

Intentions, Motivations and Obstacles toward Entrepreneurships among UiTM Pahang Final Year Students

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ABSTRACT

Nowadays, cultivating entrepreneurship has become a vital agenda in most countries. Entrepreneurship improves the standard of living among society by creating job opportunities and contributing to the development of our country. The Ministry of Higher Education collaborates with the Higher Learning Institutions have undertaken various programme to shape the minds and intentions of student's to become entrepreneurs. Nevertheless, according to Akpomi (2009), only 12.4 percent out of 100 would – be- graduate really aspire to become entrepreneurs after graduation. Due to that, it is crucial to investigate the level of intention and motivation to be an entrepreneur among our final year students. The sample of this study consists of UiTM Pahang 34 selected final year students from different course of study. The main objective of this paper is to explore better understanding on the intentional factors and motivational factors that could inspire students toward entrepreneurship. In order to capture the true scenario toward entrepreneurship among final year students, barriers also need to be considered. This study also investigates which obstacle becomes the major factor toward development of entrepreneurship among final year students. The finding from this research could provide information to the Ministry of Higher Education and the Higher Learning Institutions in order to realign Malaysia's Universities graduates toward entrepreneurships.

Keywords: Intentions, Motivations, Obstacles, Entrepreneurships

Introduction

Entrepreneurship can be defined as the process of conceptualising, organising, launching and through innovation, nurturing a business opportunity into a potentially high growth venture in a complex and unstable environment (Rwigema and Venter 2004). In recent years, there has been a growing interest in entrepreneurship education because of its relationship with regional economic development through new ventures and job. For instance, national organization of entrepreneurship and developing small businesses had been established in India for developing and expanding entrepreneurship and the Ministry of Entrepreneurship had been established in Malaysia (Zali & Razavi, 2008). Other than that, the Ministry of Higher education has played an important role in cultivating the entrepreneur interest among university students and graduates. The Critical Leadership Agenda Project been established under the Strategic Plan Higher Education (PSPTN) to help institutions of higher learning (IPTA) to strengthen both the national and the institutional aspects. Referring to Legatum Prosperity Index, Malaysia is ranked in 28th out of 104 economies (www.prosperity.com) due to relatively high entrepreneurialism reflected by entrepreneurship and innovation. Malaysia's performance is boosted by a flourishing high-tech industry. Moreover, high levels of royalty receipts indicate that our ability to capitalize innovations, according to the Legatum Study. Similarly, the World Bank ranks this country 23rd out of 183 economies in the ease of doing business (www.entrepreneurship.org).

But historically, entrepreneurs face many problems when seeking funding for their start-ups. New ventures commonly rely on bootstrapping, angel investing, family or friends, venture capitalists and banks to provide the necessary capital for their businesses (Nina, 2011). The reasons for new ventures struggle to raise capital are because they are inexperienced, unknown and untested (Mantell, 2009; Barringer and Ireland, 2009). This is true for the young entrepreneur with little business knowledge, experience and collateral (Mantell, 2009). A study in Iran shows the government laws and regulations acted as a barrier against entrepreneurship growth and consequently, the failure of economic growth and development in Iran (Lamei, 2007).

Literature Review

Entrepreneurships

Entrepreneurship is a vehicle to economic growth, success and prosperity. Herrington, Kew and Kew (2009) point out that an entrepreneur is one that shifts economic resources out of an area of low productivity into an area of higher productivity and greater yield. An entrepreneur is one who organizes, manages and assumes the risk of a business enterprise.

Intentions

In 2009, Pihie notes that intention is the state of mind or attitude which influences entrepreneurial behaviour. Most of the surveys show that education in entrepreneurship encourages graduates to start their own businesses (Christian & Nikolaus, 2004). Clark, Davis & Harnish (1984) surveyed a sample of students at a medium sized American university who were enrolled in an introductory entrepreneurship course. The finding shows that almost 80 percent of these students were considering setting up their own businesses, and their plans were often turned into reality. 76 percent of the respondents stated that the entrepreneurship course had a strong or very strong effect on their decision to find a new business (Clark, Davis and Harnish 1984). According to Fleming (1992), 45 percent students who are involved in entrepreneurship activities and programme decided to be an entrepreneur after graduation. Christian & Nikolaus (2004) found that lower level of intentions among students in Munich and Vienna may be attributed to their less distinctive entrepreneurship education.

Motivations

These economics-based models (Campbell, 1992) explicitly consider the role of risk in the decision to become an entrepreneur. Rees et al (1986) found that the variance of earnings for self-employed individuals was triple that of individuals working for others, leading to the conclusion that risk-averse individuals are less likely to pursue self-employment. Douglas and Shepherd (1999), using anticipated risk as a predictor, stated "The more tolerant one is of risk bearing, the greater incentive to be self-employed." Other recent research is based on an organizational psychological framework.

Obstacles

Pretorius and Shaw (2004) and Atieno (2009:33) report that lack of finance is one of the major constraints to the formation of new enterprises. Entrepreneurs need to access to both internal and external finance to survive and grow. Maas and Herrington (2006) indicate that lack of financial support is the second major contributor to the low total entrepreneurship activity (TEA) rate in South Africa. Pretorius and Shaw (2004) observe that a large percentage of the failure of entrepreneurial ventures in South Africa is attributed to inadequate capital structure or resource poverty.

Kursus Asas Keusahawanan (KAKS)

Kursus Asas Keusahawanan (KAKS) programme is conducted to expose the graduates with business environment and motivate them to become entrepreneurs. This is an annual program organized by Malaysian Academy of SME & Entrepreneurship Development (MASMED) Universiti Teknologi Mara for Diploma and Degree final semester students. Many activities and information sharing sessions were conducted during this programme. The panels invited for the talks were consisted the representatives from PUNB, TEKUN, Agrobank, SSM, INSKEN and successful entrepreneurs. The programs were able to inspire students' intention and motivation because they have been exposed to business simulation and business practices. According to Hytti, Ulla & O'Gormon (2004), the teaching approach to create more entrepreneurs is by exposing them with to real business practice under the controlled environment such as business simulations or role models.

Methodology

This research is conducted at "Kursus Asas Keusahawanan (KAKS)" programme organized by Malaysian Academy of SME & Entrepreneurship Development (MASMED) UiTM Pahang. This study involves 34 final year students from UiTM Pahang. The selection process is based on the high score on entrepreneurial test

conducted by UiTM counseling department. Only shortlisted graduates were able to participate in this programme. A survey was conducted during KAK 2012. The data was collected through questionnaires distributed to UiTM Pahang final year students during that course. The questionnaires contained 3 sections; respondents demographic, respondents' intention and motivation towards entrepreneurship and respondents reason for obstacles towards entrepreneurship. Those intentions, motivations and obstacles instruments are derived from Fatoki et.al (2010) using Likert Scale from 1 to 4 (1 is for "strongly disagree" until 4 for "strongly agree"). The number of questions for intentions, motivations and obstacles can be referred to Table 1. In this study, the researchers used two types of analysis; frequencies and descriptive statistics. The data for this study were analyzed using SPSS version 20.

Table 1: Research Instruments

Variables	Number of Questions	Source
Intentions	10	
Motivations	20	Fatoki et.al 2010
Obstacles	22	

Research Findings and Results

The results and findings in this section are classified into 3 parts, which are demographic, intentions and motivations toward entrepreneurship and obstacle factors toward entrepreneurship among final year students.

Table 2: Percentage of Graduates Demographic

Demographic	UiTM Pahang final year students	
Sex	Male	29.4% (10)
	Female	70.6% (24)
Age	21 – 23 years old	100% (34)
Program	Diploma	100% (34)
Family Involvement in Business	Yes	67.6% (23)
	No	32.4% (11)
Graduates experience in business	Yes	73.5% (25)
	No	26.5% (9)

Table 2 shows the total number of final year students is 34. The percentage of sex among UiTM Pahang final year students stated 29.4% male and 70.6% female. Referring to the table 2 above; percentage of age among UiTM Pahang final year students 100% from the same group of age between 21 to 23 years old. Most of the respondents are diploma level final year students. UiTM Pahang final year students stated 100% from the same level of diploma program. Regarding the family involvement in business, UiTM Pahang final year students stated 67.6% of yes and the balance of 32.4% stated no. The family involvement could justify the students' experiences in business. UiTM Pahang final year students address 73.5% of yes for have the experiences in business and the balance of 26.5% of no experiences in a business.

Table 3: Mean for Intention toward Entrepreneurship

Items	Graduates intentions	UiTM Pahang final year students	
		Mean	Std. Deviation
1	My professional goal is to become an entrepreneur.	3.85	0.359
2	I prefer to be an entrepreneur rather than to be an employee in a company.	3.59	0.557

3	I am prepared to do anything to be an entrepreneur.	3.59	0.557
4	I'll put every effort to start and run my own business.	3.68	0.475
5	I have thought seriously to start my own business after completing my study.	3.47	0.615
6	I have a strong intention to start a business someday.	3.71	0.462
7	I'm determined to create a firm in the future	3.56	0.561
8	I want to be my own boss.	3.79	0.479
9	I will start my business in the next five years.	3.03	0.87
10	I will start my business in the next ten years.	2.85	1.048

Table 3 shows the results of final year students' intention toward entrepreneurship. The highest mean is 3.85 and the standard deviation at 0.359 is derived from item number 1 "My professional goal is to become an entrepreneur". The second item stated the highest mean is "I want to be my own boss" at 3.79 and the standard deviation at 0.479. The third highest of mean is at 3.71 and the standard deviations 0.462 refer to item number 6 "I have a strong intention to start a business someday". Overall all items stated the mean score more than 3 except for one item. It is item number 10 "I will start my business in the next ten years" at 2.85 and the standard deviation at 1.048. This is a good signal because all graduates have good intentions to become entrepreneur in the future.

Table 4: Mean for Motivation toward Entrepreneurship

Items	Graduates motivations	UiTM Pahang final year students	
		Mean	Std. Deviation
1	To provide employment	3.62	0.493
2	To provide job security	3.56	0.561
3	Opportunities in the market	3.62	0.493
4	Earn a reasonable living	3.65	0.544
5	To take advantage of my creative talent	3.56	0.561
6	Support for potential entrepreneurs	3.53	0.563
7	For my own satisfaction and growth	3.65	0.544
8	To be my own boss	3.79	0.479
9	To realize my dream	3.76	0.431
10	For my personal freedom	3.47	0.615
11	To challenge myself	3.68	0.475
12	Good economic environment	3.56	0.504
13	I enjoy taking risk	3.12	0.686
14	To invest personal savings	3.59	0.5
15	To use the skill learned in the university	3.59	0.5
16	Entrepreneurial family culture	3.18	0.716
17	Increase my prestige and status	3.44	0.561
18	Follow the example of someone that I admire	3.47	0.563
19	To maintain my family	3.56	0.613
20	Enjoy myself	3.41	0.743

Table 4 shows the findings on final year students' motivation toward entrepreneurship from UiTM Pahang. All 20 items stated mean score of more than 3. It is good news for UiTM Pahang because most of the

final year students have high motivation toward entrepreneurship. The highest mean is referred to item number 8 which declares motivation to be a boss is at 3.79 and the standard deviation at 0.479. The second highest mean is derived from item number 9 which states 3.76 and the standard deviation at 0.431 on the item to achieve their dream to an entrepreneur. The third highest score of mean comes from item number 11 which states that they want to take the challenge in entrepreneurship at 3.68 and the standard deviation at 0.475. Besides that, the lowest score of mean is at 3.12 and the standard deviation at 0.686 come from item number 13 “they cannot tolerate in taking the risk”. The second and third lowest of mean among the motivation items is number 16 and 20. Represents mean at 3.18 with the standard deviation at 0.716 and mean at 3.41 with the standard deviation at 0.743. Most of final year students not come from the family business culture and they are serious about entrepreneurship. The lowest mean explained good side of motivation among UiTM Pahang final year students to be the real entrepreneur in the future.

Table 5: Mean for Obstacles toward Entrepreneurship

Items	Obstacles among Graduates	UiTM Pahang Graduates	
		Mean	Std. Deviation
1	Lack of savings	3.44	0.561
2	Difficulty in obtaining bank finance	3.18	0.521
3	Lack of assets for collateral	3.29	0.462
4	Lack of business skills (financial, marketing)	2.82	0.673
5	Lack of information about how to start a business	2.91	0.668
6	Lack of business experience	2.94	0.694
7	Lack of information about any government agency that can assist in funding a business	2.88	0.64
8	Do not know how to write a business plan	2.32	0.727
9	Fear of crime	2.74	0.751
10	Need to pay school loans	2.85	0.784
11	Cost of business registration	2.71	0.938
12	Did not do any business management or entrepreneurial module	2.44	0.927
13	Cannot see any opportunity in the market place	2.18	0.869
14	The fear of starting a business because of a risk associated with a business	2.53	0.788
15	The uncertainty about the future if I start my own business	2.62	0.697
16	Fear of failure	2.5	0.707
17	Weak economic environment	2.82	0.576
18	Lack of support from family or friend	2.38	0.922
19	Nobody in my family has ever gone into business	2.24	0.955
20	Convincing others that it is a good idea	2.94	0.694
21	No one to turn to for help	2.5	0.826
22	Finding right partners	2.97	0.797

Table 5 shows the findings on obstacles reason among final year students toward entrepreneurship. All 22 items are listed in the obstacles table. Only 3 items state mean score above than 3 and the other 19 items state mean below than 3. This finding revealed only 3 out of 22 obstacles become the major challenge among UiTM Pahang final year students. The 3 items are lack of savings, difficult to obtain finance from the bank and lack of asset for collateral. It has become a major challenge for all final year and it is proven by agreeable result of mean at 3.44 with the standard deviation at 0.561 for lack of savings for item number 1. It is followed by item number

3 with score of mean at 3.29 with the standard deviation at 0.462 for lack of assets for collateral. Next is item number 2 at mean score of 3.18 with the standard deviation at 0.521 for difficulty in obtaining bank finance. Besides that, the rest of other 19 items state mean below than 3. Final year students felt it is not so much threats for them related to the other 19 items. UiTM Pahang is on the right track to produce future entrepreneurs. 3 items that scored lowest mean which explained those reasons are not become the major obstacles are do not know how to write a business plan, cannot see any opportunity in the marketplace and no one in their families has ever involved in business. The lowest score of mean at 2.18 and the standard deviation at 0.869 come from item number 13, which explained most of the final year students do have seen opportunity in the market. Besides that, the second and third lowest of mean is for the items number 19 and 13. It represent mean at 2.24 with the standard deviation at 0.955 and mean at 2.32 with the standard deviation at 0.727. Most the final year students do have families who are involved in business and they have the knowledge to write business plans. It is due to UiTM final year diploma students need to undertake one entrepreneurial subject (ENT300) and they need to produce one business plan as one of the subject requirements.

Table 6: Mean for Intentions, Motivations and Obstacles toward Entrepreneurship

Variables	Min.	Max.	Mean	Std. Deviation
Intention	2.80	4	3.51	0.34
Motivation	2.85	4	3.54	0.36
Obstacles	2.05	3.5	2.74	0.34

Table 6 shows the intention, motivation and obstacles toward entrepreneurship among UiTM Pahang final year students. Both variables intention and motivation state mean above than 3.00, which reflect UiTM Pahang final year students have good intention and high motivation toward entrepreneurship. The mean for intention is 3.51 and the standard deviation is at 0.34, while the mean for motivation is 3.54 and the standard deviation is at 0.36. The minimum scale is at average of 2.8 and the maximum scale is 4. Obstacles among final year students state the mean at 2.74 and the standard deviation is at 0.34 due to the minimum scale at 2 and the maximum scale at 3.5. From the findings, UiTM Pahang final year students show valuable information on intentions, motivation and obstacles toward entrepreneurship.

Conclusion

The results show that UiTM Pahang students have high intentions and motivations to be an entrepreneur. The high intention and motivation is due to their goal to be an entrepreneur and they want to be their own bosses. This is because UiTM Pahang has been organizing and conducting many programmes and activities to create intention and motivate among students to be future entrepreneurs such as Karnival Keusahawanan, Seminar Keusahawanan, Entrepreneurs Competition and Kursus Asas Keusahawanan (KAKS)". It will help to expose the students to the real world of business. Kelab Keusahawanan UiTM Pahang provides specific place to give opportunity to the students to open their business in campus. In future, Kelab MyAgrosis UiTM Pahang will also give opportunity to the students to be entrepreneurs. By involving in business activities organized by the entrepreneur clubs and associations, the intention and motivation can be increased.

The finding found that the major obstacle to be entrepreneur is financial obstacle. The result is supported by the previous research conducted by Robertson, Collins, Medeira & Slater (2003). They found that the most barriers to start up a business among students is financial barriers. The students also have no steady income to start up the business. However, since the mean obstacle towards entrepreneurship is less than three, it shows that all the items are not barriers to UiTM final year students to be entrepreneurs.

Educational institutions should introduce and strengthen entrepreneurial education. It is recommended that students should go for industrial attachments to gain valuable business and technical experiences, especially in managing financial aspects. Further studies can be conducted to investigate the obstacles faced by all final

year students in UiTM Pahang to be an entrepreneur and not only limited to the participants of Kursus Asas Keusahawanan (KAKS).

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