

INCLINATION TOWARDS ENTREPRENEURSHIP AMONG HIGHER EDUCATION STUDENTS

Abdul Jumaat Mahajar ¹, Jasmani Mohd Yunus ², NKY Yunus ³ & Zahari Hashim ⁴

^{1,3,4}Faculty of Management and Economics Universiti
Pendidikan Sultan Idris, Tg Malim, Malaysia
(abduljumaat@yahoo.com)

²College of Business,
Universiti Utara Malaysia
Sintok, Kedah

Abstract

This study was undertaken to explore the inclination towards entrepreneurship among University Pendidikan Sultan Idris students. The population for the study was UPSI's final year students from faculty of management and economics. The entrepreneurship course was introduced as a core subject in the areas of business program. This course was made compulsory for all business undergraduate's students. The total samples in this study was 181. In this study it was discovered that there were two aspects of demographics i.e. qualification and programmes of study that showed a relationship and had a positive significant on inclination towards entrepreneurship. The study also showed a strong significant relationship between family background and entrepreneurial inclination. It was suggested that to attract more students involve in entrepreneurship, UPSI should design entrepreneurial curriculum and content, provide training programs for faculty members, establish the club of entrepreneurship in the university and establish student one-stop business advice and guidance centers. It could be concluded that the role of universities in promoting entrepreneurship, entrepreneurial curriculum and content and role models had significant impact on the inclination of the students towards entrepreneurship. The role model such as friends and lecturers were the main factor which influenced students on inclination towards entrepreneurship. On the part of the universities in promoting entrepreneurship, it showed that the majority of the students supported the entrepreneurship and business educational programmes in campus. While on the part of the entrepreneurial curriculum and content, the course could develop entrepreneurial knowledge and skills,

Keywords: *entrepreneurship, inclination, small medium enterprises and knowledge*

Introduction

Malaysia needs its Small Medium Enterprises (SMEs) to be strong, prosperous and competitive. There are more than half a million SMEs in Malaysia and they made up nearly 90% of all business establishments in the country. SMEs assumed an important role in the advancement of Malaysia's economy.

At the core of all successful SMEs is its human capital, including entrepreneurs. Many countries around the world are placing increased emphasis on the development of entrepreneurs following the shift towards knowledge driven and SME-dominated economies, Malaysia too recognized this shift and is focused on strengthening its SMEs, fostering a vibrant entrepreneurship culture and creating a new generation of resilient and competitive entrepreneurs through a myriad of supporting policies that include funding, physical infrastructure and advisory services.

In education context, entrepreneurship education is a major step to inculcate students' tendency on entrepreneurship. Some tertiary education institutions do not give emphasis in effort to inculcate tendency entrepreneur to students. While Zaidatol Akmaliah (1997) suggested curriculum which connect education with entrepreneur component must be emphasized. Curriculum and programmes closely related to potential tendency of entrepreneurship needed to be carried out to achieve acculturation entrepreneurship objective among students.

Problem Statement

There are numerous studies indicating the importance of entrepreneurship education due to its vital role in producing entrepreneurial individuals (Edwards and Muir, 2005). However, our knowledge of the relationship between education and growth in entrepreneurship in relation to the creation of entrepreneurs among university students remains scarce (Charney & Libecap, 2003). There is still a lack of empirical evidence to measure the effect of entrepreneurship education on university students in many developing countries (Brockhaus, 1991). According to Naffziger *et al.*, (1994), there are five major determinants that influence the decision to behave entrepreneurially: personality characteristics; an individual's environment; a relevant business environment; the specific business idea; and the goals of the individual. Other researchers have also examined the various dimensions used in researching entrepreneurship education.

Therefore universities and other institutions of higher learning have been given the mandate to play a leading role in solving the unemployed graduate's problem by introducing entrepreneurship programmes to equip students the necessary entrepreneurial skills and behaviours for their future undertakings in business ventures (Leo, 2001). Entrepreneurship programme is therefore considered as an important mechanism in inculcating and promoting entrepreneurial spirit among students.

In view of the government's seriousness about overcoming the unemployed graduate's problems as well as developing potential entrepreneurs, it is timely to undertake this study to develop a greater understanding of the effect of entrepreneurship programmes to university's student's inclination towards entrepreneurship.

Objective of the Study

The study was trying to examine the effect of demographic characteristics such as gender, ethnicity and programmes of study on university students inclination towards entrepreneurship, and the second objective was to examine the effect of the role models on university's student inclination towards entrepreneurship. Besides that the study was also to examine the effect of the role of universities in promoting entrepreneurship on university students' inclination towards entrepreneurship. Apart from that, the objective of the study was also to examine the effect of the entrepreneurial curriculum and content on university's students' inclination towards entrepreneurship.

Literature Review

Although entrepreneurship courses were offered in colleges and universities in the mid- 1990s (Cheng & Chan 2004), they had only become prevalent at all public universities through the implementation of the Undergraduate Entrepreneurship Training Programme. One of the strategies used by the government to encourage entrepreneurial development is through educational institutions. Various programmes and training courses have been initiated and introduced at all levels of learning institutions including universities.

Universities are now playing a more significant role in the development of social and national economic growth (Cone, 2006). Many universities are focusing more on the role of promoting economic and social development than on their traditional function of research and teaching (Blenker *et al.*, 2006). This is helping universities to become part of an important societal subsystem in which education takes place through entrepreneurial activities (Blenker *et al.*, 2006). With regard to entrepreneurial development, universities, as a seedbed of entrepreneurship, play a functional role in promoting entrepreneurship education to develop regional economies and societies (Bink & Mohan, 2006).

Mahlberg (1996) agreed with these remarks by stating that universities have a key role to play in fostering entrepreneurship, since educational institutions are considered the ideal place for shaping entrepreneurial cultures and aspirations among students surviving in today's robust business milieu (Autio *et al.*, 1997). Gasse and Tremblay (2006), in a similar vein, affirmed that universities have an important role in developing entrepreneurship by providing supported activities such as training, business advice and even helping students to raise funds.

It is suggested that universities should improve the image of entrepreneurship and promote entrepreneurship as a possible career choice among students by providing suitable entrepreneurial networks and good role models in teaching entrepreneurship (Leo, 2001),

Research Methodology

Population and sampling of the study

The population for the study was UPSI's final year students from faculty of management and economic. Entrepreneurship course was introduced as a core subject in the areas of business programme. This course is made compulsory for all business undergraduate's students. The total sample in this study was 181 but only 150 were returned and analyzed. The respondents were selected by using simple random sampling. The research was conducted on between 1st May, 2010 to 30th Dec, 2010. After the questionnaires were collected, they were coded for data entry into SPSS. Prior to entering the data, all the questionnaires returned by the respondents were strictly checked and filtered. This was to ensure that the respondents met the research criteria, namely completion of at least one entrepreneurship course at the university and had involved in an internship programmed. Descriptive analyses (such as frequencies, means and standard deviations) were used to analyze the respondents' demographic characteristics such as age, race, religion, educational level and working experience. Descriptive and inferential analyses (one-way ANOVA) were employed to analyze the data.

The questionnaire was divided into the following five variables:

- Demographic characteristics and family background
- Entrepreneurial inclination
- Role models
- The role of universities in promoting entrepreneurship
- The entrepreneurial curriculum and content

The instruments used in the study were adapted from previous studies such as Sexton and Bowers-Brown (1988) and Autio *et al.*, (1997). Prior to the main study, a pilot test was undertaken to ascertain the validity and reliability of the measurement used. The pilot test was conducted among 30 UPSI students who were studying at the faculty of management and economics. They were given a revised English version of the questionnaire. The respondents were able to complete the questionnaire without any assistance. The overall pilot test showed that there was no major change or revision needed and therefore the questionnaire could be used for the main survey. The time taken to complete the questionnaire was approximately fifteen minutes.

Table 1.0: Reliability tests for all the variables after factor analysis

Variable	Item	Cronbach's alpha value
Entrepreneurship inclination	5	0.611
Role models	5	0.678
The role of universities in promoting entrepreneurship	5	0.612
The entrepreneurial curriculum and content	5	0.781

Table LO showed that all the variables are reliable where most of the variable had a Cronbach alpha of 0.6 and above.

Research analysis and findings

Demographic characteristics

Section A of the questionnaire generated for gather the information about selected demographic characteristics of the respondents. The items which selected were gender, ethnicity, religion, age, birth order, place of origin, educational background, working experience and parental occupations. The characteristics of the respondents were summarized in Table 2.

Table 2.0: The Characteristics of the Respondents

Variable	Characteristics	Number of respondents (N = 150)	Percentages(%)
Gender	Male	36	24
	Female	114	76
Ethnicity	Malay	104	69.3
	Chinese	22	14.7
	Indian	12	8.0
	Other	12	8.0
Religion	Islam	105	70
	Buddhism	17	11.3
	Hindu	12	8.0
	Other	16	10.7
Age	< 20 years old	0	0
	21 - 23 years old	138	92.0
	24 - 26 years old	9	6.0
	> 27 years old	3	2.0
Place of origin	Johor	14	9.3
	Kedah	20	13.3
	Kelantan	27	18.0
	Pahang	14	9.3
	Perak	17	11.3
	Selangor	11	7.3
	Terengganu	5	3.3
	Negeri Sembilan	3	2.0
	Perlis	2	1.3
	Melaka	5	3.3
	Pulau Pinang	1	0.7
	Kuala Lumpur	4	2.7
	Sabah	17	11.3
	Sarawak	10	6.7
Willingness to leave place of origin if getting a chance to start your own business	Yes	125	83.3
	No	25	16.7
Education qualification	STPM	111	74.0
	Matriculation	35	23.3
	Diploma	4	2.7
Programmes of study	Education of Accountancy	39	26.0
	Education of Economic	36	24.0
	Education of Business Management	37	24.7
	Education of Entrepreneurship & Commerce	38	25.3
Working experience	< 1 year	112	74.7
	1-3 year	33	22.0
	3-5 year	4	2.7
	> 6 year	1	0.7
Father's working status	Employed	44	29.3
	Self-employed	58	38.7
	In between jobs	2	1.3
	Unemployed	8	5.3
	Retired	24	16.0
	Other: Passed away	14	9.3

Mother's working status	Employed	29	19.3
	Self-employed	28	18.7
	In between jobs	25	16.7
	Unemployed	57	38.0
	Retired	10	6.7
	Other: Passed away	1	0.7

Table 3: Future Career Planning and Entrepreneurial Inclination

	Question	Mean	Std. deviation
BL	I have seriously considered entrepreneurship as a highly desirable career option.	3.6867	0.73399
B2.	I have never thought of entrepreneurship as a career choice.	3.1467	0.99924
B3.	I have already begun the planning for opening a new venture.	3.3533	1.05638
B4.	Won't start a business because it is too risky and I am afraid of failing.	2.9467	1.10391
BS.	If I wanted to, I could easily pursue a career involving self-employment.	3.6400	0.79664

Table 3 showed majority of the respondents were inclined to consider entrepreneurship as a highly desirable career option (mean=3.69).

Table 4: The Entrepreneurial Curriculum and Content

	Question	Mean	Std. deviation
B6.	The instructors are experienced and competent course presenters.	3.680	0.753
B7.	As a result of taking this course, I feel I have a better understanding about business.	3.793	0.726
BS.	The instructor did a good job of making this course relevant to the real world.	3.726	0.749
B9.	The course developed my entrepreneurial knowledge and skills.	3.866	0.747
B10.	The course(s) provided the opportunity to do things my way without conforming to formal class structures.	3.740	0.814

Table 4 showed majority of the respondents were inclined to state that entrepreneurial curriculum and content offered by UPSI could enhance the knowledge and skills of the students (mean= 3.87).

Table 5: The Role of University in Promoting Entrepreneurship

	Question	Mean	Std. deviation
B11.	My University is an ideal place to learn about starting a business.	3.5533	0.97991
B12.	More entrepreneurship and business educational program on campus could help students to start businesses.	3.8067	0.72071
B13.	Entrepreneurial on business related examples are included in classroom teaching.	3.7400	0.75467

Table 5 showed majority of the respondents were inclined to state that more entrepreneurship and business educational program on campus could help students to start business (mean=3.81)

Table 6: The Role Model

	Question	Mean	Std. deviation
B14.	I care what my closest friends think about my employment decision.	3.513	0.876
B15.	I believe that my closest friends think I should become self-employed.	3.400	0.904
B16.	I care what my lecturers think about my employment decision.	3.446	0.973
B17.	I am interested in business because my friends are in business.	3.816	1.032
B18.	Friends are my main source of business related information.	3.413	0.935
B19.	Students are encouraged to pursue entrepreneurship ventures in the university.	3.413	0.770
B20.	At my university, I get to meet lots of people with good ideas for new business.	3.7400	0.877

Table 6 showed majority of the respondents were inclined to state that they are interested in business because their friends are in business (mean=3.82)

Table 7: Means, standard deviations, maximum and minimum values of variables

Scale	Question	Mean	Standard deviation
Entrepreneurial inclination	150	3.69	0.73
Role models	150	3.81	0.72
The university's role to promote entrepreneurship	150	3.81	0.72
The entrepreneurial curriculum and content	150	3.87	0.75

The data in Table 7 suggested that most of the UPSI students have relatively high inclination towards entrepreneurship, with the means of all the variables surpassing the scale midpoint of 3. The overall high score means on the entrepreneurship education variables, ranging from 3.69 to 3.81 indicated that entrepreneurship education is an important tool in encouraging university's students to get involved with entrepreneurial activities. Specifically, the university's role to promote entrepreneurship and friends who are involved in entrepreneurship became the role showed the highest means score (mean= 3.81)

Hypotheses testing

Table 9: One-way ANOVA for ethnicity and inclination towards entrepreneurship

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	7.689	7	1.098	1.243	.283
Within Groups	125.485	142	.884		
Total	133.173	149			

Table 9 shows there is no significant relationship between the respondents ethnicity and the respondent inclination towards entrepreneurship ($f=1.24$, $p>0.05$).

Table 10: One-way ANOVA for religion and inclination towards entrepreneurship

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.169	3	1.390	.927	.429
Within Groups	218.825	146	1.499		
Total	222.993	149			

Table 10 shows there is no significant relationship between religion preached by the respondent and inclination toward entrepreneurship ($f=0.927$, $p>0.05$).

Table 11: One-way ANOVA for age and inclination towards entrepreneurship

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	1.764	7	.252	1.779	.096
Within Groups	20.110	142	.142		
Total	21.873	149			

Table 11 showed there is no significant relationship between age and the inclination towards entrepreneurship ($f=1.78$, $p>0.96$).

Table 12: One-way ANOVA prior education qualification before joining UPSI and inclination towards entrepreneurship

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	19.274	2	9.637	6.954	.001
Within Groups	203.719	147	1.386		
Total	222.993	149			

Table 12 showed there is a significant relationship between prior education qualification before joining UPSI and their inclination towards entrepreneurship ($f=6.954$, $p<0.05$).

Table 13: One-way ANOVA for programme of study and inclination towards entrepreneurship

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	17.972	7	2.567	2.101	.047
Within Groups	173.521	142	1.222		
Total	191.493	149			

Table 13 showed there is significant relationship between programmed of study and inclination towards entrepreneurship.

Table 14: One-way ANOVA for place of origin and inclination towards entrepreneurship

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	123.562	7	17.652	.810	.580
Within Groups	3093.771	142	21.787		
Total	3217.333	149			

Table 14 showed there is no significant relationship between place of origin and inclination towards entrepreneurship ($f=0.81$, $p>0.05$).

Table 15: One-way ANOVA for working experiences and inclination towards entrepreneurship

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	4.017	2	.574	1.984	.041
Within Groups	41.076	147	.289		
Total	45.093	149			

Table 15 showed there is significant relationship between working experience and inclination towards entrepreneurship ($f=1.98$, $p<0.05$).

Table 16: Fathers' occupation and inclination towards entrepreneurship

	Sum of Squares	df	Mean Square	F	Sig.
Between Groups	3.342	5	.668	.438	.021
Within Groups	219.652	144	1.525		
Total	222.993	149			

Table 16 showed there is significant relationship between father's occupation and inclination towards entrepreneurship ($f=0.44$, $p<0.02$).

Discussion

In this study it was discovered that there are two aspect of demographic that was qualification and programme of study that showed a relationship and has a positive significant on inclination towards entrepreneurship. These findings support previous studies that were carried out on demographic characteristics and entrepreneurial inclination by Zaidatul Akmaliah (1997). The study also showed a strong significant relationship between family background and entrepreneurial inclination.

Suggestion

Design entrepreneurial curriculum and content

A more comprehensive entrepreneurial course design is needed. The content development of the curriculum should reflect best practice in entrepreneurship. The delivery systems need to be incorporated with hands-on learning. The entrepreneurship courses should emphasize on the important aspects of entrepreneurial knowledge and skills, such as creativity, problem-solving and critical thinking.

Provide training programmes for faculty members

According to Zaidatul Akmaliah (1997), many faculty members had limited experience in business. It is important that the university's management should develop and train it faculty member in enhancing their entrepreneurial knowledge. In doing so, the faculties should encourage their lecturer to attend entrepreneurship small business training and workshops or seminars, both locally and overseas. They could also be seconded to any business organizations, which have collaboration with the university, as part of their sabbatical training. This would enable them to learn more about the actual operation of business organizations. Such training programmes are essential to ensure a more effective teaching of entrepreneurship, which will result in consistent and quality entrepreneurship education programmes.

Establish the club of entrepreneurship in university

Generally many universities in Malaysia set up entrepreneurship club for their students to practice entrepreneurial activities. The entrepreneurship club could enhance and encourage participant of the students in entrepreneurial programme and activities.

Establish student one-stop business advice and guidance centers

Inexperienced in business has become the main barrier to the students to be interested in business. This is a problem that impedes them in pursuing their business dream, but it could be overcome. Hence, it is valuable for each university to set up a business advice and guidance centre. As students need one-to-one advice, the centre can act as an advisor by providing valuable business-related information such as sources of funding, procedures to start up a venture, product development, premises and location advice, writing business plans, and legal advice.

Conclusion

It could be concluded that the role of universities in promoting entrepreneurship, entrepreneurial curriculum and content and role models had significant impact on the inclination of the students towards entrepreneurship. The role model such as friends and lecturers are the main factor which influenced students on inclination towards entrepreneurship. In the part of the universities in promoting entrepreneurship, it showed that the majority of the students supported the entrepreneurship and business educational programmes in campus. While on the part of the entrepreneurial curriculum and content, the course could develop entrepreneurial knowledge and skills.

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