



**THE IMPACT OF ENTREPRENEURIAL SKILLS TOWARD
BUSINESS START-UP INTENTION: THE CASE STUDY OF UTEM
STUDENTS**



UNIVERSITI TEKNIKAL MALAYSIA MELAKA

APPROVAL


“I/We hereby declare that I/we have read this thesis, and I believe that this thesis is sufficient in scope and qualify as a partial; fulfilment of the requirement for the award of Bachelor Degree of Technopreneurship with Honours.
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THE IMPACT OF ENTREPRENEURIAL SKILLS TOWARD BUSINESS START-
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The thesis is submitted in partial fulfilment of the requirements for the award
of Bachelor of Degree of Technopreneurship with Honours (BTEC)

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DECLARATION OF ORIGINAL WORK

I hereby declare that this research paper is my original work and is completely written by me. I have officially acknowledged all sources of information used in the thesis.



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DEDICATION

For my beloved parents, siblings, lecturers, and friends



ACKNOWLEDGEMENT

First of all, I would like to thank our supervisor Professor Dr Amiruddin Bin Ahamat. I thank him for his insightful advice, guidance, and supervision at all levels of our study. I am glad and honored to have him as our mentor.

Professor Dr Amiruddin Bin Ahamat had been a very responsible lecturer and supervisor. He has been mentoring me all the time in this research and thesis writing. He always gives me a lot of advice during my research phase, even though he has a busy schedule. I sincerely thank him for his efforts over the year and wish him every success in his lecturing career.

I would also like to thank all the volunteers who have devoted their time and energy to this research. Their comments and opinions are very helpful to our research. Finally, my first responsibility is to express my heartfelt thanks to my family and friends for their unswerving emotional support and encouragement in the course of their efforts.

ABSTRACT

It has been providing entrepreneurship education to university students for many years. This research was made to identify the impact of entrepreneurial skills toward business start-up intention and is the case study of UTeM students. Its findings will show whether the impact of entrepreneurial skills and family support affects the business start-up intentions of UTeM students. This study includes the impact and the greatest impact of entrepreneurial skills and family support on business start-up intention among UTeM students as well as the relationship between the impact of entrepreneurial skills, family support, and business start-up intention among UTeM students. The primary data were collected from a sample size of 370 UTeM students. While the secondary data were used for the literature review, and the proposed research framework was derived from Shapero's Entrepreneurial Event Model (SEE). The research method in this study is quantitative methods and the data were collected on the Five-point Likert Scale. Cronbach's Alpha was used to assure the test's reliability. The hypotheses and the strength of the association between the variables were tested using Pearson's Correlation and multiple regression analyses. The findings showed the socio-demographic characteristic of the program, and the business-related course has a significant relationship toward business start-up intention. In addition, the result shows that family support has the greatest impact toward business start-up intention among UTeM students. Furthermore, the result also shows, there is a positive relationship between independent variables (communication skills, leadership, creativity, innovation, and family support) and dependent variables (business start-up intention) and no significant relationship between leadership and business start-up intention. Finally, this research should help education to enhance the younger generation's business start-up intention.

Keywords: *Entrepreneurial skill, Family Support, Business Start-Up Intention*

ABSTRAK

Ia telah menyediakan pendidikan keusahawanan kepada pelajar universiti selama bertahun-tahun. Penyelidikan ini dibuat untuk mengenal pasti kesan kemahiran keusahawanan terhadap niat memulakan perniagaan dan merupakan kajian kes pelajar UTeM. Penemuannya akan menunjukkan sama ada kesan kemahiran keusahawanan dan sokongan keluarga mempengaruhi niat memulakan perniagaan pelajar UTeM. Kajian ini merangkumi impak dan kesan terbesar kemahiran keusahawanan dan sokongan keluarga terhadap niat memulakan perniagaan dalam kalangan pelajar UTeM serta hubungan antara kesan kemahiran keusahawanan, sokongan keluarga, dan niat memulakan perniagaan dalam kalangan pelajar UTeM. Data primer dikumpul daripada saiz sampel 370 pelajar UTeM. Manakala data sekunder digunakan untuk kajian literatur, dan rangka kerja penyelidikan yang dicadangkan diperolehi daripada Shapero's Entrepreneurial Event Model (SEE). Kaedah kajian dalam kajian ini adalah kaedah kuantitatif dan data dikumpul pada Skala Likert Lima mata. Alpha Cronbach telah digunakan untuk memastikan kebolehpercayaan ujian. Hipotesis dan kekuatan perkaitan antara pembolehubah telah diuji menggunakan Korelasi Pearson dan analisis regresi berganda. Penemuan menunjukkan ciri sosio-demografi program, dan kursus berkaitan perniagaan mempunyai hubungan yang signifikan terhadap niat memulakan perniagaan. Di samping itu, keputusan menunjukkan bahawa sokongan keluarga mempunyai impak yang paling besar terhadap niat memulakan perniagaan dalam kalangan pelajar UTeM. Tambahan pula, keputusan juga menunjukkan, terdapat hubungan positif antara pembolehubah tidak bersandar (kemahiran komunikasi, kepimpinan, kreativiti, inovasi, dan sokongan keluarga) dan pembolehubah bersandar (niat memulakan perniagaan) dan tiada hubungan yang signifikan antara kepimpinan dan niat permulaan perniagaan. Akhir sekali, penyelidikan ini harus membantu pendidikan untuk meningkatkan niat memulakan perniagaan generasi muda.

Kata kunci: *Kemahiran keusahawanan, Sokongan Keluarga, Niat Memulakan Perniagaan*

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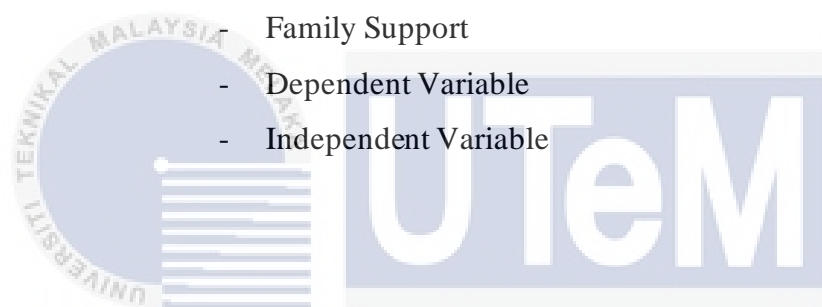
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LIST OF ABBREVIATIONS

CS	-	Communication Skills
LS	-	Leadership
CT	-	Creativity
IN	-	Innovation
FS	-	Family Support
DV	-	Dependent Variable
IV	-	Independent Variable



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CHAPTER 1

INTRODUCTION

1.1 Overview

Chapter 1 summarizes all the chapters involved in this research, as well as the introduction to the topic. The research background, problem statement, research question, research objective, significance of study, research scope, and limitation, are also recorded in this chapter.

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1.2 Background of Study

Entrepreneurship education is now not a new phenomenon and has become an important topic in Malaysia. To expose students to the entrepreneurial environment as soon as possible, the Malaysian government has required students from all higher education institutions to attend entrepreneurship courses (Jafaar & AbdulAziz, 2008). Entrepreneurship education in Malaysia began in June 1982 by Institut Teknologi MARA (ITM) through the introduction of the Khama Usahawan (KEMUSA) co-curriculum. encourage students to think creatively about the possibilities available to them in the realm of entrepreneurship. After that, in the year 1988, a comprehensive entrepreneurship course has launched by ITM called Fundamentals of Entrepreneurship (ETR300), as a compulsory course for all diploma students (Abdul

Latif et al., 1996). The introduction of Entrepreneurship Education in Malaysia by ITM is the starting point of the structured transmission of entrepreneurial skills and information to higher education institutions' students in order to be equipped with the required competencies to start up their own firms. Since the mid-1990s, most Malaysian universities and higher education institutions are begun to offer courses or majors related to entrepreneurship with the purpose of preparing graduates for entrepreneurship. Universities are seen as an intervention tool for providing entrepreneurship education in order to educate students with sufficient entrepreneurial skills, for sustainable enterprising societies while also being able to increase the capability to compete in the international marketplace. (Cheng, Chan, & Mahmud, 2009).

There has been a concerted effort on the part of Malaysian universities to foster an entrepreneurial spirit among their students. A total of 90% of Higher Learning Institutions students want to establish a business, and nearly all colleges and universities actively encourage their students to begin developing their company ideas while they are still in school. This endeavour has been further strengthened through the establishment of an entrepreneurial incubator program in 70% of Malaysia's Higher Learning Institutions. (Rahim et. al., 2015).

The University Technology Malaysia Malacca (UTeM) had developed a course on entrepreneurship which is the Bachelor of Technopreneurs with Honours. The combination of technology in this course makes the students sufficient competitive advantage in this digitalization era. Well, the most important is the combination of entrepreneurial education was offered to equip UTeM students having essential and sufficient entrepreneurial skills. The purpose is to ensure that the students are able to start-up their businesses and become entrepreneurial individuals after graduation. In the year 2014, Universiti Teknikal Malaysia Melaka (UTeM) established the Centre for Enterprise and Technopreneurship Development (CREATE) in order to allow the UTeM students to achieve their dream to become an entrepreneur. The main idea is to produce and guide entrepreneurs in management, computing, engineering, and other fields. This scheme has a good channel to help the UTeM students become an entrepreneur and also decrease the rate of unemployment of graduate students.

Deciding to be an entrepreneur is always a deliberate and planned act. Universities in Malaysia are spending much of their resources to provide entrepreneurship courses and entrepreneurship programs for tertiary students. However, there are still many tasks that affect the intention of students to become an entrepreneur especially for the reason of university students are still not so interested in starting up their businesses. The difficulty of the entrepreneurial process which needs sufficient entrepreneurial skills rather than just associate with solving managerial problems also is the trouble for the students to become an entrepreneur. Entrepreneurial skills are very crucial for start-ups and managing their business (Ramli, Yusof, & Zulkifli, 2018).

Entrepreneurial skills are essential for future sustained economic growth (Robinson, 2008; Pinto et al., 2019). Leadership, technical, and business management expertise, as well as the ability to think creatively, are all examples of entrepreneurial skills. Since entrepreneurial skills can be applied to many jobs and industries, the development of entrepreneurial skills may also acquire a variety of abilities. It can also help provide opportunities for self-employment. With the rise of unemployment among graduate students, these entrepreneurial skills are able to dissolve such problems since students are able to utilize their skills to create new opportunities as entrepreneurs. However, we still need to keep in mind that instilling an entrepreneurial mindset will not completely eliminate the problem of teenage unemployment (Pinto et al. 2020).

Previous studies looked into students' entrepreneurial intentions (Ibrahim et al., 2015). Yet, it is unfortunate that there are only a few of study are examined how entrepreneurial skills affect students' start-up intentions. (Koe, Krishnan, & Utami, 2018).

1.3 Introduction

This study includes UTeM's entrepreneurship education and entrepreneurship program. It expounds what is entrepreneurial skills and the meaning of business start-up intention.

1.3.1 UTeM entrepreneurship education

University Teknikal Malaysia Melaka (UTeM) which literally means Technical University of Malaysia of Malacca is the first technical public university in Malaysia established on 1 December 2000. This university is excellent in technical fields such as engineering, Information Technology (IT), as well as a management technology. The university adopts a "practice and application-oriented" approach to teaching technical education in higher education.

In this university, there has one special course which calls technology entrepreneurship. This course provides students with equipping the knowledge of technology as well as the entrepreneurial skills to translate it into practice. This course cover topics such as the framework of the enterprise from the perspective of people, opportunities, backgrounds, and deals. The case studies and fieldwork are among the teaching and learning (T&L) activities with the goal to inculcate entrepreneurship ideas as well as acculturation in order let the students able to effectively establish and run their businesses. This course enables students exposed to government agencies and support systems in the process of starting a business as well as enables them to critically assess the business in terms of investment possibilities, technical feasibility, and risks. Two business plan courses will also take part of the UTeM's students who are studying this course. One of the business plan courses is linked to general commercial ventures while another one is focusing on technology-based business ventures. The purpose is to assist students able to start-up businesses during the school time or after graduation. More importantly, UTeM will provide students assistance in locating business partners and venture financing in order to turn their business dream into reality. This course's originality lies in the 24 courses offered which are geared

toward developing the students to be real technopreneurs. Finishing this course enable students to recognize the value of entrepreneurship as well as how its crucial to today's society and also able to describe the fundamental ideas of interdisciplinary competencies.

1.3.2 Entrepreneurial Skill

An entrepreneur is a person who start-up and run venture as well as a person who are having big ideas, bravely to take risk, and innovator. (The balance careers, 2020). Entrepreneurs are able to turn their business idea to become reality. While an entrepreneurial process is a long venture which are not only include with solving managerial problem but also requires some of the entrepreneurial skills to recognize a business opportunity. (Hisrich, Peters and Shepherd, 2017). Entrepreneurial skills can be learned. Entrepreneurs are requiring learning these skills to increase their competency in order to compete with their competitor and also able to sustainable their business in the market. The researchers are classified business start-up skills, motivation, creativity and innovation, role model, risk propensity, social skills and so on as entrepreneurial skills that women entrepreneurs learned during entrepreneurial training (Botha, Nieman and Van Vuuren, 2006). Moreover, several important entrepreneurial skills such as innovation, critical thinking, collaboration, problem solving, creativity and risk-taking, have also been identified in recent research (Cooney, 2012). As the required entrepreneurial skills are determined on a case-by-case basis, there is still no consensus on the elements of entrepreneurial skills so far.

1.3.3 Business Start-up Intention

The words “business start-up intention” or “entrepreneurial intention” are compatible. These two terms have been used interchangeably by some scholars. In (Ibrahim et al., 2014) study the entrepreneurial intention is regarded as the initial stage in the surfacing and establishment of a new firm, and sometimes it is a long-term process of

entrepreneurship. Paying attention to intention is feasible because it is difficult to assess actual behaviours in research (Wu, 2010). The researchers point out and consent that business start-up intention has been affected by the entrepreneurial skills and knowledge. Moreover, entrepreneurial skill perception is also played an important role in tertiary students' entrepreneurial intention. (Linan, 2008).

1.4 Problem Statement

In 21 century, skills matter to people. This is because work is very different from the work of the previous generation. From Generation Z to baby boomers, we are all faced with a more mobile and uncertain work environment than ever before. Gone are the days when you worked in a job for 40 years and retired with a comfortable pension (Kasriel, 2017). According to (Employee Tenure Summary, 2020), the average duration of a job is now 4.2 years. In addition, 35% of the skills required by employees will change by 2020, regardless of the industry. Occupations and skills are changing so fast that people are increasingly eager to update their skills. According to Managing Director, World Economic Forum (Zahidi, 2020), more than one billion people would need to reskill as jobs are revolutionised by the Fourth Industrial Revolution's technology. Furthermore, based on a study on labour force re-skills (Kasriel, 2017), one in four people has a skills gap between the skills they have and the skills they need for their current job.

One of the skills is entrepreneurial skills. Entrepreneurs need a variety of skills to build certain business skills, that is, entrepreneurial skills, which can encourage people to feel competent and start their own businesses (Mamun, Fazal & Muniady, 2019). Entrepreneurial skills are needed in the education context. The Malaysian government has repeatedly tried to encourage Malaysians, especially young people, to make entrepreneurship a career. As a result, most institutions now offer entrepreneurship as an academic degree to college students. The main goal of entrepreneurship education is to provide students with competitive and adequate entrepreneurial skills in order to enhance their interest in starting ventures or becoming an entrepreneur after graduation. However, training young entrepreneurs is still considered a challenging