

THE IMPACT OF ENTREPRENEURIAL EDUCATION TOWARDS
ENTREPRENEURIAL INTENTIONS

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SUPERVISOR'S APPROVAL

I hereby declared that I have read this thesis and this research is sufficient in terms of scope and quality. This project is submitted to Universiti Teknikal Malaysia Melaka (UTeM) as a requirement for completion and fulfilment of Bachelor of Degree of Technopreneurship with Honours (BTEC).

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DECLARATION

I hereby declare that this project paper has been prepared by my own self except the summaries and citation that I have been clarify the resources.

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ABSTRACT

Entrepreneurship is quite important nowadays to develop many job creators and produce young entrepreneur that have capabilities in sustaining in the challenges industry. Thus, government have take alternatives through it by nurture the desire to be an entrepreneur and preparing themselves with enough knowledge, skills, and experience by introducing the entrepreneurial courses in most universities in Malaysia. Because of nowadays Malaysia are facing the increase rate of youth unemployment that cause by one of the factors which is the mismatching skills of the graduates with the industry, thus, this alternative was taken by the government to help the students able to applied the knowledge and skills gained when they facing in such situation by creating their own business. The main purpose of this study is to determine whether the entrepreneurial education in university able to lead students with the entrepreneurial intention to become an entrepreneur in future. This research focuses on students who take entrepreneurship courses (BTEC) in Faculty of Management Technology and Technopreneurship (FPTT) because they most exposed with entrepreneurial education and the entrepreneurial environment. Three methods used to analyze the data collected by using SPSS, which are by using descriptive analysis, Pearson Correlation Coefficient and Multiple Regression analysis in obtaining the end result. The result shows that knowledge and skill less influence the students' entrepreneurial intention. Thus, this research can help government to nurture and encourage the entrepreneurial intention among university's students.

Keywords: Entrepreneurial Intention, Entrepreneurial Education, Knowledge and skill, Attitude, Environment

ABSTRAK

Pada masa kini, keusahawanan sangat penting untuk membangunkan ramai pencipta kerja dan menghasilkan usahawan muda yang mempunyai kemampuan dalam bertahan menghadapi industri yang mencabar. Oleh itu, kerajaan telah mengambil alternative bagi memupuk minat untuk menjadi usahawan dan mempersiapkan diri mereka dengan pengetahuan dan kemahiran yang cukup dan juga pengalaman dengan memperkenalkan kursus keusahawanan di banyak university di Malaysia. Hal ini adalah kerana, pada masa kini, Malaysia sedang menghadapi peningkatan kadar pengangguran belia yang disebabkan oleh satu daripada factor iaitu ketidakpadanan kemahiran graduan dengan industri. Oleh itu, alternative ini telah diambil oleh kerajaan untuk membantu pelajar supaya mampu untuk mengaplikasikan pengetahuan dan kemahiran yang diterima apabila mereka berdepan dengan situasi yang memerlukan mereka membina perniagaan mereka sendiri. Tujuan utama kajian ini adalah untuk menentukan sama ada pendidikan keusahawanan mampu memimpin pelajar kepada keinginan keusahawanan untuk menjadi seorang usahawan pada masa depan. Kajian ini memfokuskan kepada pelajar yang mengambil kursus keusahawanan (BTEC) di Fakulti Pengurusan Teknologi dan Teknousahawanan (FPTT) kerana mereka lebih terdedah kepada pendidikan keusahawanan dan juga persekitaran keusahawanan. Tiga kaedah digunakan untuk menganalisis data dengan menggunakan SPSS, iaitu analisis deskriptif, pekali korelasi Pearson dan analisis regresi berganda dalam memperoleh keputusan akhir. Keputusan menunjukkan pengetahuan dan kemahiran kurang mempengaruhi keinginan keusahawanan pelajar. Oleh itu, kajian ini dapat membantu kerajaan untuk memupuk dan menggalakkan keinginan keusahawanan dalam kalangan pelajar universiti.

Kata Kunci: *Keinginan keusahawanan, Pendidikan Keusahawanan, Pengetahuan dan kemahiran, Sikap, Persekitaran*

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LIST OF ABBREVIATION

SSM	-	Companies Commission of Malaysia
PPPM	-	Malaysia Education Development Plan
BNM	-	Bank Negara Malaysia
DOSM	-	Department of Statistics Malaysia
GEM	-	Global Entrepreneurship Monitor
TPB	-	Theory of Planned Behaviour
SEE	-	Shapero's Entrpreneurial Event
KS	-	Knowledge and Skill
AT	-	Attitude
PBC	-	Perceived Behavioural Control
SN	-	Subjective Norms
ENTRE. ENV	-	Entrepreneurial Environment
ENTRE. INT	-	Entrepreneurial Intention
<i>Df</i>	-	Degree of freedom
<i>Sig</i>	-	Significant
<i>P</i>	-	Significant value
<i>B</i>	-	Beta value

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CHAPTER 1

INTRODUCTION

This chapter will give explanation about the overview of the study conducted in this research. The aim of this chapter is to explain in detail the background, problem statement, research objectives and questions, significant study, and scope and limitations.

1.1 BACKGROUND OF STUDY

Currently, entrepreneurship field is necessary to many develop country include Malaysia. Entrepreneurship able to make development to the industry in creating job opportunity, increasing competitiveness in the industry and also preparing the students in dealing with contemporary work and living environment. The rapidly growing of many companies in Malaysia has captured the attention of international investors to choose Malaysia as the place to invest their money and set up their businesses. According to the Companies Commission of Malaysia (SSM), the numbers of registered companies in Malaysia always increasing include local and

foreign companies, which are 1,203,319 companies registered in 2016, 1,251,190 companies registered in 2017, and 1,298,518 companies registered in 2018.

In view of Malaysia government's vision to remodel its economy from knowledge-based to innovation in its objective to be the high financial gain country by 2020, the scholars of upper education institutions need to be exposed and applied the values and entrepreneurial skills. According to the National Higher Education Action Plan Phase Two (2011-2015) has placed the entrepreneurial activity as a catalyst for the growth of economic through improving innovation, creativity and competitiveness. In other policy, according to Malaysia Education Development Plan (PPPM), 2015-2025, the government intends to nurture the entrepreneurial mindset in the entire higher education system, and creating an educational system that create graduates that have entrepreneurial characters. As a result, Malaysia government emphasize the entrepreneurial education in private and public universities in Malaysia by offering entrepreneurship courses in the universities education system.

The definition of entrepreneurship education is the recognition of an opportunity, the organization of resources within the presence of risk, and creating a business venture with the people themselves will be informed, trained and educated in business creation or small business development. The aim of entrepreneurship education is to produce graduate entrepreneurship which can define them as the interaction between the graduate as a product of a higher education institution and their willingness to pursue the career as an entrepreneur (Nabi and Holden, 2008). Through university education, the entrepreneurship courses will educate students not only in academic-base, but also in practical-base to make sure the students able to apply back the knowledge and entrepreneurial skills that have learned in class. The graduate students are expected to have more capabilities in creating productive and creative in entrepreneurial activities that empowered with a combination of skills, ideas, motivation, and opportunities.

Entrepreneurship courses that were introduced in universities are able to contribute to the development of entrepreneurial intentions. A combination of action-oriented teaching that mix the academic base and the practical base of the entrepreneurial education in the courses can encourage students in practical learning, analytical, project-based learning, creativeness, and many more which provide enterprising skills and behaviours. Entrepreneurial intention can be defined as a plan to own a business or become freelance either by having an own firm or taking over an existing one, as a set of broader personal orientations, desires or interests that may result in venture creation.

There are varieties of factors that can influence the entrepreneurial intention besides of education such as personality traits, social, economical, cultural, technological, demographical, and political factors. It was argued in past that entrepreneurship education in general and university education system in particular has a vital role in shaping entrepreneurial intention among students. As students are supported by universities in multiple ways, it is essential to know the result of such measures and the extent to which they could influence students in adopting entrepreneurship as a career option.

In the effort to nurture entrepreneurial intention, besides educate the entrepreneurial skills among universities students, the education that most of the universities offered able to influence the selection of career among students. Thus, universities can be seen as potential sources of future entrepreneurs.

1.2 PROBLEM STATEMENT

According to Department of Statistics Malaysia (DOSM), the joblessness rate in Malaysia is slightly dropped 0.1%, which is 3.4% in 2018 to 3.3% in 2019. Although this statistics show the positive results to Malaysia itself, the youth unemployment in Malaysia is still high. It is prove with Bank Negara Malaysia (BNM) in its Annual Report 2016 that show that the unemployment rate in Malaysia reached 10.7% in 2015, which is more than three times higher than the country's unemployment rate of 3.1%. Based on the Labour Survey 2017, it is show that youth unemployment rate increase in 2017 which is 10.8% compared with the previous year.

Actually, there are many factors that cause the increase of unemployment rate among youth. Nowadays, most of the graduates in this country having mismatch of their skill set with the employers of the companies, lack of real-life practical and skills, competitiveness in job market and also need to compete with foreign workers. Hanapi and Nordin (2013) states that there is a factor that lead the youth joblessness among the Malaysian graduates which is lack of excellence in terms of skill and abilities. Most of the employers have negative perceptions towards the graduates because they think the graduates lack of suitable skills that needed in the industries. This study also stated that, according to the study from the Central Bank of Malaysia, they have conclude that the international graduates have higher potential to be hired compared to the local graduates because they have more skills in term of technical and also interpersonal skills such as problem solving and communication skills especially in English language.

The previous study from Zahiid (2015) states that most fresh graduates are lack of employability skills, communication skills especially in understanding the English language, and also too choosy about the job and at the same time demand for a higher salary. This is the main reason nowadays that causes the youth unemployment rate increase among the graduates in Malaysia. According to the

DOSM, it is revealed that 64.4% of foreign workers in 2015 share the job and that value increases in 2016 to 81.5% foreign workers share the job with local workers. This is proving that there is a huge competition to get a job in the industry between the foreign and local workers.

Besides, most of graduates nowadays are more desire to become paid-worker rather than to be a self-worker. This is because, to have and manage their own company need themselves to always prepare with many skills, willing to face any risks and wise in tracking opportunity in the industry. According to the Global Entrepreneurship Monitor (GEM), it is show that the increases of Malaysia Fear of Failure rate start in 2015 to 2017, which is 27.13% in 2015, 36.68% in 2016, and 44.95% in 2017. Although the fear of failure rate always increasing, the rate of Malaysian who have intent to become an entrepreneur and make entrepreneurship as good profession is also increase in 2016 to 2017 according to the GEM. This is show that even though most of people still have lack of self-confident in involving themselves in entrepreneurship, but actually they have potential to become an entrepreneur in future.

1.3 RESEARCH OBJECTIVES

1. To examine the level of entrepreneurial intention among undergraduate students.
2. To analyze the relationship between the impact of entrepreneurial education with entrepreneurial intention among students.
3. To determine whether there is main factor in entrepreneurial education that influences students' entrepreneurial intention.

1.4 RESEARCH QUESTIONS

2. How is the level of entrepreneurial intention among students?
3. What is the relationship between the impacts of entrepreneurial education on entrepreneurial intention among students?
4. What is the main factor in entrepreneurial education that influences students' entrepreneurial intention?

1.4 SIGNIFICANT OF STUDY

The main purpose of this study is to see whether the impact of entrepreneurial education more affected the intention of the universities students to be an entrepreneur. Most universities in Malaysia have offer the entrepreneurship courses and this can be prove that universities can be one of the best platforms for the youths nowadays to be educate with the entrepreneurial knowledge and skill and at the same time nurturing themselves to create their own business in future.

Basically, entrepreneurial education may give impact to the students themselves. From this education, they may receive knowledge and skills, may affect their attributes, behaviour and motivation in entrepreneurship. Thus, this study wants to see whether these impacts able to relate with the entrepreneurial intention of the students. The students also will know their future career path by recognising their strength, weaknesses and capabilities internally in realizing their intentions towards self-employed. This may create the awareness about their plan of future career path and also at the same time help the government to produce more young entrepreneurs from the universities students.

Besides, the intention through the entrepreneurship may be different from first year students to fourth year students because they seem like in adapting phase with the entrepreneurial environment in universities. This study will measure the level of entrepreneurial intention among the undergraduate students to see how far the entrepreneurial education influences their intention towards the entrepreneur. Thus, the students may know that they actually have the potential to act towards become an entrepreneur and able to build and manage their own business in future with enough experience, knowledge and skills gained from the education.

Lastly, the universities themselves will know their main role in producing the young entrepreneur in future. From the entrepreneurial education, university can prepare their students with enough knowledge, skills and capabilities and also strong physical and mental in becoming a successful entrepreneurs. Through this research, universities will know what factor that able to influence their students' intentions to be an entrepreneur and provide the suitable approaches to the students through entrepreneurial education.

Therefore, if the entrepreneurial education can lead to the entrepreneurial intention of students, this means that through education, it can be one of the factors to nurture those intentions among the students. This can benefit to the individuals by preparing themselves with enough knowledge and skills, able to generate their own income and also give benefit to others by creating job that can reduce the unemployment rate among youths. Besides, the researcher can more discover, and understand deeply the scope and limitation that will be conducted in order to ensure this research is on the right track.

1.5 SCOPE AND LIMITATION

The scope for this research is to determine whether there are factors in entrepreneurial education that can influence students' entrepreneurial intentions. The students who more exposed in the entrepreneurial environment in universities such as the entrepreneurship courses that have been taken, supported by the lectures and friends and so on able to nurture their desire and favourable to be an entrepreneur. This study more focusing on the entrepreneurial course that has offered by the university, which is entrepreneurship course and the impact of the theoretical and practical learning in that course to the entrepreneurial intentions among students.

This study will conduct to the students from Universiti Teknikal Malaysia Melaka (UTeM) but will focusing on students from Bachelor of Technopreneurship (BTEC) in Faculty of Technology Management and Technopreneurship (FPTT) because they have taking full of entrepreneurship syllabus and more exposed to the entrepreneurial culture. This research will measure among the undergraduate students to see the level of entrepreneurial intention that will occur among them.

The limitation of this research is the time consumption to collect the data needed which is in certain period and need to be analyzed thoroughly with the aim of obtain a good result and conclusion. Besides, this research need to minimize the cost needed when conducting this study.