---------------------|--|
| UTeM | University Teknikal Malaysia Melaka |
| SPSS | Statistical Package for Social Science |
| IV | Independent Variable |
| DV | Dependent Variable |
| NOA | Need of Achievement |
| LOC | Locus of Control |
| SC | Self-confidence |
| RTP | Risk Taking Propensity |
| TFA | Tolerance For Ambiguity |
| INN | Innovativeness |
| EI | Entrepreneurial Inclination |

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CHAPTER 1

INTRODUCTION

1.1 Background of Study

Today, entrepreneurship has become an important activity for development of any economy. Based on (Autio, Keeley, Klofsten, Parker, & Hay, 2001) the growth of entrepreneurial activities lead to creation of opportunities for various sectors in the society. From the entrepreneurial activities can generate job opportunities and multiple other economy benefits. This is because in the entrepreneurial activity is combination of risk taking and innovation. Entrepreneurial activities, could lead to new business that offer a new innovative products and services, which ultimately led to a significant contribution to economic development.

Interest and research on entrepreneurship and entrepreneurship education has increased over recent years. This is because it promotes the economic growth and development of the countries. Based on empirical studies, entrepreneurship is focused by several factors. Firstly, the advanced economies, entrepreneurial activity or new venture formation is a ways to stimulate the economy stagnated and tackle unemployment by providing new employment opportunities.

The role of entrepreneurship development is more important in developing countries such as Malaysia as the creation of opportunities for self-employment and the reduction of unemployment situations are concerned. Besides the rapid growth rate on both professional and academic entrepreneurship literature and entrepreneurial ventures around the world, maybe the most obvious reason of this growing interest is the emergence of university courses on entrepreneurship. There are various measurements between public organization, private sector and non-governmental organization to promote entrepreneurship in different countries.

University and colleagues all through the world have implemented various Postgraduate, Undergraduate and Diploma course on entrepreneurship. In Malaysia, there are 47 courses of entrepreneurship that have been offer in public or private university and colleagues. To start a business or became entrepreneur, someone must have the idea about entrepreneurship. Education of entrepreneurship was initiated by Shigeru Fijii in 1938 at Kobe University, Japan.

Education of entrepreneurship was aimed in changing the state of student behaviors and intent to make them understand entrepreneurship and become entrepreneurs who establish a new business as well as new job opportunities. However, it is still few students have an intention. There is a gap between university education system and intention of student to start business.

Therefore, in this study it is expected that to solve existing problems of unemployment and lack of graduate entrepreneur by identification of student's entrepreneurial characteristic and the relationship between those characteristics and entrepreneurial inclination.

1.2 Problem Statement

According to statistic of Ministry of Higher Education (2015) there are 85,703 undergraduates are studying at public universities in Malaysia as off 2015. Out of these more than 60,000 are pass out in each year as graduates. So it is difficult

to provide jobs the enormous amount of graduates passing out from the universities in each year. Besides, the private sector and government sector cannot meet that huge job requirement. Hence, there is a high level of employment rate among these graduates, and Malaysia is still face difficulties in employment among the university students. This is because current seen to be too pampered and dependent on the government and private sector.

Entrepreneurship is one of solution to the problem of employment of university graduates by guiding them to organize a new business venture. Hence, there is possibility of reducing the number of employment by engaging in self-employment or establish their own businesses. In Malaysia, the government has produced a huge amount of funding towards promoting entrepreneurship especially in small and medium sized enterprise. In spite of this, the uptake is still slow.

The universities in Malaysia put the high-priority status on developing an entrepreneurial culture among students; there is increased concern that graduates do not have an idea to becoming an entrepreneur. Even though, the system of university education and facilities are very encouraging entrepreneurship and entrepreneurial education, student still do not have an idea to becoming an entrepreneur.

To resolve these issues, a reconsider of our higher education system is needed to find out the barriers that prevent the growth of entrepreneurship. Furthermore, to get a better understanding of the attitudes of university students towards entrepreneurship, the studies should be more focusing on student's entrepreneurial inclination and would be supporting the government's effort to produce more young entrepreneurs in Malaysia. Thus, is the right time for us to further examine whether our existing university students are inclined towards entrepreneurship.

1.3 Research Questions

The research questions will be asked in this study as follow:

- i. What is the relationship between entrepreneurial characteristics and entrepreneurial inclination?
- ii. What is the effect of entrepreneurial characteristic on entrepreneurial inclination among undergraduate?
- iii. What are the entrepreneurial characteristics that undergraduate possess?

1.4 Research Objectives

The research attempt to accomplish three main objectives as follow:

- i. To analyze the relationship between the entrepreneurial characteristic and entrepreneurial inclination among undergraduate UTeM.
- ii. To identify effect of entrepreneurial characteristic on entrepreneurial inclination among undergraduate.
- iii. To identify the entrepreneurial characteristic that undergraduate possess.

1.5 Scope of Study

This study, try to investigate the relationship entrepreneurial characteristic and entrepreneurial inclination among undergraduate in Melaka. Moreover, this study also focused on how the entrepreneurial characteristic effect of entrepreneurial inclination.

This study will be conducted at Universiti Teknikal Malaysia Melaka (UTeM) which is located in Durian Tunggal, Melaka. The target respondent will be the undergraduate student at the Universiti Teknikal Malaysia Melaka.

1.6 Limitation of Study

This research study has been focused only among undergraduates student at University Teknikal Malaysia Melaka (UTeM). This research also did not conducted outside UTeM in order to avoid time contrains for conducting the survey. Besides, there are 7 faculties in UTeM, so that it is difficult to distribute the questionnaires to student due to different class scheduled and faculty.

1.7 Significance of Study

This significance of this study is to identify determinant of entrepreneurial characteristic that effecting to entrepreneurial inclination among undergraduate in Melaka. This analysis will show the effect or impact the characteristic on inclination of student towards entrepreneurship.

This study provides to clear out policy to promote entrepreneurship at the national level. So, our future generations are able to make a move to new level by becoming entrepreneurs. Besides, knowing the relationship between entrepreneurial characteristic and entrepreneurial inclination will help undergraduate to improve their level of confidence and become more successful entrepreneur.

1.8 Summary

This chapter is structures as the introduction of whole research. It introduces the topic of the study including the background, the problem statement, the research objective and research question, scope and significance of study.