

## DECLARATION

'I hereby declare that I have read this thesis and in my opinion this thesis is sufficient in term of scope and quality for the award of the degree of Bachelor of Technopreneurship'

Signature : *SURAYA AHMAD*

Name of Supervisor : DATIN DR SURAYA AHMAD

Date : 17 JANUARY 2020

Signature : *FARIDATULLO THAMAN*

Name of Panel Supervisor : ASSOC. PROF. DR. NORFARIDATUL

AKMALIAH OTHMAN

Date : 17 JANUARY 2020

‘I admit that this report is the result of my own except the summarizes and quotes  
that I have explained the sources’

Signature : .....

Name : NURUL IZATTI BINTI RUSMAN

Date : 17 JANUARY 2020

EFFECTIVENESS OF ENTREPRENEURSHIP EDUCATION IN DEVELOPING  
ENTREPRENEURIAL INTENTIONS AMONG STUDENTS  
(A CASE STUDY IN UTEM)

NURUL IZATTI BINTI RUSMAN

Report submitted in fulfilment of the requirement for the Bachelor of Technology  
Management and Technopreneurship with Honour

Faculty of Technology Management and Technopreneurship  
UNIVERSITI TEKNIKAL MALAYSIA MELAKA

JANUARY 2020

## ACKNOWLEDGEMENT

In the name of Allah, the Most Gracious, the Most Merciful. Alhamdulillah, all praises to Allah for the strengths and His blessing for me to complete this “Final Year Project”. I would like to express my deepest gratitude to all my family members, friends and boyfriend who were always supporting me and encouraging me with their best wishes.

I am grateful to the Faculty of Technology Management and Technopreneurship at UTeM for making it possible for me to study here. Special appreciation goes to my supervisor Datin Dr. Suraya Binti Ahmad, for her excellent guidance, caring, patience and providing me with an excellent atmosphere for doing the research. Her valuable help of constructive comments and suggestions throughout the dissertation works have contributed to the success of this research. Not forgotten, my appreciation to my presentation panel Assoc. Prof Dr. Norfaridatul Akmaliah Binti Othman for her valuable comments upon Seminar Undergraduate I and II.

Thank you.

## ABSTRACT

This research explores the efficacy of entrepreneurship education among Malaysian university students in developing entrepreneurial intentions. The analysis of definitions and conceptualizations of the theories in the literature provided a theoretical framework to define the research questions and the research gap. The study design was based on a conceptual framework to assess the dependent variable of entrepreneurial aspirations, the independent variable of entrepreneurial education, including curricula for entrepreneurship, teaching methodologies and university roles in promoting entrepreneurship. This led to three research problems being established as follows: Three hypotheses were developed namely; universities roles, teaching methodologies and entrepreneurship curricula, to monitor Malaysian university students ' entrepreneurial intentions. Researcher distributed 384 questionnaire involving a number of respondent that being calculated using non sampling method. A stratified sample from final year students studying entrepreneurship as a subject was included in the quantitative approach. From the result of this research two out of three variables were accepted and the other one was rejected.

## ABSTRAK

*Kajian ini menerangkan keberkesanan pendidikan keusahawanan di kalangan pelajar universiti Malaysia dalam membangunkan niat keusahawanan. Analisis definisi dan konseptualisasi teori-teori dalam kesusasteraan menyediakan rangka kerja teori untuk menentukan soalan penyelidikan dan jurang penyelidikan. Reka bentuk kajian ini berdasarkan kepada kerangka konseptual untuk menilai pemboleh ubah aspirasi keusahawanan, pembolehubah bebas pendidikan keusahawanan, termasuk kurikulum untuk keusahawanan, metodologi pengajaran dan peranan universiti dalam mempromosikan keusahawanan. Ini menyebabkan tiga masalah penyelidikan ditubuhkan seperti berikut: Tiga hipotesis telah dibangunkan iaitu; peranan universiti, metodologi pengajaran dan kurikulum keusahawanan, untuk memantau niat keusahawanan pelajar universiti Malaysia. Penyelidik menyebarkan 384 soal selidik yang melibatkan beberapa responden yang dikira menggunakan kaedah bukan sampel. Sampel berstrata dari pelajar tahun akhir yang mengkaji keusahawanan sebagai subjek dimasukkan ke dalam pendekatan kuantitatif. Daripada hasil kajian ini, dua daripada tiga pembolehubah telah diterima dan yang lain ditolak.*

**CONTENT**

<b>CHAPTER</b>	<b>CONTENT</b>	<b>PAGE</b>
	<b>DECLARATION</b>	i-ii
	<b>TITLE</b>	iii
	<b>ACKNOWLEDGEMENT</b>	iv
	<b>ABSTRACT</b>	v-vi
	<b>CONTENT</b>	vii-xi
	<b>LIST OF FIGURE</b>	xii
	<b>LIST OF TABLE</b>	xiii
<b>CHAPTER 1</b>	<b>INTRODUCTION</b>	
	1.1 Background of Study	1
	1.2 Problem statement	3
	1.3 Research Question	3
	1.4 Research Objective	4
	1.5 Scope and Limitation of Study and Key Assumption	4
	1.5.1 Scope	4
	1.5.2 Limitation	4
	1.5.3 Key Assumption	5
	1.6 Importance of Study	5
	1.7 Summary	5

**CHAPTER 2 LITERATURE REVIEW**

2.0 Introduction	6
2.1 Definition of Entrepreneurship and Entrepreneurs	6 9
2.2 Government policies support for entrepreneurship	7
2.3 Entrepreneurial Intentions and Entrepreneurship Education	8
2.4 Theory of Planned Behaviour	8
2.5 Entrepreneurship Education in Malaysian Universities.	10
2.6 Educational Factors in Entrepreneurship	10
2.6.1 University's Role in Promoting Entrepreneurship Education	11
2.6.2 Teaching Methodologies of Entrepreneurship Programs	12
2.6.3 Entrepreneurship Curricula in Malaysian Universities	12
2.7 Theoretical framework and Hypothesis	13
2.8 Summary	15



**CHAPTER 3 RESEARCH METHOD**

3.0 Introduction	16
3.1 Research Methodology	16
3.2 Methodologies Choices	17
3.3 Data Collection	17
3.3.1 Primary Data Collection	18
3.4 Research Design	18
3.4.1 Questionnaire Survey	19
3.5 Location of Research	20
3.6 Research Strategy	20
3.7 Data Collection Tools	20
3.7.1 Sampling Method	20
3.7.2 Pilot Testing	21
3.7.3 Survey Questionnaire	22
3.8 Time Horizon	22
3.9 Reliability	23
3.10 Validity	24
3.11 Data Analysis	25
3.11.1 Descriptive Analysis	25
3.11.2 Pearson's Correlation Coefficient	25
3.11.3 Multiple Regression	25
3.12 Summary	26

**CHAPTER 4 DATA ANALYSIS**

4.0 Introduction	27
4.1 Descriptive Analysis	28
4.1.1 Section A: Demographic	28
4.1.1 Gender	28
4.1.2 Race	28
4.1.3 Range of Age	29
4.1.4 Faculty	29
4.1.5 Programme	30
4.2.1 Section B: Entrepreneurial Intentions	31
4.2.2. Section C: University's Role	32
4.2.3 Section D: Teaching Methodologies	33
4.2.4 Section E: Entrepreneurship	34
Curricula	
4.3 Reliability Analysis	35
4.4 Pearson's Correlation	36
4.5 Hypothesis Testing	37
4.6 Multiple Regression Analysis	37
4.6.1 Model Summary of Multiple	38
Regression	
4.6.2 ANOVA Table of Multiple	38
Regression	
4.6.3 Coefficient of Multiple Regression	39
4.7 Discussion	39
4.8 Summary	41

**CHAPTER 5 CONCLUSION AND RECOMMENDATION**

5.0 Introduction	42
5.1 Fulfilment of Research Objectives	42
5.1.1 Research Objective 1	42
5.1.2 Research Objective 2	43
5.1.3 Research Objective 3	43
5.2 Limitation	43
5.3 Recommendation	44
5.4 Summary	45
<b>REFERENCE</b>	47-50
<b>APPENDIX</b>	51-57

**LIST OF FIGURE**

<b>FIGURE</b>	<b>TITLE</b>	<b>PAGE</b>
Figure 2.1	Theory of Planned Behaviour	9
Figure 2.7	Theoretical Framework	14

## LIST OF TABLE

<b>TABLE</b>	<b>TITLE</b>	<b>PAGE</b>
Table 1	Determining Sample Size	21
Table 2	Cronbach's Alpha Coefficient Range	23
Table 3	Pearson Correlation Coefficient Range	25
Table 4.1	Demographic	28
Table 4.1.1	Gender	28
Table 4.1.2	Race	28
Table 4.1.3	Range of Age	29
Table 4.1.4	Faculty	29
Table 4.1.5	Programme	30
Table 4.2.1	Entrepreneurial Intentions	31
Table 4.2.2	University's Role	32
Table 4.2.3	Teaching Methodologies	33
Table 4.2.4	Entrepreneurship Curricula	34
Table 4.3	Reliability Analysis	35
Table 4.4	Pearson's Correlation	36
Table 4.6.1	Model Summary of Multiple Regression	38
Table 4.6.2	Anova Table of Multiple Regression	38
Table 4.6.3	Coefficient of Multiple Regression	39

## **CHAPTER 1**

### **INTRODUCTION**

#### **1.0 INTRODUCTION**

This chapter is organized into 7 sections. It will show the overview of this research. Section 1.1 will explain about the background knowledge, 1.2 problem statements, 1.3 research questions, next 1.4 research objective, 1.5 Scope, and the last two section will explain about the importance of study and summary.

#### **1.1 BACKGROUND KNOWLEDGE**

The importance of entrepreneurship, including Malaysia, has been the focus of attention and recognized worldwide. Recent developments such as globalization and the emergence of knowledge-based industries reflect the growing interest in Malaysia's entrepreneurship. Entrepreneurship is a potential alternative to the global market and corporate downsizing that has contributed to the unemployment problem, particularly among Malaysian students. (Ragayah & Smith 2005; Ooi 2008). Despite the acknowledgment of the importance of entrepreneurship in the economy of knowledge and local universities' efforts to educate entrepreneurship, the effectiveness of entrepreneurship education offered in these higher education remains arguable. The main objective of this paper is to evaluate the state and quality of education in Malaysia for entrepreneurship. The university therefore emphasized a need for systematic education in entrepreneurship and played a major role in conducting education in professional entrepreneurship. Many universities are also actively pursuing a variety of educational developments as part of their broader strategy to improve the quality of entrepreneurial courses and programs and encourage student education and learning. Reducing the unemployment rate in Malaysia is one of the important aspects of entrepreneurship education. Next, to help graduates begin their business without waiting to secure a proper job and become jobless for a few months or years.

The twenty-first century in Malaysia saw the rapid growth of entrepreneurial education resulting in a new emerging knowledge-based economy being developed. Taking into account the role of entrepreneurs in creating a knowledge-based economy, efforts are made to promote entrepreneurship in all forms (Ramlee & Abu 2004). Malaysia is a developing country but has a high unemployment rate among students arising from higher learning institutions. It is one of the Malaysian government's main challenges of social development. One of the factors that contributed to the current issue was the preference of graduate students for being paying employers over self-employed (Muszafarsha & Woon 2004; Fong 2005).

Small Medium Enterprise (SMEs) are the backbone of the economy. 98.5% business establishments in Malaysia are SMEs. From SME Statistics, medium size SMEs 2.3%, small size SMEs 21.2% and the huge percentage of establishment is microenterprise which is 76.5%. Entrepreneurship education and learning programs affect the entrepreneurial intent and traits of students (Fayolle & Gailly, 2004). It is predicted that individuals will develop the skills and expertise needed to overcome the difficulties of setting up their own company by having to undergo formal entrepreneurship training (Roxas, Cayoca-Panizales & Jesus, 2008; Clercq & Arenius, 2006).

In 2010 the Malaysian government implemented the Entrepreneurship Development Policy with several strategies to enhance the entrepreneurship education programs in high learning institutions through the Ministry of Higher Education. Nordin (2010) believes that the establishment of the Malaysian Higher Learning Institutions Entrepreneurship Development Initiative in 2010 would produce graduates with an entrepreneurial mind set and increase the number of graduate entrepreneurs. In addition to supporting scholars and students in entrepreneurship. Establishing an entrepreneurial program within universities is concentrated on enhancing the student's passion of becoming a successful entrepreneur. In other words, the goal is to build and educate entrepreneurs to create job chances, and from occasionally unemployment can be decreased. Entrepreneurship will allow students to build their own jobs and increase the labour market by raising the recent unemployment problem (Norasmah 2004).

## 1.2 PROBLEM STATEMENTS

According to the Ministry of Higher Education (MOHE) (2014) estimates, the total number of graduates who were still unable to find a suitable job in 2013 was 30.6%. With the Malaysian Statistical Department's unemployment rate of about 35.2% (430,000 unemployed) (2015), young generation trapped in this situation whereby they will slowly be lost track of their life. The total number gives big impact to our economy such as increase in number of unemployment. At the same time, most of the young generation are struggling to finish their studies to get a better place in job sector. But, with the current economic situation, it is indeed a right time to be an entrepreneur. Students exposed to entrepreneurship knowledge and skills through many programs increasing in number by 30% in 2014, Norfadhilah (2014). With the high unemployment rate (30.6%) as in 2013 ([www.statistics.gov.my](http://www.statistics.gov.my)) and the rising rate of graduate unemployment, 30,000 graduates were reported to be unable to find employment six months after graduation in 2014. At universities, the intention to become potential entrepreneurs through education in entrepreneurship is high.

## 1.3 RESEARCH QUESTIONS

The main issues were highlighted in the search for the research goals as the basis for the research work;

- a. What is the role of Higher Learning Institution in developing students' entrepreneurial intentions?
- b. What is the importance of teaching methodologies to create entrepreneurial intentions?
- c. How effective is the curricula of entrepreneurship provided by Higher Learning Institution?



## **1.4 RESEARCH OBJECTIVES**

The objectives of this research are to assess the educational factors that determine entrepreneurial intentions among UTeM students;

- a. To identify the role of Higher Learning Institution in developing students' entrepreneurial intentions.
- b. To determine the importance of teaching methodologies to create entrepreneurial intentions.
- c. To identify the effectiveness of Entrepreneurship curricula provided by Higher Learning Institution.

## **1.5 SCOPE, LIMITATION AND KEY ASSUMPTION**

### **1.5.1 SCOPE**

This research focused on the educational factors (Entrepreneurship curricula, Teaching methodologies, Universities roles) as independent variables and entrepreneurial intentions as the dependent variables. This research will be conducted over for a month which is started from March until May. In addition, the geographic research area was UTeM-based carriers in Melaka. Thus, the researcher is chosen a potential of High Learning Institution which have stable and great achievement. The method used in this research is through direct survey distribution. The questionnaire was based on literature research conducted during phase one of this study. The targeted respondents were among students in UTeM.

### **1.5.2 LIMITATION**

Several limitations have been encountered throughout the research. First, this research is due to the limitations of time and resources that the study only covered for four months. The researcher will have limitations in obtaining permission from UTeM's club and societies to obtain and distribute survey as possible constraints in carrying out this study. Besides that, the next limitation is that the researcher faced some of the respondents will not return the questionnaire after completion of the survey.

### **1.5.3 KEY ASSUMPTION**

The respondents taking part in the study assume that they have given their honest answers to the question in order to draw valid conclusions from the empirical data. The researcher illustrates that respondents have enough knowledge of the composite industry's technology adoption challenge.

### **1.6 IMPORTANCE OF THE STUDY**

For Malaysian composite industries, this work will be of great importance. This research will help students after graduates to be well educated and well-understood. Management can identify the obstacles that might be faced by discovering the factors to develop entrepreneurship intentions among students. The reason is, after the researchers found the factors that can develop entrepreneurship intention many job opportunities offered by young entrepreneur. Next, this analysis will also support future researchers interested in carrying out the same topic as the aim of entrepreneurship. Also, by inspiring students to understand entrepreneurship, it will be helpful for them to train before they become an entrepreneur.

### **1.7 SUMMARY**

This chapter introduces the reader to the background, research question, research objectives, scope, limitations, significance of the study and key assumption. It also outlines the main problem that was addressed and how researcher intended to explore it. The next chapter describes the findings from the literature study.

## CHAPTER 2

### LITERATURE REVIEW

#### 2.0 INTRODUCTION

The previous chapter presented a summary of the study and presented the research issues. This segment summarizes the research problem literature: "Entrepreneurship education's effectiveness in developing entrepreneurial intentions among university students." This describes hypotheses of parents and major research topics (Perry 2002) to identify the key research issues relevant to this study (Hart 2000).

#### 2.1 DEFINITION OF ENTREPRENEURSHIP AND ENTREPRENEUR

An entrepreneur can be an innovator or developer who discovers and seizes opportunities; turns these opportunities into viable and marketable ideas; adds value through time, energy, resources or expertise and rewards these efforts. In essence, an "entrepreneur" is one who goes through arranging, managing and believing the risks of a business (Kuratko & Hodgetts 2004, p. 28-29).

The phrase "entrepreneurship" included in the firm a "behavioral trait" of workers and managers and not a trait of the firm itself. Entrepreneurs take advantage of opportunities to obtain added value for themselves or the company. This supported the idea of "corporate entrepreneurship" (Burgelman 1983). By instilling a culture that compels entrepreneurial activity among employees and managers in a business, companies may maintain an entrepreneurial profit (Kanter 1983), it generates a spirit of entrepreneurship among its members (Kradchart 1995).

"Entrepreneurship" was described as the result of establishing market opportunities (Levie 1999b; Morris et al 2004) and might be transformed into profitable goods and services (Schaper & Volery 2004, p. 6). An entrepreneur has been classified as "a person who owns a new venture but faces uncertainty to gain revenue

and development by defining opportunities and organizing resources to capitalize on them" (Zimmerer & Scarborough 2002, p. 4).

## **2.2 GOVERNMENT POLICIES SUPPORT FOR ENTREPRENEURSHIP**

In 1995, the Ministry of Entrepreneurship and Co-operative Development (MECD) institution strengthened entrepreneurship activities. MECD represented Bumiputra Entrepreneurship, represented as an organising body, a data resource centre, providing education and financial support to competent entrepreneurs and subsidized business premises. The Development Ministry of Entrepreneurship is currently being abolished and its activities are being moved to the Ministry of Home Trade and Industry and other ministries.

The Corporation for Malaysian Technology Development (MTDC) was founded in 1992 and supplied property, assets, technical advice and support to improve the entrepreneurs' technical abilities. It has been upgraded later in 1998 and developed five incubator centers in cooperation with the universities. Some of the incubated companies came from high-tech fields like software and biotechnology ([www.entrepreneurMalaysia.com](http://www.entrepreneurMalaysia.com)). In line with Malaysia's industrial policy, the government has set up several training programs to improve the efficiency of SMIs to establish industrial connections.

Majlis Amanah Rakyat (MARA) is among the primary agencies produced to enhance the rights and privileges of the Malay (Bumiputras) from rural locations to participate actively in the business sector. Its main functions include development of projects, development of entrepreneurship, consulting, credit infrastructure and other incentives, and dissemination of information. The Ministry of Home Trade and Industry has become the ministry responsible for Bumiputra entrepreneurs' growth. (Buang 2002)

### **2.3 ENTREPRENEURIAL INTENTIONS AND ENTREPRENEURSHIP EDUCATION**

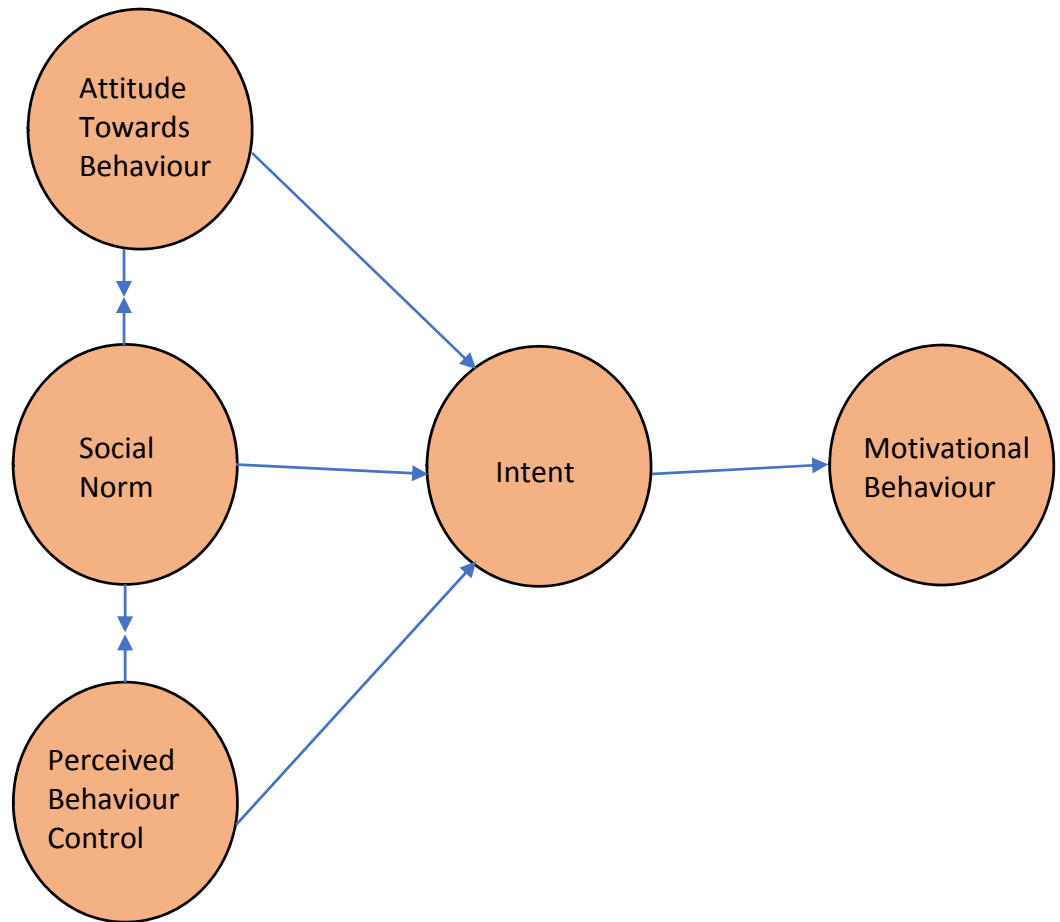
(Souitaris, V, Zerbinati, S & Al-Laham, A, 2007) conducted a study of engineering and science student entrepreneurship programs and discovered that somehow the programs brought up some intentions of entrepreneurship among students. Many of the undergraduates undergone crucial moments of encouragement that changed their "mind and spirit" and decided to make them consider becoming entrepreneurs. Learning was the starting point for entrepreneurial graduates to be more motivated than other graduates to think about starting their own businesses because of the current selection of entrepreneurial programs. (Storey 2000). There was ample global evidence that students' entrepreneurial expectations were boosted by participating in entrepreneurship programs.

### **2.4 THEORY OF PLANNED BEHAVIOUR**

There are various theories and models to explain the efficacy of entrepreneurial education with entrepreneurial intentions. Given the capabilities and validity of this study, most of them were not considered necessary. A more useful and relevant theory is Ajzen and Fishbein's Theory of Planned Behavior (1975). Highlighting individual attitudes, it is beneficial for evaluating entrepreneurial intentions (Krueger and others, 2000).

Planned Behavior Theory describes three behavioural antecedents; personal attitudes, subjective norms, and perceived behavioral control. Personal outlook represents a person's opinions and beliefs about behaviour. Subjective norms refer to the degree to which behavior is consistent with others, such as family members, friends, and relatives. Perceived behavioral control is the perception of a person's ability to perform a particular behavior (Wu and Wu 2008).

Based on Planned Behavior Principle, Wu and Wu (2008) created a hypothetical model of academic background relationship with entrepreneurial intentions. This model is shown in Fig. 1. As the primary variable for evaluating entrepreneurial intentions, entrepreneurship education is recognized as the theoretical framework for the research.



*Fig 1. Theory of Planned Behaviour*

*Source: Ajllo, Keeley, Klofsten, Parker & Hay (2001)*

## **2.5 ENTREPRENEURSHIP EDUCATION IN MALAYSIAN UNIVERSITIES**

This segment discusses the education in Malaysian universities for entrepreneurship. The historical development has seen the importance of entrepreneurship to the Malaysian economy. This has been illustrated by the various support structures and policies that exist for entrepreneurs, including the establishment of various entrepreneurial bodies, physical infrastructure and business consulting services.

The Malaysian government's concern is to foster a corporate culture among school and university graduates to meet the goals of developing a creative and entrepreneurial society. The method is by inculcating the philosophy of entrepreneurship through the implementation of programs in entrepreneurship at schools, colleges and universities. They also assist the "young entrepreneurs" in running their own business while they are studying.

Higher education institutions took up the challenge of entrepreneurship education and launched several innovative program. Next, curricula played an important role in discussing the business activity's initiation and promotion. Secondly, the issue of whether "entrepreneurship can be taught" has been discussed in the teaching methodologies of entrepreneurship (Kuratko 2005). Third, it was found that the university teaching environment influences the perception of entrepreneurial career and entrepreneurial inclination of students (Autio 1997). These are important factors in the education of entrepreneurship, and are now discussed in detail about the education of Malaysian entrepreneurship.

## **2.6 EDUCATIONAL FACTORS IN ENTREPRENEURSHIP**

There were a few factors that can develop entrepreneurial intention among students in UTeM. The factors will discuss below.

### 2.6.1 UNIVERSITY'S ROLE IN PROMOTING ENTREPRENEURSHIP EDUCATION

There was a different type of educational program for entrepreneurship offered by universities in the public and private sectors. The impact of the National Higher Education Action Plan (2007- 2010) which what caused the transformation of higher education is:

- Universities in Malaysia are expected to contribute more to economic development through R&D and marketing activities;
- Universities need to establish closer ties with government and industry;
- Universities must push resource efficiency and quality management practices across all aspects of their operation, requiring a high level of accountability for both financial and results ([www. the edgedaily.com](http://www.theedgedaily.com)). Another important role played by universities is to incorporate internship programs into the business curricula. Business internship programs give students practical experience in the business before graduation, so that they can adjust to future careers. Through the internship programs, an understanding of the business world is useful to all students as they learn the basic skills of starting a business learned through these programs that will be of use to them in the future. (Cheung 2008). By educating students to become business entrepreneurs, enabling them to experience real-world business practices, inculcate entrepreneurial skills, and enable them to be autonomous and comfortable in starting their own businesses (Zainal Abidin & Bakar 2004).