

A Study on College Students' Inclination toward Entrepreneurship in Sabah

Yuk Fong Chin

CEO

Jesselton College Sabah

Fung Lan Yong

Lecturer

Jesselton College Sabah

Abstract

The purpose of this study was to examine college students' inclination toward entrepreneurship by using a Likert questionnaire. The sample consisted of 50 full-time students enrolled in a private college in Sabah, Malaysia. Findings revealed that a majority of the respondents indicated that college helped them develop the social and leadership skills for entrepreneurship. They would choose to become entrepreneurs after their studies and saw themselves as entrepreneurs in the next 10 years. A majority also indicated that they were interested in becoming entrepreneurs and wanted to become their own boss rather than working for others. Finally, recommendations on how colleges could enhance students' inclination toward entrepreneurship were given.

Keywords: inclination toward entrepreneurship, college students, Sabah

1.0 Introduction

Entrepreneurship is currently regarded as an important factor that accelerates the socioeconomic development of Malaysia as well as an effective way to invest in human capital development to thrive in the globalized economy. It is emphasized in Malaysia as a strategy to sustain its triple bottom line in terms of financial, environmental, and social sustainability. Entrepreneurship is also instrumental in generating employment and wealth (Gurol & Atsan, 2006), innovation, and competitiveness (Kuratko & Hodgetts, 2004).

In Malaysia, interest in entrepreneurship has greatly increased over the last decade for several reasons. One of the major factors for the phenomenon is the increasing lack of secure employment (Kamau-Maina, 2006) and difficulty in obtaining traditional jobs among fresh graduates (Seet & Seet, 2006). In 2009, for example, 30 percent of the 170,000 graduates in Malaysia were unemployed (NEAC, 2010). Additionally, Md Yusof, Rohan, & Yong Zulima (2009) found that 24 percent of the Malaysian university graduates were unemployed in 2008, while only

1.1 percent of them were self-employed.

In 2010, the New Economic Model of Malaysia placed entrepreneurship as the key driver of the economy for the next decade, and university graduates were identified as potential entrepreneurs. However, their entrepreneurial inclination was poor as only 10,000 graduates attended the entrepreneurship programs organized by the Ministry of Higher Education every year (Azlan, 2009).

2.0 Review of Literature

Psychological and behavioral factors

Hian (1996) who examined the entrepreneurial inclination and psychological characteristics of MBA students found that entrepreneurially inclined students tended to demonstrate greater innovativeness and higher tendency for risk-taking compared to their less entrepreneurially inclined peers. Further, Wang and Wong (1998) who examined the level and determinants on interest in entrepreneurship of undergraduates found that inadequate business knowledge and perceived risks were significant deterrents of entrepreneurship. This finding was supported by Luthje and Franke (2003) who found that perceived barriers and support factors directly influenced the entrepreneurial intent of engineering students.

Some studies indicated that entrepreneurial inclination is related to intention. For example, Zaidatol Akmaliah and Abdullah Salleh (2008) found that science and engineering students with entrepreneurship experience scored higher in entrepreneurial spirit than those without such exposure, while entrepreneurial behaviour, self-efficacy, and interest were the main predictors of entrepreneurial spirit. Further, Arifatul Husna, Zainol, Zakiah, and Adura (2010) found that the strongest factor influencing accounting students' entrepreneurial intention was perceived behavioral control.

Polytechnic studies

Baharu (1994) found that polytechnic students with experience in handling financial accounts tended to exhibit a higher entrepreneurial orientation, while Ismail (2006) found that polytechnic students taking agricultural engineering tended to be more confident in pursuing an entrepreneurial career. On the other hand, Sarimah (2001) found that accounting students who considered job security as the major career factor showed low entrepreneurial interest, while Mohd Fairuz (2006) found that future graduates of hotel and catering of two polytechnics were unprepared to become entrepreneurs. On the other hand, Md Yasin, Nik Mahmood, and Nik Jaafar (2011) found that business students at a polytechnic tended to exhibit greater entrepreneurial inclination, prefer business opportunities to polytechnic studies, and perceive polytechnic studies as a pathway to entrepreneurship.

MohdZahari (2010) found that the syllabus was ineffective in instilling entrepreneurial knowledge, skills, and attributes in polytechnic students, resulting in their lack of entrepreneurial interest. Additionally, polytechnic lecturers were found not only lacking relevant entrepreneurial skills, knowledge, and training, but were also utilizing inappropriate instructional approaches. The findings were supported by Mohd Zin (2002), who found that commerce lecturers at a polytechnic tended to demonstrate low entrepreneurial inclination.

Gender differences

Studies on entrepreneurial inclination examining gender differences revealed mixed results. Kristiansen and Indarti (2004) found that gender had no significant impact on entrepreneurial intent, while Shinnar, Pruett, and Toney (2009) found no significant gender differences in interest in entrepreneurship. However, Shay and Terjensen (2005) found that male business students tended to have higher aspirations to become entrepreneurs, while Ooi (2008) found significant gender differences in undergraduates' inclination toward entrepreneurship. These findings were supported by Zaidatol Akmaliah & Afsaneh (2009) who found that male university students tended to have higher entrepreneurial intentions than their female peers.

Significance of the study

A review of literature showed that research on Sabahan college students' entrepreneurial inclination is lacking. Md Yasin, Nik Mahmood, and Nik Jaafar (2011) indicated that there is a need to obtain Malaysian graduates' feedback on entrepreneurship. Since the government has emphasized the importance of developing an entrepreneurial culture for national sustainability, more research is needed to assess whether college students have the inclination and attributes to become future entrepreneurs.

Colleges assume a key role in providing entrepreneurial training and instilling an entrepreneurial spirit that in turn will promote self-employment among fresh graduates while reducing their over-reliance on traditional career paths. Research on Sabahan college students' entrepreneurial inclination would provide deeper insight into their attitudes toward entrepreneurship which in turn would encourage colleges to design better entrepreneurship courses tailored to the needs of both local and international students. It would also support governmental efforts in fostering an innovative and change-capable entrepreneurial culture.

Further, such research would encourage colleges to become seedbeds of entrepreneurship and assume a functional role in shaping students' entrepreneurial aspirations (Bygrave, 2004; Co & Mitchell, 2006; Landstrom, 2005). In brief, findings would encourage colleges to establish an entrepreneurial milieu that provides innovative and enterprising activities that could turn more students into future entrepreneurs.

Purpose of this study

The purpose of this study was to examine the entrepreneurial inclination of 50 business students attending a private college in Kota Kinabalu, Sabah.

3.0 Methodology

Instrument

Data collection was carried out by administering a Likert (strongly agree = 5; strongly disagree = 1) questionnaire to a sample of 50 business students. The questionnaire was adapted from an entrepreneurial inclination study conducted by Md Yasin, Nik Mahmood, and Nik Jafar (2011); its Cronbach's alpha reliability coefficients for individual sections ranged from 0.66 to 0.83, indicating moderate to high internal validity. Further, it consists of two parts; Part 1 requires the subjects to indicate their gender, race, and area of study, while Part 2 consists of 18 items that measure six components, including entrepreneurial intent, perceived behavioral control, self-efficacy, perceived barriers, perceived support factors, and entrepreneurial attitude.

Sample

The sample comprised 50 business students aged 18 to 19 years from a middle-class background. They were enrolled in a college with four-star MyQuest ratings (considered very good in Malaysia) located at City Mall, Kota Kinabalu. All of them were from Sabah and had passed the SPM, a compulsory exam that marks the completion of five years of secondary school. The subjects had obtained average grades in their business subjects and their main intention of pursuing a business diploma was to gain success in the business field.

4.0 Findings

Demographic data collected included course of study, gender, age, and race. About 56 percent were male students, while 44 percent were female students. About 88 percent were between ages of 19 and 25, while 12 percent were between 26 and 35. Finally, 80 percent of the sample were Chinese, while 20 percent were Bumiputras (Kadazans and Malays).

Table1 Percentages of agreement on the 18 items

No	Items	% of 'agree' responses
1	I am interested in becoming an entrepreneur	96
2	I will choose to become an entrepreneur after my studies	72
3	I see myself as an entrepreneur in the next 10 years	70
4	I study at college because I plan to become an entrepreneur	52
5	I am resourceful enough to be an entrepreneur	40
6	I have the capacity to become an entrepreneur	42
7	I have the confidence to become an entrepreneur	60
8	I have the mental maturity to become an entrepreneur	50
9	It will be difficult for me to get a business loan	56
10	I find it easy to get new business ideas	64
11	I have the knowledge and skills to start a business	50
12	I think entrepreneurs have a good image in society	70
13	My family encourage me to become an entrepreneur	70
14	My college experience inspires me to start my own business	52
15	I have part-time/internship experience which encourages me to become an entrepreneur	60
16	I want to become my own boss rather than working for others	94
17	My college helps me develop the social and leadership skills for entrepreneurship	68
18	I will stop studying if I have a business opportunity	42

Items with high and low percentages of agreement

Items that received more than 65 percent agreement were noted. A majority of the respondents indicated that (a) college helped them develop the social and leadership skills for entrepreneurship, (b) entrepreneurs had a good image in society, and (c) their family encouraged them to become entrepreneurs. A majority also indicated that they (a) would choose to become entrepreneurs after their studies and (b) saw themselves as entrepreneurs in the next 10 years.

Finally, a large majority indicated that they were interested in becoming entrepreneurs and wanted to become their own boss rather than working for others. Items that received less than 45 percent agreement were also noted. Only a minority indicated that they (a) were resourceful enough to be entrepreneurs, (b) had the capacity to become entrepreneurs, and (c) would stop studying if they had a business opportunity.

5.0 Discussion and Conclusion

The purpose of this study was to examine the entrepreneurial inclination of 50 business students attending a private college in Kota Kinabalu, Sabah. In general, results implied that many respondents were interested in entrepreneurship and perceived that college attendance could help them in developing the social and leadership skills for entrepreneurship. Therefore, local colleges should ensure that their curricula could adequately equip students with the necessary competencies to become successful entrepreneurs, while providing a teaching and learning environment that is conducive in fostering entrepreneurial values (Charney & Libecap, 2003; Mahlberg, 1996).

Many respondents indicated that their family encouraged them to become entrepreneurs. Nevertheless, they would develop greater inclination toward entrepreneurship if they receive extra encouragement from college lecturers who play a crucial role in developing the attributes and qualities for successful entrepreneurship. Lecturers should help college students develop the self-confidence, motivation and affinity needed to turn their entrepreneurial dreams into reality. Further, lecturers should highlight to students that entrepreneurship is a powerful 'authority' over their future, while encouraging them to manage it with creativity and individuality (The Nation, 2017).

Besides providing an effective entrepreneurial environment, colleges can establish incubators that provide opportunities for students to build and grow a business, for instance, by establishing a startup culture and forming an inspiring network of mentors. Gaskell (2016) noted that colleges should support every part of the students' entrepreneurial journey by encouraging them to brainstorm ideas, create a compelling pitch, or seek ideas from a global network of mentors, investors, and experts.

Only a minority of the respondents indicated that they (a) were resourceful enough to be entrepreneurs, (b) had the capacity to become entrepreneurs, and (c) would stop studying if they had a business opportunity. This implied that students who want to establish their own business must have a formal education, at least a college diploma. Besides, they must be equipped with all the basic entrepreneurial knowledge and skills before they can start building their career; acquiring basic entrepreneurial tools at college also enables them to ascertain their objectives and subsequently form an action plan. In short, colleges should support passionate young minds with a business-oriented environment that can help them achieve their entrepreneurial potential (The Nation, 2017).

Gaskell (2016) maintained that colleges can organize entrepreneurship competitions that encourage students to submit ideas for projects or startups; such competitions allow aspiring entrepreneurs to make a name for themselves in front of potential employers, partners, and investors. Further, colleges can encourage students to visit websites of well-established companies to learn how to deal with the real world; visiting such websites helps students develop the entrepreneurial skills needed to thrive in the modern world, such as applying for jobs, paying taxes, and starting their own businesses.

According to Rahim (2014), colleges can better prepare business students for the corporate world by blending practical experience and operational challenges into their courses. Students need an entrepreneurial education that is in synchrony with the daily needs of companies. First, to promote entrepreneurship among students, colleges should emphasize case studies that expose students to the thought processes needed to obtain real-life business solutions. Further, they should encourage students to relate theoretical content to real business challenges and link ideas to concrete examples. They can also create entrepreneurship-in-residence programs that help students network with businesses or get internships.

Finally, colleges can develop for-credit internship programs by inviting professionals to teach, for instance, they can ask business executives to conduct specific classes, thus making the content more engaging while adding practical insight. Further, colleges can guide students through consulting for small businesses and non-profit organizations to enhance their problem-solving and interpersonal skills. They can also promote student business launches by helping them obtain financing, research the market, and build new businesses (Rahim, 2014).

References

- ArifatulHusna, M. A., Zainol, B., Zakiyah, S., &Adura, A. (2010). *Predicting entrepreneurial intention among Malayuniversity accounting students in Malaysia*. *Unitar e-Journal*. <http://ejournal.unirazak.edu.my/articles>.
- Azlan, A. B. (2009). *Getting more graduates to become entrepreneurs*. *New Straits Times*, 7.
- Baharu, K. (1994). *Entrepreneurial orientation among Malaysian polytechnic students*. Unpublished Master's thesis. Universiti Utara Malaysia, Perlis, Malaysia.
- Bygrave W. D., &Zacharakis, A. (2004). *The portable MBA in entrepreneurship*. John Wiley & Sons, Inc.
- Charney, A. H., &Libecap, G. D. (2003). *The contribution of entrepreneurship education*. *International Journal of Entrepreneurship Education*, 1 (3), 385-418.
- Co, M. J., & Mitchell, B. (2006). *Entrepreneurship education in South Africa*. *Education and Training*, 48 (5), 348-359.
- Gaskell, A. (2016). *How can student entrepreneurship be encouraged?*<https://www.forbes.com/adigaskell/how-can-student-entrepreneurship-be-encouraged>.
- Guroi, Y.,&Atsan, N. (2006).*Entrepreneurial characteristics amongst university students*. *Education and Training*, 48 (1), 25-28.
- Hian, C. K. (1996). *Testing hypothesis of entrepreneurial characteristics: A study of Hong Kong MBA students*.*Journal of Managerial Psychology*, 11 (3), 12-15.
- Ismail, L. (2006). *Confidence factors in entrepreneurship among agriculture engineering students*. Unpublished Master's project report. Kota Bharu Polytechnic, Kelantan.
- Kamau-Maina, R. (2006).*Stimulating youth entrepreneurship in Kenya*. <http://weatherhead.case.edu/edm/archive>.
- Kristiansen, S., &Indarti, N. (2004). *Entrepreneurial intention among Indonesian and Norwegian students*. *Journal of Enterprising Culture*, 12 (1), 55-78.
- Kuratko, D. F., & Hodgetts, R. M. (2004). *Entrepreneurship: Theory, process, and practice*. Thomson Learning.
- Landstrom, H. (2005). *Pioneers in entrepreneurship and small business research*. Springer Science and Business Media, Inc.
- Luthje, C., & Franke, N. (2003). *The making of an entrepreneur: Testing a model of entrepreneurial intent among engineering students at MIT*. *R & D Management*, 33 (2), 35-147.
- Mahlberg, T. (1996). *Evaluating secondary school and college level entrepreneurial education – pilot testing questionnaire*. Internationalizing Entrepreneurship Education and Training Conference, University of Nijmegen, The Netherlands.
- Md Yasin, A. Y., Nik Mahmood, N. A. A., & Nik Jaafar, N. A. (2011). *Students' entrepreneurial inclination at a Malaysian polytechnic: A preliminary investigation*. *International Education Studies*, 4 (2), 198-207.
- Md Yusof, A. B., Rohan, J., & Yong Zulima, Z. (2009). *An overview of graduate employability of recent graduates: Some facts and figures*. Seminar on Employability, Ministry of Higher Education of Malaysia, Putrajaya.
- Mohd Fairuz, R. (2006). *Readiness of polytechnic hotel and catering graduates in entrepreneurship*. Unpublished Master's project report. Universiti Tun Hussein Onn, Johor, Malaysia.
- MohdZahari, I. (2010).*Developing entrepreneurship education: Empirical findings from Malaysian polytechnics*. Doctoral dissertation. University of Hull. <http://edocs.hull.ac.uk>.
- Mohd Zin, M. (2002). *Entrepreneurial inclination among the commerce department academic staff of Malaysian Ministry of Education polytechnics*. Unpublished Master's thesis. Universiti Utara Malaysia, Perlis, Malaysia.
- NEAC (2010). *New economic model for Malaysia, part 1*. Kuala Lumpur, Malaysia.
- Ooi, Y. K. (2008). *Inclination towards entrepreneurship among Malaysian university students in northern Peninsula Malaysia*. Unpublished doctoral dissertation. Swinburne University of Technology, Melbourne, Australia.
- Rahim, E. (2014). *Ten ways to improve student entrepreneurship*. <https://www.eab.com/10-ways-to-improve-student-entrepreneurship>.
- Sarimah, C. H. (2001). *Entrepreneurial orientated career choice among accounting students of Malaysian Ministry of Education polytechnics*. Unpublished Master's thesis. Universiti Utara Malaysia, Perlis, Malaysia.
- Seet, P. S., & Seet, L. C. (2006).*Making Singapore university students more entrepreneurial*. 51st ICSB World Conference, Melbourne, Australia.
- Shay, J., & Terjensen, S. (2005). *Entrepreneurial aspirations and intentions of business students: A gendered perspective*. <http://www.babson.edu/entrep/fer>.
- Shinnar, R., Pruet, M., & Toney, B. (2009). *Entrepreneurship education: Attitudes across campus*. *Journal of Education for Business*, 84 (3), 151-159.
- The Nation. (2017). *Why universities should encourage student entrepreneurship?* <http://nation.com//why-universities-should-encourage-student-entrepreneurship>.
- Wang, C. K., & Wong, P. K. (2004). *Entrepreneurial interest of university students in Singapore*. *Technovation*, 24 (2), 163-172.
- ZaidatolAkmaliah, L. P., & Abdullah Salleh, A. S. (2008). *Science and engineering students: Are they entrepreneurial?**International Journal of Learning*, 15 (7), 105-110.
- ZaidatolAkmaliah, L. P., & Afsaneh, B. (2009). *Entrepreneurial intention of university students: An analysis of gender and ethnic groups*. *International Journal of Knowledge, Culture, and Change Management*, 9 (4), 49-60.