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## **Propensity towards Entrepreneurial Education among Students of Higher Learning Institutions**

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### **ABSTRACT**

This study attempts to examine the level of entrepreneurial propensity among students of Higher Learning Institution in the Northern region of Peninsular Malaysia. The objective of this paper is to examine the relationship between the entrepreneurship education and propensity towards entrepreneurship practices. A total of 300 students are taken from two campuses which are UiTM Seri Iskandar Campus and UiTM Tapah Campus. The questionnaires are personally distributed to these respondents. There are four factors that had been tested on the entrepreneurial propensity with the use of appropriate measure using the 5-point Likert scaling. All the constructs and variables are systematically developed and hypotheses. An empirical test carried out on the data gathered from questionnaires demonstrates that four entrepreneurship education variables which are University's role, university's curriculum, role model as well as internship programme are found to have statically significant relationship on the propensity towards entrepreneurship. Finally, based on the findings, the discussion of the study has been forwarded.

**Key Words:** Entrepreneurial propensity, entrepreneurship education, students.

## **INTRODUCTION**

The recent expansion and growth in the business world and the word “entrepreneurship” gained new paradigm and change the world economy. Today, entrepreneurship is regarded as one of the best economic development strategies to develop country’s economic growth and sustain the country’s competitiveness in facing the increasing trends of globalization (Schaper and Volery 2004; Venkatachalam and Waqif 2005). In today’s competitive job environment, total job opportunities are inevitably limited and thus one must compete to secure a job as supply of jobs is limited. Therefore, students are now apparently searching for a business education that can equip them with the necessary entrepreneurial knowledge and skills to succeed in running businesses or to create a job from seizing existing entrepreneurial opportunities (Brown 1999; Henry 2003).

Nowadays, entrepreneurship education is one of the fastest growing fields of education globally (Solomon, 2007 Solomon, G. (2007). Courses in entrepreneurship are also becoming a popular at college and university levels (Brown 1999). Entrepreneurship education is one of the fastest growing fields of education globally, yet the areas of “what” should be taught in these programmes and “how” to teach them have been mentioned by many researchers as ones that lack both consensus and devoted attention. The present paper aims to provide a detailed map of common and best practices in terms of the factors that influences the entrepreneurial propensity among the students in Higher Learning Institution and to explore how they correlate with practices recommended by the entrepreneurial learning field of research, in order to contribute to extracting best practice.

## **LITERATURE REVIEW**

### **Entrepreneurship Education**

The history of entrepreneurship education could be dated back in 1938 when Shigeru Fijii, who was the teaching pioneer at Kobe University, Japan had initiated education in entrepreneurship (Alberti, Sciascia et al. 2004). Entrepreneurship education, according to Binks (2005), refers 'to the pedagogical process involved in the encouragement of entrepreneurial activities behaviors and mindsets...'. Therefore the role of entrepreneurship education is mainly to build an entrepreneurial culture among young people that, in turn, would improve their career choices towards entrepreneurship (Deakins, Glancey et al. 2005). In achieving this, the design of entrepreneurship education curriculum need to be creative, innovative and imaginative and most importantly is 'tying academic learning to the real world' (Robinson and Haynes 1991). For the purpose of this paper, entrepreneurship education is employed as it has been termed and broadly used and accepted by most Malaysian universities.

### **The Important of Entrepreneurship Education**

Entrepreneurship education has been recognized as one of the vital determinants that could influence students' career decisions (Kolvereid and Moen 1997; Peterman and Kennedy 2003). Due to that influence, there is a need to examine how entrepreneurship education could influence university students' propensity to entrepreneurship. Despite the exponential growing research interest in the area of entrepreneurship education (see Wang and Wong 2004; Wong and Lena 2005; Menzies and Tatroff 2006), as far as the researchers are aware, very little research has been specifically investigated the relationship between entrepreneurship education and entrepreneurial propensity particularly on Malaysian university students.

Hence it is the aim of this research to contribute to the current literature by identifying the variables of entrepreneurship education that influence students' propensity towards entrepreneurship specifically in Malaysian settings. Particularly, this paper aims and attempts to investigate the relationship between entrepreneurship education and university students' propensity towards entrepreneurship among Malaysian university students in Malaysia. The following section briefly discusses each attribute of entrepreneurship education that could have influence university students' propensity towards entrepreneurship. Each attribute is succinctly explained and followed by the hypothesized propositions for the study.

### **University's Role**

The university's role in promoting entrepreneurship Universities play a functional role in promoting entrepreneurship education to develop regional and society economies (Binks, Starkey et al. 2006; Co and Mitchell 2006). This could probably because universities are seedbeds of entrepreneurship to teach their students the way to think and behave entrepreneurially (Bygrave 2004). Universities, in this respect, should position themselves as a hub of entrepreneurship by making substantial contributions in nurturing an entrepreneurial environment that combines factors that contribute to the development of entrepreneurship (Gnyawali and Fogel 1994).

As a provider of entrepreneurship training programmes, universities must do all the best it could to create an entrepreneurially supportive environment that could encourage the entrepreneurial activity which later will help to develop an enterprise culture among university students who are tomorrow's entrepreneurs (Roffe 1999). Hence it is important to present a positive image of entrepreneurship as career option to draw students' attentions within the university environment by providing the resources and other facilities available to them. Towards this end, universities, by creating an entrepreneurial culture across campus, are expected to influence students' decision to creation businesses with its considerable influential factor on students. Given the strong role that a university could play in fostering entrepreneurship among university students, it is hypothesized that:

*H1: The role of University in promoting Entrepreneurship education helps to increase the propensity among the students towards the entrepreneurship.*

### **The Entrepreneurial Curriculum and Content**

Having exposure to entrepreneurship seems to be a key factor to develop and foster entrepreneurialism (Charney and Libecap 2003; Hannon 2005). However, It appears to be unfinished debate from little uniformity concerning how, who and what to teach entrepreneurship with regard to its contextual and conceptual understandings despite entrepreneurship education has been increasingly gained the attention from academia (Falkang and Alberti 2000; Raichaudhuri 2005). This happens largely due to the four possible viewpoints held by different people when developing the entrepreneurship programmes: from the educators viewpoints; the student-entrepreneurs; those who design the programmes and the evaluators (Béchar and Toulouse 1998). Edwards and Muir (2005) also express the same viewpoint that entrepreneurial curriculum develops differently across universities, either as an optional module within business courses or a specific courses on entrepreneurship. Levie (1999) in his study on entrepreneurship education in England found that entrepreneurship teaching and courses are generally classified into two approaches: courses for entrepreneurship and courses about entrepreneurship. The decisions on teaching methodologies in entrepreneurship courses are therefore could be influenced by the aim of the educational objective.

To produce students who are capable to deal with real entrepreneurial activity or to transform students' entrepreneurial competencies to practical way is closely centered on courses for entrepreneurship. While courses about entrepreneurship concerned with teaching entrepreneurship as a required subject in the syllabus via traditional methods (Gibb 2002). Thus, the major challenge of entrepreneurship in relation to education is the appropriateness of curriculum and teaching methods in developing students entrepreneurial competencies and skills (Garavan and O'Conneide 1994). With regard to the content of the entrepreneurial courses, Brown (1999) indicates that the entrepreneurship course content should be informal with an emphasize more on hands-on teaching methods. He then outlines the core structure of teaching entrepreneurship courses should draw on critical thinking, reliance on experience, thinking about entrepreneurship as a career and use guest speakers who are experienced entrepreneurs.

Notwithstanding the differences in curriculum and delivery approach, the ultimate aim of entrepreneurial programmes is to stimulate entrepreneurship awareness among students that, in turn, would increase their interest in entrepreneurship. Therefore, given the importance of entrepreneurial curriculum and contents play in fostering entrepreneurship among university students, it is hypothesized that: *H2: The entrepreneurial curriculum and content increase the propensity among the students towards the entrepreneurship.*

### **Role models**

The effect of role models on propensity towards entrepreneurship is widely discussed in the literature (see Ghazali, Ghosh et al. 1995; Deakins, Glancey et al.

2005; Van Auken, Stephens et al. 2006; Kirkwood 2007). According Hisrich, Peters, & Shepherd (2005), role models are 'individuals influencing an entrepreneur's career choice or styles'. Role models, in this context, are very imperative because they provide individuals a training for socialization (Postigo, Iacobucci et al. 2006; Rajkonwar 2006). It is more credible for individuals to act of becoming a successful entrepreneur by having a good example that they can relate to (Bygrave 2004). It is based on the assumption that having to see successful persons in business, an individual would have the aspiration to imitate in order to become a successful person in business too (Caputo and Dolinsky 1998). Given the importance of role models, the role of educators and friends of university students are examined as to how they might influence students' propensity towards entrepreneurship (Peterman and Kennedy 2003; Wong and Lena 2005). The role of the teachers is indispensable in education as they 'prepare, encourage and cultivate students' (Boyle 2007). According to Hytti and O'Gorman (2004), educators are a critical element to the development of effective enterprise education initiatives. The role played by educators, in this instance, is to actively guide and inspire students' interest towards entrepreneurship by providing real-life business experiences (Hannon 2005). This is because educators are given the responsibility to mould the personality and characters of students, apart from imparting knowledge in the class. With reference to the above discussion, the following hypothesis is developed:

*H3: The existing of role models (educators or friends) increases the propensity among the students towards the entrepreneurship.*

### **The entrepreneurial internship programmes**

The learning process of entrepreneurship should not only confine just to the classroom discussions but the interaction with today's dynamic business environment is vital because of 'critical entrepreneurial skills can only be developed and refined if they are practised' (Dilts and Fowler 1999). For this reason, entrepreneurial internship is seen as a good mechanism to provide students with such a learning experience in a real business milieu (Dilts and Fowler 1999). Internship as according to Gault, Redington, & Schlager (2000) is 'generally part-time field experiences and encompasses a wider variety of academic disciplines and organisational settings' with its main goal to eventually lead students to become self-employed (Dilts and Fowler 1999).

Neill and Mulholland (2003) point out that the students' placement and/or work experience programmes is very crucial for undergraduates as it exposes and prepares a student for the real working experience and as an external extracurricular learning activity. This, in turn, has made internship programmes become an important integral part of today's educational curriculum in preparing university students towards entrepreneurial career (Raymond and McNabb 1993). In other words, having a good entrepreneurial internship programmes will have a great impact on more university students to have higher interest in entrepreneurship, thus resulting in:

*H4: The entrepreneurial internship programmes increase the propensity among the students towards the entrepreneurship.*

## **METHODOLOGY**

This quantitative research is designed as a cross-sectional research which uses individual as the unit of analysis. This research is also an explanatory research whereby the purpose is to determine the factors (independent variables) influencing entrepreneurship propensity (dependent variable) among students in higher learning institutions in northern Malaysia. For this study, the model of data collection was a survey by self-administered questionnaire. Therefore, primary data will be collected from questionnaire survey since the purpose of this explanatory study is to investigate and to answer whether the independent variables do influence the dependent variable. The target population of this research is the students of higher learning institutions in northern Malaysia. However, due to time and budget constraints, only two campuses of public higher institution has been chosen to represent the target population which were UiTM Kampus Seri Iskandar and UiTM Kampus Tapah. The element that is selected for this research will be the respondents of the questionnaire survey which are students from chosen campuses. However, this element is only restricted to students who have pursued any type of business degree programmes or students that taking entrepreneurship subject in their courses such as students from faculty of Accountancy, FSSR, FSKM, FSPU, as well as FSG. The reason that they are chosen is because they may have the tendency or intention whether to venture in entrepreneur or not at all. The sampling technique used in this research is a non-probability sampling technique known as the quota sampling method. Due to time and budget constraints, quota sampling is used whereby a quotation of 300 set of questionnaires are to be distributed and collected from chosen campuses. Samples collected will be used for data analysis process. A total of 300 sets of questionnaires are distributed to both campuses where 150 of it will be distributed in UiTM Kampus Seri Iskandar to the students with the permission of the lecturers during or after lecture classes. The other 150 sets of questionnaires are delivered to UiTM Kampus Tapah and distributed to students with the help of the lecturers from the institution and collected back for data analysis.

## **RESULTS**

The entire Beta showed positive figure which is 0.152 in University's role, 0.287 in curriculum and content toward entrepreneurship, 0.183 in role models and 0.325 in internship programme compared with its constant, entrepreneurship education propensity. This means the factors in this research have positive relationship between with the entrepreneurship education propensity. According to the analysis that for every one-unit increase in University's role will cause 0.152 increases in entrepreneurship education propensity, holding all other independent variables constant. This equation is also applied to other variables which are curriculum and content toward entrepreneurship, role models and internship programme. According to Field (2008), the standardized beta values ( $\beta$ ) are all measured in standard deviation units and so are directly comparable: therefore, they provide a better insight into the "importance" of a predictor in the model. Based on the

Standardized Coefficient, the curriculum and content toward entrepreneurship and internship programme both have the highest Beta ( $\beta$ ) among the other variables, which is 0.274. This means that both of them have the most influence to the entrepreneurship education propensity among university students. However, from the magnitude of the t-statistics, it shows that the internship programme ( $t = 5.094$ ) had slightly more impact than attitude toward entrepreneurship ( $t = 4.920$ ). This is followed by the role model of 0.179 which is the second influence that will affect entrepreneurship education propensity and lastly will be the University's role of 0.112. The final result of the relationship will be analyzed by the Multiple Regression (MLR). Based on the analysis, there is significant relationship between Internship programme and entrepreneurship education propensity (Sig. = 0.001). This is due to the p-value is less than 0.01 ( $p$  value  $< 0.01$ ). Thus, H4 is accepted. Secondly, there is significant relationship between University's role and entrepreneurship education propensity (Sig. = 0.026). This is due to the p value is smaller than 0.05 ( $p$  value  $< 0.05$ ). Thus, H1 is accepted. Next, curriculum and content has significant influence on entrepreneurship education propensity. The relationship is recognized by the analysis ( $p = 0.001$ ). The p-value is lower than 0.01 ( $p < 0.01$ ). Thus, H2 is accepted. Then, there is a significant relationship between Role model and entrepreneurship education propensity. The relationship is recognized by the analysis ( $p = 0.002$ ). The p-value is lower than 0.01 ( $p < 0.01$ ). Thus, H3 is accepted.

## DISCUSSION

The purpose of the study was to investigate the relationship between entrepreneurship education and university students' propensity towards entrepreneurship among Malaysian university students. We hypothesized that there is a significant relationship between entrepreneurship education and entrepreneurial propensity. In general, the results of the analysis provide empirical supports for the position played by the university in promoting entrepreneurship (Edwards and Muir 2005; Postigo, Iacobucci et al. 2006; Nurmi and Paasio 2007). It is positively correlated to entrepreneurial propensity. This relationship may be attributable to the increasing demands from students to seek for quality education from educational institutions that could equip them with the entrepreneurial competencies in preparing them for future careers. In doing so, universities must be able to design and/or develop the curriculum that would fulfill the students' demands as well as the industry. Furthermore, the exposure to entrepreneurial courses would certainly, to some extent, influence students' propensity towards entrepreneurship.

Besides, the study of Edwards and Muir (2005) also found that lecturers play a huge role in influencing students' entrepreneurial propensity level. The personal independent learning approach was also to be insignificant and has weak relationship with entrepreneurial propensity. These are mainly due to several explainable reasons. In general, most of the lecturers who teach entrepreneurship courses at Malaysian universities are still lack of personal entrepreneurial experiences or entrepreneurial knowledge which leads to the difficulty for them to guide students and relate to the real issues of launching a venture. A study by Ooi and Ali (2005) support this view by stating that lecturers are found to be lack of interest to teach entrepreneurship. The learning approach adopted by most Malaysian universities is still predominantly favored in rote, teacher-centered and dependent approach (Ninnes, Aitchison et al. 1999). Thus students become a passive learner and being 'spoon-fed' in the classroom learning as that was the way they were trained to be since in primary school.



## CONCLUSION

In conclusion, university students' propensity towards entrepreneurship is examined together with several related variables. The results of the analyses indicated that two entrepreneurship education variables, i.e. the university's role to promote entrepreneurship and the entrepreneurial curriculum and content along with role model and internship programme are statistically significant. These results are anticipated to have certain implications to both universities and students alike. The changes of the recent roles played by universities, at one hand, are much needed in order to create an entrepreneurial environment in an effort to fostering entrepreneurship among students. On the other hand, students must be ready to be able to swift their current learning approach to a more practical way which is required in the entrepreneurial learning process. The findings of the results could also hope to shed some new insights to the current entrepreneurship literature particularly in Malaysian settings.

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