

# DESCRIPTIVE STUDY ON FACTORS THAT DRIVE BUSINESS STUDENTS TO INVOLVE IN ENTREPRENEURIAL ACTIVITIES AT POLYTECHNIC' CAMPUS

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## ABSTRACT

There are a lot of entrepreneurial activities that have been implemented by higher learning institutions for their students. This efforts were made with the aim to develop the productive and positive attitude among students. The objectives of this study are to investigate the factors that drive students to involve in entrepreneurial activities and examine the level of related factors including role model, family support and financial support. The survey focused on business students who registered at Department of Commerce, Polytechnic Tuanku Syed Sirajuddin, Perlis, Malaysia. A total of 87% set of questionnaires has been used for analysis out of 234 samples using SPSS software. Descriptive results showed that family support was the main factor that drives student to involve in entrepreneurial activities, followed by role model and financial support. The findings give enlightenment to related parties in enhancing youth to involve in business and entrepreneurship in the future.

**Keywords:** Entrepreneurial activities, role model, family support, financial support, student.

## 1.0 Introduction

Entrepreneurship is seen as the main factor for Malaysia in achieving a develop country. This is because entrepreneurship is a key to raise the economic growth, innovation and competitiveness (Kuratko & Hodgetts, 2004). So that focusing was made on the entrepreneurship field in order to develop the economic and society. One of the focused was done through educating and developing students at higher learning institutions to be an entrepreneur after they graduated.

Malaysia Higher Learning Institutions 2016-2025 blueprint (Ministry of Higher Education, 2015) was highlighted in developing an entrepreneurial behaviours

among students with aim to produce better generation in the future. This long term objective was planned to expose students at higher learning institutions with proper behaviours for early labor work preparation. So that the role of higher learning institutions is vital in developing the entrepreneurial environment at campus. The involvement of students in an entrepreneurial activities might convinced them to start-up their own business after they graduated from studies.

Students will be benefited in term of the good behaviours as suppose to be as an entrepreneurs. Their involvement to an entrepreneurial activities might exposed them with the behaviours such as innovative, proactive, risk-taking, autonomy and competitive aggressiveness. As proposed by many researchers, those behaviours will be able to help them in achieving better performance (Dzulkarnain, Abdullah & Shuhymee, 2014; Lumpkin & Dess, 1996; Miller, 2011). As a result, they can enter the labor market after graduation with the proper behaviours.

However, despite the busyness in attending on-campus learning, students need encouragement to involve in entrepreneurial activities. Thus the question arises; what makes them engage in entrepreneurial activity while studying in higher learning institutions? Therefore, this study focuses on factors that encourage students to engage in entrepreneurial activities. Actually, there were several key factors which caused entrepreneurial involvement among students at higher learning institutions. As found in previous study, those factors were included role model (Bosma, Hessels, Schutjens, Van Praag & Verheul, 2012), support from family (Mahajar, 2012; Tateh, Latip & Awang, 2014) and insufficient capital (Ooi & Shuhymee, 2012).

The objectives of the study were:

- 1.1 to identify the factors that associate with the involvement of business students in an entrepreneurial activities in campus.
- 1.2 to examine the level of related factors that associate with the involvement of business students in an entrepreneurial activities in campus.

This study is useful for students at higher learning institutions to be prepared with the factors that associated with the involvement in an entrepreneurial activities. So that they can plan and organise their entrepreneurial activities well in the future.

## **2.0 Literature review**

### **2.1 Entrepreneurship**

Government always encourage youngsters to involve in an entrepreneurial activities especially when they are at higher learning institutions. Entrepreneurship courses were became popular among students and their interest has increased over the last decade (Brown, 1999; Zegeye, 2013). Entrepreneurship is the answer for graduates to involve when they are not able to get the job as easy as before.

Vesper (1988) stated that the economists see an entrepreneur as a person who combines the resources, labor, raw materials and other assets in order to make them higher than the current value. Entrepreneurs are also seen as someone who introduces changes, innovations and new regulations. Based on that, students at higher learning institutions has the opportunity to become an entrepreneurs. What distinguishes them

is their readiness to face the challenges ahead, courage to take risks and willingness to work hard by taking advantage of the opportunities offered.

Based on the discussion, the study focused on the financial support (tangible resource) and role model and family support (intangible resources) that might be associated with the involvement of students to participate in entrepreneurial activities. Based on Resource Based-View theory, these factors are vital for the development of entrepreneurship. This is because the development of strategic resources will enhance the entrepreneurial activities and performance of business (Barney, 1991; Dzulkarnain et al., 2014; Robinson, 2008).

## **2.2 Role model**

A role model is someone whose other individuals aspire to be alike, either in the present or in the future. A role model may be someone that you know and interact with him/her on a regular basis, or may be someone that you have never met. They may be public figures such as an actors, teachers, politician, parents or other family members. Role model emerges as influential factor in individual decision making. However empirical discussions towards an entrepreneurial role model is still limited in previous study. Role model is a vital factor to be considered in entrepreneurial field because it influenced others in their decision to start a business (Bosma et al., 2012).

As argued by Koellinger et al., (2007) and Mueller (2006), the role models can enhance the desire of people to be an entrepreneur. They stated that role models can provide legitimization and encouragement to turn entrepreneurship ambitions into reality. Srivastava and Jomon (2013) and Nauta and Kokaly (2001) added that entrepreneurship role models can perform in; a) creating inspiration and motivation, b) increasing self-efficacy, c) learning by examples and d) learning by support. The role models will create awareness among students and motivate them to get involved in entrepreneurship. This will also make them feel confident in achieving a certain goals. In addition, role models provide guidelines for an entrepreneurial actions. They can learn any successful experience from their idol. Lastly, they can get hands-on support and advice from the successful entrepreneurs in order to be like their role models.

## **2.3 Family support**

The concept of family support explains how a person received encouragement from his/her family. It is essential for every entrepreneurs because a strong family structure can enable an entrepreneur produce productive work and encourage them to set a new goals as they can handle their home and career life properly (Rajani & Sarada, 2008).

Despite that, there are 'push' and 'pull' factors that related to family support and entrepreneurial inclination. "Push" factor includes unemployment and unsatisfactory work while 'pull' factor includes the desire to be the own boss, self-actualization, and financial rewards (Stam & Elfring, 2008). Both factors were not mutually exclusive because there has been other multiple reasons for people to involve in the entrepreneurial activities.

A study conducted by Ishfaq, Muhammad Musarrat and Muhammad Ramzan (2011) to Pakistan's graduates supported that family support has been the main factor on entrepreneurial involvement among entrepreneurs. This is supported by a study of

Ahmad Yasruddin, Nik Abdul Aziz and Nik Azzyati (2011) that was done in one of the polytechnic' campus towards the students' inclination to entrepreneurship. Their study found that family members play a main role in encouraging them to become an entrepreneur.

#### **2.4 Financial support**

The concept of financial support explains the finance resources in term of monetary may support the person to start-up their businesses. Normally entrepreneurs require financial support for the purpose of to diversify the business risks, to accumulate capital for business start-up and to expand the financial growth. As stated by Pennings (1982), entrepreneurs require financial support to diversity the risks of start-up, whereas the accessibility of finance resources denote to be a major factor to start and initiate a new business.

The lack of getting financial support to start a business was the main challenges faced by an entrepreneur. Study by Ahmad Yasruddin et al., (2011) found that one of the most important reason leads to an inclination towards entrepreneurship was the complexity of getting financial resource. Nevertheless Shamsul Hana (2012) stated that they can overcome this problem by using their own savings or borrowing from family members and friends. However, this approach can be solved for those who run a small business. They still need to get from financial institutions for a large amount of capital (Shamsul Hana, 2012).

Based on that, financial support is seen as one of the main factor that associate the people to involve in an entrepreneurial activities.

### **3.0 Research methodology**

This quantitative study used the descriptive type which is a survey method. Population of the study was 596 of business students of Polytechnic Tuanku Syed Sirajuddin, Perlis which covers all semesters of Business Management, Accountancy and Secretarial Science programme.

Data was collected through questionnaires and measured by unit of an individual basis. The instruments included seven items of role model (adapted from Castro, Scandura & Williams, 2005; Ooi, Selvarajah & Meyer, 2011), ten items of family support (adapted from House, 1988) and five items of financial support (adapted from Bosch, Volberda & Boer, 1999; Shane & Kolvereid, 1996). All items were measured using 5 points of Likert Scale.

Pilot study was conducted to twenty students from other programme exclude business field. This was done in order to test the reliability of related instruments. As suggested by Sekaran and Bougie (2010), analysis of Cronbach Alpha showed that all instruments were accepted with reliability coefficient of role model ( $\alpha=.850$ ), family support ( $\alpha=.780$ ) and financial support ( $\alpha=.820$ ).

### **4.0 Data analysis and result**

#### **4.1 Profile of respondents**

There were 234 students who responded to the questionnaires and 203 of them were used for analysis. The majority of respondents were female students (72.4%) and the rest of them were male students (27.6%). The distribution of programme used for this study were Accountancy (41%), followed by Secretarial Science (30%) and Business Management (29%).

#### 4.2 Descriptive statistics

The descriptive statistics were used to answer the objectives of the study. The statistics were highlighted the score of mean, standard deviation, minimum and maximum scores and the statement for each related variable. The results are shown in Table 4.1 as below:

Table 4.1 *Descriptive statistics of the study*

Variables	Mean (M)	Standard deviation (SD)	Minimum	Maximum	Statement
Role model	3.987	0.917	1	5	Agree
Family support	4.419	0.717	1	5	Agree
Financial support	3.984	0.979	1	5	Agree

Based on the above table, the variable of family support achieved the highest score of mean, accounted 4.419, followed by role model (3.987) and financial support (3.984). The distribution of data as shown by standard deviation statistics were financial support (0.979), role model (0.917) and family support (0.717). While the minimum and maximum scores for all variables were 1 and 5. All of three variables were resulted “agree” among respondents for the factors that associated with the involvement of students to the entrepreneurial activities.

#### 5.0 Discussion and conclusion

The variables of role model, family support and financial support are symbiosis system and associated to entrepreneurial involvement among students. Results had shown that respondents has agree with all the three variables, which are role model, family support and financial support are the main factors to every student who plan to involve in entrepreneurial activities. However in term of level, family support was ranked at the first level, followed by role model and financial support. Family support may comes from parents or family members and is an important factor that can motivate them and morally assist in business and entrepreneurial activities. In addition, role model is also an important factor that can act as mentor or facilitator and encourage them to involve in entrepreneurship. Besides that, financial support is also an important factor for every entrepreneur to get the financial aid in running their business smoothly.

The findings will be benefited to the related parties such as higher learning institutions and other government agencies. This will enlightens them in providing such training and knowledge transfer to youngsters. Effort should be taken by the higher learning institutions to make sure that the entrepreneurial programs and activities were implemented effectively in the campus. So that youngsters like students will be motivated to involve in entrepreneurial activities in the future. For academicians, the study might be useful in guiding them to conduct some related research in the future. They might examine other potential variables such as structural support and relational dynamism that may associate with the involvement of students in entrepreneurial activities.

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