



Undergraduates' Preference To Becoming An Entrepreneur

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ABSTRACT

The increasing rate of unemployed undergraduates is one of the issues that has triggered the world's concern lately. The number of undergraduates turned out every year from higher learning institutions is more than what the labour market can absorb. As stated by the Department of Statistics Malaysia, a 2016 report estimated that there were at least 200,000 unemployed graduates in Malaysia and that number was predicted to rise. It is also stated that the national unemployment was 3.5% out of 14 million Malaysians in the labour market.

High unemployment rates has turned the labour market to force many undergraduates to look at their own skills and resourcefulness in order to create income opportunities hence turning them into becoming an entrepreneur. An entrepreneur is an individual who introduces some ideas or adding value in existing ideas and products. This preliminary research will focus on undergraduates which are believed by many scholars can be trained to become real entrepreneurs. The study of undergraduates' preference in becoming an entrepreneur has led to the identification of possible determinants. Out of all the determinants, this research will identify the most significant factor contributing towards undergraduates' preference to become an entrepreneur. This study will involve 121 students in a Malaysian public university specifically in Universiti Teknologi MARA (UiTM) Sabah Branch.

Key Words: Undergraduate, entrepreneur, preference

INTRODUCTION

Entrepreneurs are creators, risk takers, opportunity seekers, wealth maximizers as well as those who brings the change in the environment by using technology, employees and resources in the most effective way according to Kuratko (2007). Individuals with entrepreneurial interest do not necessarily have low motivation but tend to have desires for social contracts and career development efforts in the future (Decker et al, 2011). According to Frank & Luthje (2004), the role of education in entrepreneurial drive is very much important as it can enhance the intention of students to become entrepreneurs. Entrepreneurial education provide the opportunity to learn and get experience through creative and innovative activities, business plan development, learning from some successful entrepreneurs, getting some role models, developing social networks and running stimulated or real small business.

Lately, the unemployment rate among local graduates showing the upward trend. What is the main concern is the rate of unemployment among newly undergraduates aged 20 to 24 is among the highest. Every year the numbers of unemployed graduates are increasing rapidly. There is a lack of working opportunity for those of newly graduating students. These will lead to a negative impact on the national economy. Higher unemployment rates cause the newly graduating students to look into another opportunity through self-employment.

There are so many variables which will lead to preferences of the undergraduates' students to becoming an entrepreneur. The possibility of the students to become an entrepreneur is determined by their own experiences, attributes and demographics as discussed in this paper. The study aims to identify the possible determinants of the undergraduates' in becoming an entrepreneur and it also examines the most significant factor contributing towards undergraduates' preference to become an entrepreneur.

LITERATURE REVIEW

Literature review discusses the relationship between independent variables involved the demographic profile of the respondents, business experiences and graduates' attributes against dependent variables (preference to become entrepreneur).

According to Wang & Wong (2004), there are only limited numbers of studies addressing the influence of demographic factors in shaping entrepreneurial intention of students and also the findings are not consistent. The present study is looking more into the demographic

gender and the background of the graduates' programme in university as a feature in modelling them becoming entrepreneur.

The relation between gender and entrepreneurial intention makes for a very interesting study. Sanchez (2011) report that men feel themselves more efficient and oriented to create a new venture than women. Another study by Zaidatol and Afsaneh (2009) found significant difference in the entrepreneurial intention between male and female students where the male students obtained a higher mean score. Shinnar et al. (2012) examined how culture and gender shaped entrepreneurial perceptions thus in the process entrepreneurial intentions across three nations. The findings of the study reported significant gender differences in perception of barriers.

It is proved by research that entrepreneurial attitudes of university students are significantly affected by educational programs. It is being concluded that hidden entrepreneurial potential of students is stimulated by educational programs (Wilson et al., 2003). Background in entrepreneurial education can enhance the intention of students to become entrepreneur (Frank & Luthje, 2004). It is also evident that courses of entrepreneurship have affirmative influence for entrepreneurship as a career choice (Dyer, 1994).

Previous studies have shown that prior entrepreneurial experiences can not only develop individual's entrepreneurial intentions, but can also accumulate experiences and skills for future entrepreneurial activities (Mazzarol et al., 1999). Some researches, however, indicate that the prior entrepreneurial experiences have just a slight influence on individual's knowledge of entrepreneurship and have no significant impact on their entrepreneurial attitudes (Davidsson et al., 1995). Therefore, there is a need to study the influence of experience of the graduates to become an entrepreneur.

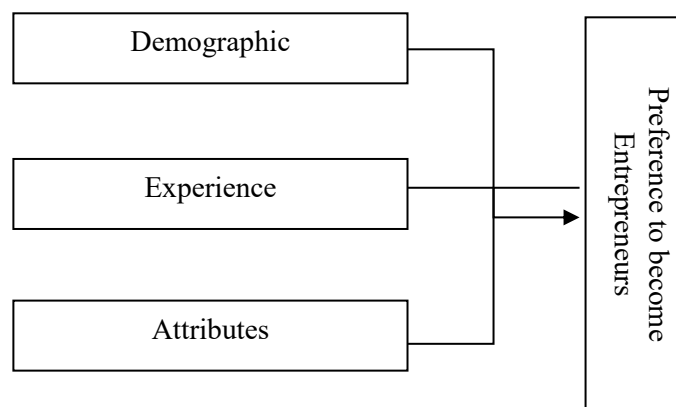
Family backgrounds of the student also foster the attitude and intention for entrepreneurship. It has been posited by Drennan et al., (2005) that people who have a parent or close family member who is an entrepreneur are more likely to follow an entrepreneurial career path. Such individuals have the option to start their own company, take up organizational employment or become a successor in family business. According to Greve and Saleff (2003), family business background may lower perceptual barriers to entrepreneurial behaviors since the individual can capitalize on their networks and larger social capital.

There are certain personality characteristics that lead to successful entrepreneurs. Pfeifer et al. (2014) conducted a study on various individual attributes related to entrepreneurship among university students, and found out that students with higher

entrepreneurial intentions exhibit stronger entrepreneurial identity, higher self-efficacy and higher entrepreneurial outcome expectations.

After taking into account the above overview, the conceptual framework can be summarized as shown in Figure 1 where 3 independent variables (demographic, experience and attributes) based on the literature to determine the dependent variables on the graduates' preference to become an entrepreneur.

Figure 1 Conceptual Framework of the Undergraduates' Preference to become an Entrepreneur



RESEARCH METHODOLOGY & SCOPE

Survey method by using questionnaires was conducted in this study. Exploratory approach were used and the prime data collected for discussing the relationship between independent variables that influence the preference of graduates' to become an entrepreneur as dependent variable. The respondents of this study were students of Universiti Teknologi MARA (UiTM) Sabah Branch, Malaysia. The distribution of questionnaires was done using purposive sampling technique where the criteria and target of the sample were identified. Total of 150 questionnaires have been distributed to the respondents and the complete response received was 80.67% which is 121 respondents.

A questionnaire is self-designed upon reviewing the literature on the preference of the graduate to become entrepreneur. The questionnaire is divided into three sections. Section A involves requesting the respondents to provide information on their demographic profile such as gender, age, programme and their semester. Section B aims to obtain some information on their business experiences and their family entrepreneurship background. In section C, the respondents are requested to provide information on the attributes to become entrepreneur. It

examines the respondents' readiness to be involved in the world of entrepreneurship as well as their confidence level in combating the obstacles in the business industry. There are 5 factors in this section such as self-determination, preparation, effort, seriousness and willingness in the business world. Specifically, the respondents are asked to complete this section using a 5-point scale from 1 being 'strongly disagree' to 5 being 'strongly agree'.

There are 3 main factors that become the main subject of the questionnaire on the undergraduates' preference to become entrepreneur in this study. These factors include demographic, experience and attributes to become entrepreneur.

RESULT & DISCUSSION

The respondents' profile indicates that there is slightly difference in percentage of women (54.5%) compare to men (45.5%). In term of age, the majority of respondents are aged 18 years old (71.7%), followed by 19 years old (19.0%), 21 years old (4.1%), 20 years old (3.3%) and lastly by the ages of 22 to 24 years old (0.8%). In term of programme or field of study, majority of the respondents from social sciences and humanities background (86.8%) while 13.2% are taking science and technology.

Pearson correlation is used to determine the relationship between two variables with normal data distribution. According to Babbie *et al.* (2003) if the correlation value is 1 then it has a very strong correlation, if the correlation value is from 0.30 to 0.99 is considered has a strong correlation, while the value of 0.10 to 0.29 indicates that the correlation is moderate, 0.01 correlation value to 0.09 indicates weak correlation and if the correlation value of 0.00 is not interconnected.

Figure 2 shows the correlation between dependent variables (preference to become an entrepreneur) and independent variables (demographic, experience and attributes). It is show that there is a strong correlation between preference to become entrepreneur and attributes with the value of 0.752 while another two factors which are demographics and experience show no correlation towards dependent variables.

Figure 2 Correlations between Dependent Variable and Independent Variable

| <i>Independent Variables</i> | | | | |
|------------------------------|------------------------|--------------------|-------------------|-------------------|
| <i>Dependent Variable</i> | <i>Correlation</i> | <i>Demographic</i> | <i>Experience</i> | <i>Attributes</i> |
| | <i>Pearson</i> | <i>0.121</i> | <i>-0.093</i> | <i>0.752**</i> |
| | <i>Sig. (1-tailed)</i> | <i>0.094</i> | <i>0.155</i> | <i>0.000</i> |
| | <i>N</i> | <i>121</i> | <i>121</i> | <i>121</i> |

****Correlation is significant at the 0.01 level (1-tailed)**

Overall, out of the three independent variables above, only the attributes factor recorded the strong correlation. The result of this study show that the student attributes is an important determinant to become entrepreneurship. The results show a significant relationship between attributes and preference to become entrepreneurship is consistent to De Noble (2003) and Ismail et al. (2009). Such results indicate that the way an individual thinks and behaves significantly influences their decision to pursue as an entrepreneur.

CONCLUSION & RECOMMENDATION

This study examines whether undergraduates' have an intention to pursue into entrepreneurship. It also examines which is the most significant factor influence the undergraduates to become entrepreneur. The result shows that the attributes factor is relevant to the preference of undergraduates to become an entrepreneur while the other two variables of demographic and experience shows no correlation.

This study should expand to other faculties to gain more inputs and to see the difference angles of findings. Training and talk on entrepreneurship should be continued from time to time (culture) in university. Therefore, the management and the support system in the university should support these agenda. Lecturers must play their important role in order to change their student's mind set and keep motivating their students to get involve in entrepreneurship.

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