

FACTORS AFFECTING THE INTENTION UTEM STUDENT TO RUN ONLINE
BUSINESS DURING STUDIES

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This report is submitted in partial fulfilment of the requirements for the award of Bachelor of
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SUPERVISOR'S APPROVAL

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

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DECLARATION

‘I admit this report is actually result of my own, except certain of explanations and passages where every of it is cited with sources clearly.’

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DATE: : JANUARY 2020

DEDICATION

First and foremost, Alhamdulillah I dedicate this research to Allah S.W.T that has been my strength and wings throughout this research. I am also dedicating this research especially to my beloved husband Wan Ahmad 'Afif, my beloved parents Adnan Bin Ibrahim and Adibah Binti Ali and my beloved parents in law Wan Mohd Shukri bin Wan Ahmad and Robiah binti Ismail that always encourage me to finish what I have started. Also not to forget to my family and family in laws, lecturers and my friends that have supported me throughout the research process until the end.

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I love all of them with my heart and May Allah blessed all of them always.

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ABSTRACT

The purpose of this research is to study the Factors Affecting the Intention of UTeM Student to Run Online Business During Studies. There are many factors that affecting them to do online business while studying. Based on the Theory Planned Behavior that include the factors of attitude, subjective norms and perceived behavioural control that will affect someone behaviour. The researcher narrows the factors to be more detail and comes out with the proposed theoretical framework where the independent variables is Entrepreneurship course, Desire to be Independent, Family Support and Availability of online platforms that will gives the intention to student run online business. The problems that faced by the youth generation in our country is they are facing a competitive and challenging global world especially for the unemployment graduates. Based on the Department of Statistic Malaysia, in 2017 found that the high-educated bumiputera youth recorded the highest unemployment rate which covering 4.6 percent. It will give the negative influence on the progress and growth of the country. Other than that, students usually will face the financially problem. It is because due to the economic downturn and the scholarship or loans are not enough for them to survive especially to those students are living outside campus. They need to pay many things such as rental home, transportation, daily necessities, electric bill and water. They also need to buy expensive reference book that usually cost hundred and above ringgit Malaysia. The researcher is using questionnaire survey to collect the data. Therefore, this research is to discover which is the most significance factors that affecting the Intention UTeM student to run online business with SSM registered.

ABSTRAK

Tujuan kajian ini adalah untuk mengkaji faktor yang mempengaruhi dan niat pelajar UTeM untuk menjalankan perniagaan semasa belajar. Terdapat banyak faktor yang mempengaruhi mereka untuk melakukan perniagaan semasa belajar. Menurut Teori Perancangan yang merangkumi faktor-faktor sikap, norma subjektif dan kawalan tingkah laku yang dianggap mempengaruhi tingkah laku seseorang. Penyelidik mengkaji faktor-faktor yang lebih terperinci dan keluar dengan kerangka teori yang dicadangkan di mana pembolehubah bebas itu adalah Kursus keusahawanan, Keinginan untuk berdikari, Sokongan Keluarga dan Ketersediaan platform dalam talian yang akan memberikan niat kepada pelajar menjalankan perniagaan dalam talian. Masalah yang dihadapi oleh generasi muda di negara kita ialah mereka menghadapi cabaran dunia global yang berdaya saing dan terutamanya bagi golongan graduan. Berdasarkan Jabatan Statistik Malaysia, pada 2017 mendapati bahawa golongan muda bumiputera berpendidikan tinggi mencatatkan kadar pengangguran tertinggi yang meliputi 4.6 peratus. Ia akan memberikan impak negatif terhadap kemajuan dan pembangunan negara. Selain itu, pelajar biasanya menghadapi masalah kewangan. Ini disebabkan oleh kemerosotan ekonomi dan biasiswa atau pinjaman tidak cukup untuk mereka bertahan terutamanya kepada pelajar yang tinggal di luar kampus. Mereka perlu membayar banyak perkara seperti rumah sewa, pengangkutan, keperluan harian, bil elektrik dan air. Mereka juga perlu membeli buku rujukan mahal yang biasanya bernilai seratus ke atas ringgit Malaysia. Penyelidik menggunakan borang soal selidik untuk mengumpulkan data. Oleh itu, kajian ini adalah untuk mencari apakah faktor yang paling mempengaruhi pelajar UTeM untuk menjalankan perniagaan dalam talian dengan SSM yang berdaftar.

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LIST OF ABBRAVIATIONS

KBS	=	KEMENTERIAN BELIA DAN SUKAN NEGARA
UTeM	=	UNIVERSITI TEKNIKAL MALAYSIA MELAKA
SSM	=	SURUHANJAYA SYARIKAT MALAYSIA
TPB	=	THEORY PLANNED BEHAVIOR
e-WOM	=	WORD OF MOUTH

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CHAPTER 1

INTRODUCTION

1.0 Introduction

The objective of this research is to study the Factors Affecting the Intention UTeM Student to Run Online Business During Studies. This chapter consist of background of the study, problem statement, research question, research objectives, scope and limitation and significance of the study.

1.1 Background of the study

The potential of youth need to be polished to become an entrepreneur since young. The knowledge and the skills of entrepreneurship can influence them to be an entrepreneur. The success factors of student and graduate participation in entrepreneurship career because of they have the knowledge and information about entrepreneurship and business.

Based on ("Portal Rasmi Kementerian Belia dan Sukan", n.d.) Malaysia, the register of youth entrepreneurs under Kementerian Belia dan Sukan Negara are total 969 youths from all states in Malaysia. All of them are joining under KBS programme such as

- Kursus Teknikal Belia Tani

- Business On Truck (BOT) Carnival JBS
- Kursus Perniagaan Intensif(Business Online) Peringkat Negeri Perak,Pahang Dan Pulau Pinang
- Peminjam Pinjaman SBT (SKIM BELIA TANI)
- Car Boot Sale Sempena Bot Peringkat Negeri Kelantan
- Perantis
- Program Keusahawanan Belia JBSN
- Program Kursus Lanjutan Pembangunan Jenama Dan Identity Korporat, Skim Belia Niaga
- Kursus Smart Manager Pengurusan Kewangan Peringkat Negeri Terengganu
- Program Bimbingan Usahawan Muda Bagi Negeri KL
- Program Peningkatan Pembungkusan KBS

The focus of budget 2019 by the ministry of Finance, Lim Guan Eng is the theme'' Malaysia authority, Dynamic Economy, Prosperous People''. The budget will focus on 3 focuses with 12 key approaches to re-establish Malaysia's economic position as the Asian Tiger. The focus is on implementing Institutional reforms, ensuring people's prosperity and cultivate the culture of entrepreneurship country. In this research will focused on the second and third theme. Under the second theme in Dynamic economy the fifth strategy is to Improving Job Opportunities and Marketability. Malaysia is a developed labour force with 3.4% unemployment rate.

However, the long term unemployment especially among youths are one of the issues need to be highlight. Hence one of the government incentives is to enhance the skills of school leavers and graduate's skills training, the Government will implement two agendas funded through Human Resource Development Fund (HRDF) as ''Apprenticeship and Graduate Enhancement Program for Employability (GENERATE). The program is estimated to increase the employment chances for 4000 school-aged and graduate youths with an allocation of RM 20 million in the form of matching grants.

Moreover, based on (Company Commission of Malaysia, n.d) a Free Business Registration under the ‘‘ 1 student 1 business scheme’’ is introduced start from 1st of January 2017. The scheme is provided for all students from all students whether public or private Institutions of Higher Learning (IPTA/S) are exclude from all business registering charges (under the Registration of Business Act 1956) if they request to register their business with the Companies Commission of Malaysia (SSM).

SSM allocated RM 10 million grant and will be distributed in allocation of RM 1 million for each year over a 10 years’ period. The aimed under this scheme is to create awareness to the student to start their business and to increase a legal registered student who are own their own business. I t is also designed to increase the entrepreneurship contribution among youths (In IPTA/S students). SSM deputy chief executive officer (corporate services) Nor Azimah Abd Aziz said, the statistic shows that 38,000 students are registered their business that cost RM 2.6 million in grants under the scheme. Another RM 7.4 million grants for another 143000 business free registration for the students to grab.

Therefore, to face the challenges of the globalization era Malaysia are trying to develop the skill of entrepreneurs. Due to that issues, one of the general educational goals in Universiti Teknikal Malaysia Melaka is to develop technopreneurship and managerial skills amongst graduates. This research is to find out how many students are doing business during studies and what is the factors encourage them to do business while studies.

1.2 Problem statement

The unemployment graduates from many countries are facing a serious problem because they have a competitive and challenging global world with divers

demand (Adesina, 2013) Based on the reports from the Ministry of Finance Economic Survey 2019 which examines the unemployment rate among Malaysians from the level of education varies according to statistics, (Department of Statistics Malaysia Official portal, n.d.) 2017 found that high-educated bumiputera youth recorded the highest unemployment rate in 2017 covering 4.6 percent. It is far higher than bumiputera youth who only had secondary school graduation which is only 4 percent of them are unemployed. Unemployment problems among graduates will give an undesirable impact on the progress and development of the nation. Therefore, one of the government strategies to produce a holistic, well-balanced graduates.

Other than that, majority of the students will be having a financially problem. Conflict occurs based on the allocation of income and expenditure during their studies following the economic downturn. Moreover, the allowances, scholarships or loans do not increase each year which cannot fulfil their needs and leads to an increase in their spending. Raising prices for basic necessities also has an impact to those who are still students because the average of these groups has not had their own income (Nurhafizah & Muhammad, 2017).

In addition to the cost of academic expenses such as reference books and tuition fees, financial constraints are more felt when students living off the campus are forced to pay a substantial amount of costs. Therefore, the cost of daily spending is increasing as many things are to be paid such rental homes, transportation, daily necessities and electric bills and water.

Financial problems are among the factors that encourage students to do part-time work (Tamar & Syahidah, 2010). Hence, many students take steps to make part-time jobs such as doing business or working in a restaurant. Previous study found that a higher percentage of rural people reported more problems compared to urban ones. Rural students may have limited resources compared to students in urban areas (Husniah, A.R; Laily, P.; Sonya, B.; Masud, J., 2004).

This research is to find out what is The Factors Affecting the Intention UTeM Students to Run Their Business During Studies.

1.3 Research Question

1. How many UTeM students are running online business with SSM registration?
2. What are the factors affecting UTeM students to run online business during their studies?
3. What is the relationship between the factors affecting the intention UTeM students to have online business?

1.4 Research objectives

1. To determine the number of UTeM students are running online business with SSM registration among online student entrepreneur
2. To uncover the factors affecting UTeM students to run online business during their studies.
3. To analyse the relationship between factors affecting the intention of UTeM students to run online business during their studies

1.5 Scope and Limitation

This research study about the Factors Affecting the Intention UTeM Students to Run Online Business During Their Studies. Besides that, the scope is also identifying

the factors influence UTeM student to run their business while study is investigated for other uses in this report.

This research will be obtaining the UTeM student which is located in Main campus at Durian Tunggal and Technology campus at Ayer Keroh only. There is limitation for this research to collect the data using online google form from a sample population undergraduate UTeM student that run their online business with SSM registered.

1.6 Significance of the Study

The study is importance in increasing the awareness among UTeM students to start a business today before they step out from the Universities. They can create their own job rather than waiting for a job. This study also helps them to realize about the incentive, grant and programme that provided from the government in entrepreneurship. Researcher can also understand what's the foremost completely influence student intention to run online business and build it as a guide for all universities take some an action regarding this.

1. University guide to recognize the factors that affect UTeM students to run online business during studies.
2. Students can be given more organized and detailed planning in connection with entrepreneurship programs.
3. Researchers know what the students ' intention to run online business is most positively influenced and make it a guide for all universities to take action on this.

1.7 Summary

Conclusion, this chapter consist of all the component such as research background, problem statement, research objectives, research question, scope, limitation and significance of the study.

CHAPTER 2

LITERATURE REVIEW

2.0 Introduction

This section will clarify about the literature review that connected to this study. The literature review is based on the theoretical framework which is to find the factors effecting UTeM student to run online business during their studies that refer to the Theory Planned behaviour.

2.1 Entrepreneur

The words entrepreneur is from France 'entreprendre' which mean taking on duties or responsibilities. Entrepreneur defined in 1937 which is entrepreneur is concentrate on the role of the individual in the business market and have a desire to get an earnings and capability to risk buying cheap and selling dear. Entrepreneur also an individual owner of a private firm that gain advantage right from the labours and entrepreneurial profits (Richard,1734).

As an entrepreneur, is who are starts, manage, organize and assume

responsibility for business. It's also offers a personal test that many individuals select over being an employee or working for someone else. Entrepreneur also facing the personal financial risk but also get an advantage right from the successful of the business. Being an entrepreneur is frequently to face with everyday life and work situations that are obstacles, uncertainty, failures and frustration with the process of firm creation (Campbell, 1992).

Student entrepreneurs not only contribute to the economic development of a part, however they additionally increase the income on government investment in university analysis and growth, that issues each policy manufacturers and taxpayers alike (Michelacci, 2003). Some study found that Kyrgyz undergraduates want to built-up their own businesses so as to enhance their monetary condition, value more highly to work for others before beginning their own businesses, and see the shortage of capital and government politics as obstacles (İrmiş, 2003).

From this point of view, the role of the entrepreneur can be defined as one of merging different input factors in an innovative way to create value to the client. Its hope that this value will beat the cost of input factors, thus producing greater returns that result in the formation of wealth.

2.2 Entrepreneurship

Entrepreneurship is a very important component of countrywide economic process, as well as faculty business students represent a very significant role for a nations provide of entrepreneurs. Entrepreneurial activities have a positive effect on national development and wealth (Friedman B., 2011).