



Do Young Inspire to be an Entrepreneur? A Case of Secondary Students Perception in Malaysia

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ABSTRACT

Youth plays an important role in the nation development. They were the future leader and development partners that drives towards the development of the nations. The ability to harness their potential as entrepreneur will helps to determine the nation strength and resilience in pursuing social, economic and political development. Therefore, providing proper environment and opportunities will be essential to inspire youth in becoming an entrepreneur. This paper will look into factors affecting youth intention (with target group of secondary school pupil in Malaysia) of becoming entrepreneur. The finding indicates that only 144 students from a sample of 1011 secondary students in Malaysia have interest to engage in entrepreneurship upon completion of schooling although various approaches have been made to increase youths participating in entrepreneurship. This study also suggested with recommendations to enhance and review existing curriculum entrepreneurship education for improve youth intention of becoming entrepreneur.

Keywords: Youth, Secondary Students, Entrepreneur

JEL Classifications: J14, L26

1. INTRODUCTION

During the last decades, entrepreneurship has become an important economic and social topic as well as a well-known research topic in the world (Fayolle and Gailly, 2007). Entrepreneurship is important because it leads to increased economic efficiencies, brings innovation to market, creates new jobs, and raises employment levels (Shane and Venkataraman, 2000). But, entrepreneurship education was not given appropriate attention at the early stage of education. Primary and secondary school students were hardly exposed to entrepreneurship education and training. Pursuing business skills and knowledge at an early age is certainly an important factor for junior entrepreneurship development. The introduction of a more systematic entrepreneurial education is part of the strategy initiated by the Malaysian government to change the mindset of Malaysian from being salaried workers to becoming self-employed. Most experts generally agree that entrepreneurs are not born; they learn to become entrepreneurs. Thus, a more

positive and convincing result could be expected if the steps taken to develop the entrepreneurship culture, interest and mind are geared up when students are still at their fundamental education level (Hong et al., 2009).

There has been a rich literature examining the entrepreneurship in various aspects, specifically on factors that influence the entrepreneurial behaviours either internal or external factor (Drani, 2004; Cheung, 2008; Nasharudin and Harun, 2010; Ijaz et al., 2012; Basu and Altinay [2002], Abd Rani, 2012; Adenuga and Ayodele, 2013; Maziku et al., 2014; Akhter and Sumi, 2014). Entrepreneurship is an activity that includes the economic and psychological perspective by develops the market opportunities with their abilities of thinking creatively and innovatively to offer the wealth creation and generating income for government as well as communities.

Pihie and Bagheri (2011) mentioned that Malaysia has been struggling with some of the social and economic crises

specifically, the growing of graduate unemployment. Moreover, with the slowdown in international trade, the jobs outlook is increasingly bearish. Malaysia's unemployment rate in 2009 is expected to reach 4.5% compared to 3.8% in 2008 (Heong, 2009). Hence, the entrepreneurship is a critical solution to develop an employment creation and has a key role to play in developing economies by influencing social and economic policy transformation and development outcomes (Akhter and Sumi, 2014). Furthermore, it is proven by the empirical study done by Smith (2010) which the entrepreneurship has a significant impact to the economic growth. As a result, the Malaysia government developed a set of policies to encourage the employment creation through entrepreneurship education (Pihie and Bagheri, 2011).

The objective of this study is to evaluate the attitudes of society towards the entrepreneurship and employability. Therefore, it will be examined from the significant factors that influence the involvement of youths in entrepreneurship.

2. LITERATURE REVIEW

The focus of this paper is on culture, intention and how exposure factor influenced youth to involve in entrepreneurship. The inclination towards entrepreneurship is refer to the intention of individual either they have entrepreneur background or not (Abd Rani, 2012). Bird (1988) explains entrepreneurial intention as a conscious state of mind towards the goal of founding a business. According to Bagozzi and Yi (1988), intention is an unbiased predictor of action. Furthermore, one should have the inclination towards entrepreneurship which reflects their actions to choose entrepreneurship field as their career (Douglas and Shepherd, 2002; Othman and Ishak, 2011). There are also studies found to examine the relationship between entrepreneurial inclination and external factors such as family support, demographic factors, financial support as well as role model. Nasharudin and Harun (2010) concluded that races, educational fields, and family members are considered as the factors that contributed to the students' entrepreneurial career aspirations. Abd Rani (2012) investigates the external factors towards inclination of entrepreneurship. His findings indicate that the external factors such as family support and role model have a significant impact to the inclination of entrepreneurship. This finding supported the role model theory which explains that parents may influence the decision of their children when they choose for an entrepreneurial career.

The exposure to entrepreneurship could be engaged through formal education (Cheung, 2008; Sutadi, 2011; Steenekamp et al., 2011) or social networking including family members, mass media (Levie et al., 2010; Zafar et al., 2012). The ideal stage to acquire basic knowledge about entrepreneurship and to foster a positive attitude towards entrepreneurship is during childhood and adolescence years (Douglas and Shepherd (2002), Othman and Ishak (2011)). In addition, according to Kourilsky and Walstad (1998) the early stimulation of these attitudes can even encourage entrepreneurship. The same

argument can be found in Abd Rani (2012) where the study also stressed that the exposure to entrepreneurship and rounded education can help children as well as young adult to think and behave entrepreneurially and consider ownership as their career option.

Mashiapata (2006) stressed that the exposure to entrepreneurship and rounded education can help children as well as young adult to think and behave entrepreneurially and consider ownership as their career option. This is support by Hong et al. (2009) which suggest in their findings that entrepreneurship education is a key issue to foster entrepreneurship development and it should be introduced at the early stage of education learning such as secondary school levels. This is because at this stage, students are motivated and possess appropriate characteristics to cultivate their interest and skills.

Among various socio-cultural characteristics, the prior experience, education and religion of entrepreneurs have been highlighted as key factors that influence entrepreneurs' cultural values and thus the level of entrepreneurship, as mentioned by Heyton et al. (2002); Altinay and Wang (2011). Nevertheless, religion is part of culture but it is not reflects the whole aspect of culture (Basu and Altinay, 2002). Comprehensively, the research done by Basu and Altinay (2002) consider five elements of culture towards the immigrant entrepreneurs in their study. There are the country of previous residence of the immigrant, religion, language, the attitude to education and family tradition in business.

As mentioned above, religion is one of the elements of culture. Drani (2004) showed that the religion factor is significant towards the entrepreneurial inclination. Hofstede (1991) presents that the religiosity and ethnicity effects on entrepreneurial climate particularly in the entrepreneurial development. It further proven by Carswell and Rolland (2007) using the population of New Zealand when they examined the relationship between religion and entrepreneurship, resulting in the fact that involvement in a religious doctrine has positively effect on entrepreneurship, even in some cases strengthens it. Hence, based on the above literature review, this paper proposes the following hypothesis:

- H₁: Culture and morality has a positive relationship with entrepreneur intention
- H₂: Exposure has a positive relationship with entrepreneur intention
- H₃: Intention has a positive relationship with entrepreneur intention.

3. METHODOLOGY

The study is based on descriptive quantitative survey design. Data for the study was collected from the students through self-designed and self-administered questionnaire covering the various variables identified in the literature. Non-probability convenience sampling technique was adopted. This study is based on primary data collected in 2015 from the study area and secondary data

were obtained from literature. In all 1,011 respondents were used for the study. The purpose of the study was explained briefly and respondents were made to agree to partake in the study. The questionnaire consisted of four parts: Questions concerning demographic information; intention factor, exposure factor and culture and morality factor to contribute youth inspire in entrepreneurial. The collected data were processed and analyzed by partial least-squares (PLS) path modelling with SmartPLS 2.0 M2 software (Ringle et al., 2005).

4. RESULTS

4.1. Demographic Profile of Respondents

Table 1 showed, a total of 1,011 students in Malaysia have been chosen as respondents. The respondents are within 13 to 19 years old. This study consists of 500 respondents of male and the remaining 511 respondents are female. Meanwhile, 52% of respondents were rural residents and the remaining 48% of respondents living in urban areas. The study found that Malays have a total of 724 respondents, followed by Chinese counted as 119 respondents and 68 respondents are Indian. In the meantime, there are 755 Muslim respondents, followed by a total of 112 respondents are Buddhist, Christians accounted for 75 respondents and Hindus are 69 respondents. There are 756 respondents out from the total of 1,011 respondents are studying at National Secondary School, whereas 97 and 61 respondents are studying at Vocational School and Technical

School respectively. Whilst, the rest were attending the Sekolah Menengah Kebangsaan (45 respondents), Sekolah Menengah Berasrama Penuh (50 respondents) and Sekolah Menengah-Model Khas (2 respondents). From the total of respondents, there are 317 respondents were studying in arts stream, 254 respondents are from the science stream, followed by 237 respondents were studying in commerce stream, while 158 and 45 respondents are from technical and religious stream respectively. The study also found only 144 respondents are interested in entrepreneurship, whereas 60 of them are rural residents, and the remaining 84 respondents are from urban areas. A total of 866 respondents were more interested in other professions, particularly as salaried employees.

4.2. Measurement Model

PLS based structural equation modelling was adopted for the data analysis. The method is useful when one dependent variable becomes an independent.

Variable in subsequent relationships and it does not involve assumptions of homogeneity in variances and covariance of the dependent variable. It also can simultaneously test the structural and the measurement models, providing a more complete analysis for the inter-relationships. We used PLS because it makes minimal demands on the data distributions, sample size, and measurement scales and as this study were exploratory in nature; it is a better tool to explain the data. The Smart PLS M2 Version 2.0 and two-step analysis approach was used to analyze the data. Also a bootstrapping method was used to determine the significance levels of the loadings, weights, and path coefficients (Gholami et al., 2013).

This study began with the assessment of the reflective measures using both convergence and discriminant validity analysis. As presented in Table 2 the measurement models returned Cronbach's alpha values <0.70. Factor loadings, average variance extracted (AVE) and composite reliability (CR) were used to assess convergence validity. The loadings for all reflective items exceeded the recommended value of 0.6. CR values (Table 2), which showed the degree to which the items indicated the latent construct, ranged from 0.75 to 0.82, which exceeded the recommended value of 0.7 (Gefen and Straub, 2000). The AVE was in the range of 0.51 and 0.60 which exceeded the recommended value of 0.5 (Fornell and Lacker, 1981). Next, the discriminant validity was tested. It was examined by comparing the correlations between constructs and the square root of the AVE for that construct. As shown in Table 3, the square root of the AVE is greater than the correlation with other constructs indicating adequate discriminant validity. Thus the reflective measurement model demonstrated adequate convergent and discriminant validity.

Table 4 and Figure 1 show the results of testing the structural model. These show that culture and morality ($\beta = 0.513, P < 0.05$) is positively related to entrepreneur intention. Thus H_1 was supported. The relationship between exposure, was significantly related to Entrepreneur Intention ($\beta = 0.305, P < 0.01$) which supported H_2 .

Table 1: Respondents profile

Item	Description	n (%)
Gender	Male	500 (49.46)
	Female	511 (50.54)
Residence	Urban	485 (47.97)
	Rural	526 (52.03)
Ethnicity	Melayu	724 (71.61)
	Cina	119 (11.77)
	India	68 (6.73)
	Iban	31 (3.07)
	Bidayuh	2 (0.20)
	Melanau	5 (0.49)
	Kadazan/Dusun	18 (1.78)
	Bajau	10 (0.99)
	Murut	12 (1.19)
	Bumiputera lain	5 (0.49)
Religion	Other	17 (1.68)
	Islam	755 (74.68)
	Buddha	112 (11.08)
	Hindu	69 (6.82)
	Kristian	75 (7.42)
Field study	Arts	317 (31.36)
	Science	254 (25.12)
	Technical	237 (23.44)
	Commerce	158 (15.63)
	Religious	45 (4.45)
School	Sek.Men. Kebangsaan	756 (74.78)
	Sek.Men Vokasional	97 (9.59)
	Sek.Men Teknik	61 (6.03)
	Sek.Men Kebangsaan Agama	45 (4.45)
	Sek.Men Berasrama penuh	50 (4.95)
	Sek.Men Model Khas	2 (0.20)

Table 2: Factor loadings and reliability

Model construct	Measurement Item	Loading	Average variance extracted	Composite reliability
Intent	A2	0.822601	0.54	0.82
	A3	0.728341		
	A4	0.739991		
	A5	0.625974		
Exposure	B2	0.615199	0.52	0.81
	B3	0.798017		
	B4	0.766960		
	B6	0.690049		
Culture and morality	C1	0.592447	0.53	0.82
	C2	0.679951		
	C3	0.818499		
	C4	0.801645		
Entrepreneur intention	D1	0.784557	0.60	0.75
	D2	0.765106		

Table 3: Discriminant validity of constructs

Construct	1	2	3	4
Culture	0.73			
Entrepreneur intention	0.664975	0.77		
Exposure	0.360609	0.552828	0.72	
Intent	0.428685	0.514329	0.651141	0.73

Table 4: Path coefficients estimates

Hypothesis	Path relationship and direction	Coefficient	t-value	Supported
H ₁	Culture and morality→entrepreneur intention	0.513	44.271***	Yes
H ₂	Exposure→entrepreneur intention	0.305	26.029***	Yes
H ₃	Intention→entrepreneur intention	0.095	9.629***	Yes

***p<0.01

The last relationship that was verified was that between intention was also significantly related to entrepreneur intention ($\beta = 0.095$, $P < 0.01$). Thus H₃ was supported. The $R^2 = 0.56$ which suggest that the modeled variables can explain 56% of the variance of the respective dependent variables.

5. DISCUSSION AND CONCLUSION

Based on research finding, the total of 866 secondary school students does not have a tendency to choose a career as an entrepreneur. From the overall sample shows 72% are Malay, while the remaining Chinese (10.6%), India (6.1%) and other ethnic groups (Iban, Bidayuh Melanaus, Bajau, Murut) 11.3%. This study explained the youth value of willingness at secondary schools level to choose entrepreneur as a career is low even though in terms of interest, exposure, and culture shows high scores. The study also found that the parents' occupation did not have significant relationship with respondents' interest and tendency to choose entrepreneur as a career.

Besides the study found that the entrepreneurial subjects like life skills and trade is only to complement the education curriculum, and not function as a platform for career development. This matter should be addressed in order to emphasize these subjects as a starting point to expand the participation of students effectively in producing successful entrepreneurs. At the same time, the mismatch of skills and education of teachers also have an impact

in promoting the participation and involvement of students in the field of entrepreneurship.

To increased youth passion and motivation to run a business, this study recommend introduce entrepreneurship education as a new subject altogether at secondary school level. In entrepreneurship education curriculum, business simulation activities should be emphasized. The aim of business simulation is to put students in the situation of an entrepreneur and make them aware of the reactions, the styles of communication and management that used in small business. On the whole, connections to the curriculum take place in a number of ways including:

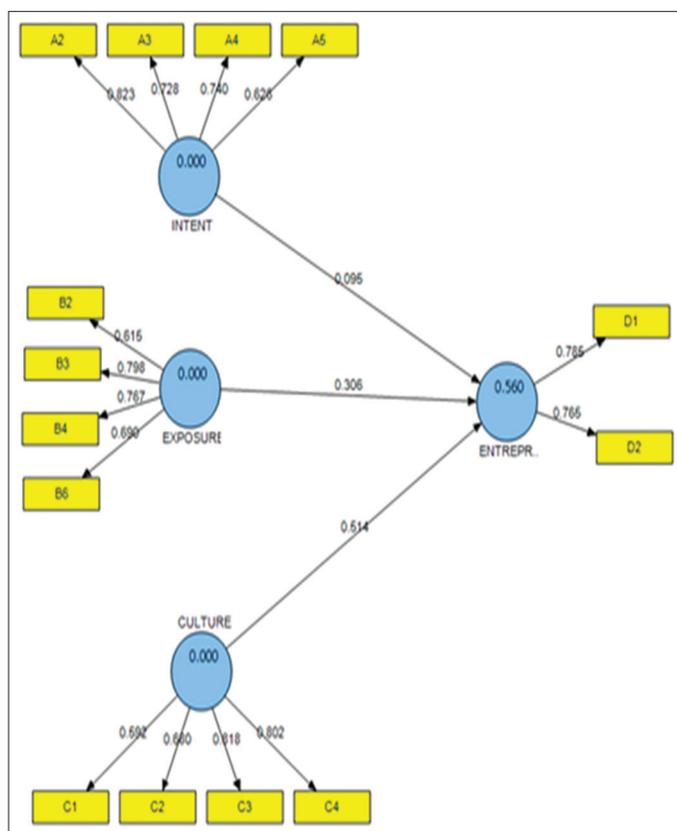
- The introduction of entrepreneurship or enterprise education as a specific subject in the formal curriculum.
- The re-orientation of different subjects so that they incorporate an enterprising flavor.
- As an extra-curricular activity, for example as a fund - raising initiatives.
- The convergence of a range of subjects under the umbrella of enterprise education, with expectations that students will be develop enterprising relationship.

6. ACKNOWLEDGMENTS

The author likes to thank Niche Research Grant Scheme, Ministry of Higher Education Malaysia, for providing funding to do the study on Talent Development and Youth Entrepreneurship.

Figure 1: Results of the structural model analysis. Where, A2: My parent is a main driver to me for choosing the entrepreneurship,

A3: My teacher is a main driver to me for choosing the entrepreneurship, A4: The entrepreneurial experience at my school is motivating me to choose entrepreneurship in my future, A5: During school holidays, do you help your family to increase the household family income? B2: The entrepreneurial subject at school is driving me to choose entrepreneurship after my school session ended, B3: I get information about the entrepreneurial career through my parent, B4: I get information about the entrepreneurial career through my friends, B5: The school authorities are organizing the entrepreneurship activities /programs regularly, C1: The religion intensity about the significance of business leads me to choose the entrepreneurship as my future career, C2: The family background is influencing me in the career selection, C3: I am exciting to look at the successful of entrepreneurs, C4: The society had a high perception towards entrepreneur as a career, D1: Entrepreneur gives a high profitability income, D2: Entrepreneurship is a profession which could be as an assurance for the future



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