

**AN EXAMINATION ON THE ENTREPRENEURIAL INTENTION AMONG THAI
STUDENTS AT UNIVERSITI UTARA MALAYSIA (UUM)**

TARAMISI SAMA-AE

UNIVERSITI UTARA MALAYSIA

2009

ACKNOWLEDGEMENT

Praise to Al-Mighty Allah S.W.T for giving me the strength in completing this project paper.

My deepest thanks to Assoc. Prof. Dr. Mohd Sobri Minai, my supervisor, for the support, guidance, encouragement, critiques and advice giving to me during the process of completing this research work.

To my father, Isman Sama-ae, my mother, Solipah Sama-ae, my beloved wife, Rusnaning Chedeng, and beloved family, I thank all of you for your 'never-ending' and 'immortal support' given to me. I thank all of you for your patience and understanding throughout the duration of my study at UUM.

Special thank to Dr. Abdulhakam Hengpiya, Mr. Arabin Yanghad, Thai students at UUM and those who are participating in answering the questionnaires. Finally, to all my friends, thanks for the marvelous support that I have received, for the friendship, the critique and the guidance given.

Thanks to all of you.

Taramisi Sama-ae

College of Business

University Utara Malaysia

06010 Sintok Kedah Darul Aman.

PENGAKUAN TANGGUNGJAWAB (DISCLAIMER)

Saya dengan ini, mengaku bertanggungjawab di atas ketepatan semua pandangan komen teknikal, laporan fakta, data, gambarajah, ilustrasi and gambar foto yang telah disertakan di dalam kajian ini. Saya bertanggungjawab sepenuhnya bahawa bahan yang diserahkan ini telah disemak dari aspek hakcipta dan hak keempunyaannya. University Utara Malaysia tidak bertanggung terhadap ketepatan mana-mana komen, kajian and maklumat teknikal and fakta lain, dan terhadap tuntutan hakcipta dan juga hak keempunaan.

I am responsible for the accuracy of all opinions, technical comments; factual reports data, figures, illustrations and photographs contained in this project paper. I bear full responsibility for the checking in case material submitted is subject to copyrights. UUM should not be liable for the accuracy of such comments, reports on technical and factual information and the copyright or ownership rights claims.

RESEARCHER

TARAMISI SAMA-AE

.....

SIGNATURE

ABSTRACT

Government funding for the enhancement of entrepreneurship and enterprise activity has been given a priority for a number of years. The higher education sectors have responded by increasing the amount of education given to students to prepare them for an entrepreneurial future. However, many students do not turn out to be an entrepreneur after their graduation. Students' behavior and decision to involve in entrepreneurship can be explained by their intention. Therefore, this paper aimed at (i) exploring the level of entrepreneurial intention among Thai students who are currently studying at Universiti Utara Malaysia (UUM), and (ii) examining the entrepreneurial intention among these students according to the internal factors (personal attribute of students) and external factors (environment) and the potential connection or relationship between them. A structured questionnaire was used and it was personally distributed to 150 respondents. The finding of the study shows that the Thai students show a high level of internal factors (i.e., need for achievement, locus of control, risk taking, and self-confidence). The finding also reveals that there is a significant relationship between the external factors (i.e., market, financing, society, and university) and entrepreneurial intention among Thai students.

KEYWORDS: Entrepreneurial Characteristics (Internal Factors and External Factors), Entrepreneurial Intention, and Entrepreneurship.

TABLE OF CONTENTS

CONTENTS	PAGE
Title Page	
Acknowledgement	ii
Disclaimer	iii
Abstract	iv
Table of Contents	v
List of Tables	viii
List of Figures	ix
Chapter One: Introduction	
1.1 Overview	1
1.2 Background of Research	1
1.3 Problem Statement	4
1.4 Research Objectives	6
1.5 Significance of Research	7

1.6 Scope of Research	7
Chapter Two: Literature Review	
2.1 Introduction	8
2.2 The definition of an entrepreneurship	8
2.3 Entrepreneurial characteristics	12
-Need for Achievement	21
-Locus of Control	24
-Risk Taking	26
-Self Confidence	28
2.4 Entrepreneurs and the External Factors	29
-Marketing	29
-Financing	32
-Society	33
-University	34
2.5 Entrepreneurial Intention	36
-Entrepreneurial Intention Propensity	36
-Entrepreneurial Intention among Students	37

Chapter Three: Research Methodology	
3.1 Introduction	41
3.2 Conceptual Model	41
3.3 Hypotheses of Research	44
3.4 Research Design	44
-Population and Sampling Procedure	44
-Instrument and Measurement	45
-Data Collection and Analysis	46
Chapter Four: Analysis and Findings	
4.1 Introduction	47
4.2 Demographic Profile of Respondents	47
4.3 Hypothesis Testing Result and Conclusion	49
Chapter Five: Discussion, Implication and, Conclusion	
5.1 Introduction	54
5.2 Discussion on the Findings	54
5.3 Implication of Research	56
-Research or Academician	56
-Government Agencies	57
5.4 Conclusion.	58
Reference	
Appendix 1-Questionnaire	

LIST OF TABLES

TABLES	PAGE
Table 1: The Descriptive Statistics on Classification of Respondent	48
Table 2: Descriptive Statistics on Mean and Standard Deviation for internal factors (need for achievement, locus of control, risk taking, and self confidence) and entrepreneurial intention	51
Table 3: Correlation Out for external factors (i.e. market, financing, society, and University) and entrepreneurial intention	52

LIST OF FIGURES

FIGURES	PAGE
Figure 1: Illustration of Franke and Luthje (2004) Model of the Entrepreneurial Decision Process	42
Figure 2: Independent Variables and Dependent Variable	43

CHAPTER ONE

INTRODUCTION

1.1 Overview

This section presents the overview of the entrepreneurial intention, which consists of five parts: (1) Background, (2) Problem Statement, (3) Research Objectives, (4) Significance of Research, and (5) Scope of Research.

1.2 Background

Entrepreneurship is a decisive factor in order for today's economy of knowledge to attain its competitive and dynamic character. It is the driving force for the achievement of economic development and job creation, contributing at the same time to personal development and effectively dealing with numerous pathogenic social phenomena (Nurwahida, 2007, Sarri, and Trihopoulou, 2005). Moreover, Thurik and Wennekers (2004) asserted that "in today's world small businesses, and particularly new ones, are seen more than ever as a vehicle for entrepreneurship, contributing not just to employment social and political stability, but also to innovative and competitive power"

The contents of
the thesis is for
internal user
only

REFERENCE

Ajzen, I. (1991): "The theory of planned behavior", *Organizational Behavior and Human Decision Processes*, 50, 179-211.

Atherton, A. (2004). Unbundling enterprise and entrepreneurship: From Perceptions and preconceptions to concept and practice. *Entrepreneurship and Innovation*, 5 (2), 121-128.

Brockhaus, R. H. (1980). Psychological and environmental factors which distinguish the successful from the unsuccessful entrepreneur: A longitudinal study. *Academy of Management Proceedings* , 368-372.

Boyd, N.G. & Vozikis, G.S. (1994). The influence of self-efficacy on the development of entrepreneurial intentions and actions. *Entrepreneurship Theory and Practice*, 18(4), 63-77.

Bird, B. (1998). "Implementing entrepreneurial ideas: the case for intention",
Academy of Management Review, 13, 442–453.

Brannback, M., Renko, M., & Carsrud, A. (). Knowledge intensive
entrepreneurship: networking within and across boundaries.

Blackman, A.J. (2003). Entrepreneurs: Interrelationship between their
characteristics, values, expectations management practices and SME
performance.

Boxill, I. (2003). Unearthing Black Entrepreneurship in the Caribbean: Exploring
the Culture and MSE sectors. Equal Opportunities International Vol. 22,
No.1.

Byrd, J., & Brown, P.L. (2003). The Innovation Equation Building Creativity and
Risk Taking in your Organization.

Bag, G. (2009). 5 Essential Characteristics for Entrepreneurial Success. (Online),
Available: www.startupnation.com (August 23, 2009).

Cooke, D. K., Sims, R. L., & Peyrefitte, J. (1995). The relationship between
graduate student attitudes and attrition. *The Journal of Psychology*, 129,
677-688.

Crant, J.M. (1996). The proactive Personality Scale as a Predictor of
Entrepreneurial Intentions. *Journal of Small Business Management*. Vol. 34
No. 3, pp.42-49.

Caird, S. (1998). "A review of methods of measuring enterprising attributes".
Durham University Business School.

Cromie, S. (2000). Assessing entrepreneurial inclination: Some approaches and
empirical evidence. *European Journal of Work and Organizational
Psychology*, 9(1), 7-30.

Carree, M.A., and Thurik, A.R. (2003). The impact of entrepreneurship on economic growth. In: Audretsch D.B., and Acs, Z.J. (eds.), Handbook of Entrepreneurship Research, Boston/Dordrecht: Kluwer Academic Publishers, 437-471.

Donohue, T.L., & Wong, E.H. (1997). Education , 118 (2), 237-243.

Davies, P., & Williams, J. (2001). For me or not for me? Fragility and risk in mature students' decision-making. Higher Education Quarterly, 55 (2), 185-203.

Duygulu, E. (2008). Institutional Profiles and Entrepreneurship Orientation: A Case of Turkish Graduate Students. MPRA Paper No. 7247, posted 18. February 2008 / 16:11.

Entrialgo, M., Fernandez, E. and Vazquez, C. (2000), "Characteristics of managers as determinants of entrepreneurial orientation: some Spanish

evidence”, *Enterprise and Innovation Management Studies*, Vol. 1 No. 2,
pp. 187-205.

Fletcher, M. (1999). Promoting entrepreneurship as a career option- the graduate
enterprise programme. *Journal of European Industrial training*, 23(3), 127-
139.

Faudziah, Z. A., & Habshah, B. (2006). Entrepreneurship Education: The Case of
Universiti Utara Malaysia.

Fuller-Love, N. (2006). Management development in small firms. *International
Journal of Management Reviews*. 8(3), 175-190.

Geiger, M.A., & Cooper, E.A. (1995). Predicting academic performance: The
impact of expectancy and needs theory. *Journal of Experimental Education*,
63 (3), 251-262.

Gibb, A.A. (2002). "In pursuit of a new 'enterprise' and 'entrepreneurship' paradigm for learning: creative destruction, new values, new ways of doing things and new combinations of knowledge", *International Journal of Management Review*, Vol. 4 No. 3, pp. 233-69.

Grundsten, H. (2004). "Entrepreneurial Intentions and the Entrepreneurial Environment. A Study of Technology-Based New Venture Creation", Doctoral dissertation. Helsinki University of Technology, Finland.

Gupta, V., MacMillan, I. C., & Surie, G. (2004). Entrepreneurial leadership: Developing and measuring a cross-cultural construct. *Journal of Business Venturing*, 19 (2), 241-260.

Guroi, Y., & Atsan, N. (2006). Entrepreneurial characteristics amongst university students: some insights for entrepreneurship education and training in Turkey. *Educ Train* 48(1):25–38.

Ho, T.S. and Koh, H.C. (1992). "Differences in psychological characteristics between entrepreneurially inclined and non-entrepreneurially inclined accounting graduates in Singapore", *Entrepreneurship, Innovation and Change: An International Journal*, Vol. 1, pp. 243-54.

Hansemark Ove C. (1998). The Effects of an Entrepreneurship Programme on Need for Achievement and Locus of Reinforcement, *International Journal of Entrepreneurial Behaviour & Research*, Vol. 4 No. 1: 28-50.

Haynes, G.W., Rowe, B.R., Walker, R., & Hong, G. (2000). The differences in financial structure between women-and men-owned family businesses. *Journal of Family and Economic Issues*, 21(3), 209-226.

Huggins, R. (2000). The success and failure of policy-implemented inter-firm network initiatives: motivations, processes and structure. *Entrepreneurship and Regional Development*, 12(2), 211-236.

Hansemark, O.C. (2003). Need for achievement, locus of control and the prediction of business start-ups: A longitudinal study. *Journal of Economic Psychology, 24(3), 301-319.*

Harry, M. (2005). VIEWPOINT Researching entrepreneurship and education Part 1: what is entrepreneurship and does it matter? Education Training Vol. 47 No. 8/9, 2005 pp. 665-677.

Heinonen, J., & Poikkijoki, S.A. (2006). An entrepreneurial-directed approach to entrepreneurship education: mission impossible? *Journal of Management Development Vol. 25 No. 1, 2006 pp. 80-94.*

Hashemi, S.M., (2009). Psychological Capabilities Affecting Agricultural Students' Entrepreneurship Level: a Comparative Study. *Research Journal of Agriculture and Biological Sciences, 5(2): 175-184.*

Johnsons, B.R. (1990). Toward a multidimensional model of entrepreneurship:

the case of Achievement motivation and the entrepreneur. *Entrepreneurship Theory and Practice*, 14(3), 39-54.

Johnson, D. (2001). What is innovation and entrepreneurship? Lesson for larger organizations. *Industrial and Commercial Training*, 33 (4), 153-140.

Jones, K., & Tullous, R. (2002). Behaviors of pre-venture entrepreneurs and perceptions of their financial needs. *Journal of Small Business Management*, 40(3), 233-249.

Katz, J.A. (1992). A psychosocial cognitive model of employment status choice. *Entrepreneurial Theory & Practice*, 17, 1, 29-37.

Koh, H. C. (1996). Testing hypotheses of entrepreneurial characteristics: A study of Hong Kong MBA students. *Journal of Managerial Psychology*, 11 (3), 12-25.

Kramarae, C. (2001). *The third shift: Women learning online*. Washington DC :

AAUW.

Kristiansen, S. (2002). Competition and Knowledge in Javanese Rural Business.

Singapore Journal of Tropical Geography, 23(1), 52-70.

Kristiansen, S. (2003). Social network and business success: the role of sub-

cultures in an African context. *American Journal of Economics and*

Sociology.

Korunka, C., Frank, H., Lueger, M., & Mugler, J. (2003). The entrepreneurial

personality in the context of resources, environment, and the startup

process-A configurational approach. *Entrepreneurship Theory and Practice*,

28 (1), 23-42.

Kirby, D.A. (2004). Entrepreneurship education: can business schools meet the

challenge? *Education Training* Vol, 46,No, 8/9,pp, 510-519.

Kreifner, R., & Kinicki, A. (2004). *Organizational Behavior*. 6th ed., Chicago:

Richard D. Irwin.

King, J.W., Foster, J.E., Fritz, S.M., Waller, S.S., & Wheeler, D.W. (2005). A

Framework for the “Entrepreneurial” Learner of the 21st Century.

Kuratko, D. (2005). The emergence of entrepreneurship education: Development,

trends, and challenges. *Entrepreneurship Theory & Practice*, 29, 5, 577-597.

Kreifner, R., & Kinicki, A. (2008). *Organizational Behavior*. 3rd ed. Key

concepts, skill & best practices.

King, W. (2009). Marketing environment and the factors involved.

Kopycinska, D., Bernat, T., & Korpysa, J. (2009). RESEARCHING

STUDENTS’ ENTREPRENEURSHIP SKILLS IN POST-SOCIALIST

COUNTRIES: A MULTI-COUNTRY SURVEY (Part 1). *Transformations in*

Business and Economic, Vol. 8. No. 2 (17).

Lao, R.C. (1970). Internal–external control and competent and innovative behavior among Negro college students. *J Pers Soc Psychol* 14:263–270.

Low, M.B. & MacMillan, I.C. (1988). Entrepreneurship: Past research and future challenges. *Journal of Management*, 14 (2), 139-161.

Littunen, H. (2000). Entrepreneurship and the Characteristics of the Entrepreneurial Personality, *International Journal of Entrepreneurial Behaviour & Research*, Vol.6 No. 6: 295-309.

Latanich, G., Nonis, S. A., & Hudson, G. I. (2001). A profile of today's distance learners: An investigation of demographic and individual difference variables of distance and non-distance learners. *Journal of Marketing for Higher Education*, 11 (3), 1-16.

Longman Dictionary of Contemporary English (2003). The Living Dictionary.

Louw, Z., et. Al. (2003). Entrepreneurial traits of undergraduate Students at Selection South African Tertiary Institutions. *International Journal of Entrepreneurial Behavior & Research*, 9 (1), 5-26.

Lee, S.H., & Wong, P.K. (2004). “An exploratory study of technopreneurial intentions: a career anchor perspective”, *Journal of Business Venturing*, 19, 7–28.

Lussier, R.N. (2008). Human Relations in Organizations Applications and Skill Building. 7th ed.

McClelland, D.C. (1961). The achieving society. Free Press, New York.

McClelland, D.C. (1967). The achieving society. Paperback Edition, New York: The Free Press.

Mcgrath, R.G., & MacMillan, L. (2000). The Entrepreneurial Mindset: Strategies for Continuously Creating Opportunity in an Age of Uncertainty.

McMahon, R.G.P. (2001). Growth and performance of manufacturing SMEs: The influence of financial management characteristics. *International Small Business Journal*, 19(3), 10-28.

Mueller, S.L., & Goic, S. (2002). Entrepreneurial potential in transition economies: a view from tomorrow's leaders. *J Dev Entrep* 7(4):399–414.

McShane, S.L. & Von Glinow, M.A. (2005). *Organizational Behavior*. 3rd ed., McGraw-Hill Irwin.

Mohd. Noor, S., & Mohd Basir, S. (2009). An Attitude Approach to the Prediction of Entrepreneurship on Students at Institution of Higher Learning in Malaysia. *International Journal of Business and Management*,

Vol, 4, No, 4.

Nurul I., & Marja, L. (200). FACTORS AFFECTING BUSINESS SUCCESS
AMONG SMES: EMPIRICAL EVIDENCES FROM INDONESIA.

NCREDC. (2004). North Carolina Entrepreneurship Education and Training
Directory.

Nurwahida, F. (2007). Relationship between psychological characteristics and
entrepreneurial success: A study of women entrepreneurs in Malaysia.

Nasurdin, A.M., Ahmad, N.H., & Lin,C.F. (2009). Examining a Model of
Entrepreneurial Intention Among Malaysians Using SEM Procedure:
European Journal of Scientific Research Vol.33 No.2, pp.365-373.

Orapin, S. (2000). The Standard of Entrepreneurial Development (SMEs).
Faculty of Business Administration Chiang Mai University.

Osborne, G. A. (2003). Are apostles entrepreneurs? The need for achievement as a common trait between entrepreneurs and apostles in the International Coalition of Apostles (ICA). Unpublished Dissertation, Regent University.

Panjak, J. (1989). The Factor affected on selection independence Career of Graduate at Srinakharinwirot University Babsen Campus (1988). Research of Burapha University.

Phan, P.H., Leong, C.C., Wang, C., Kam, W.P. (1999). Antecedents to Entrepreneurship: Beliefs, Attitudes and Background. (Online), Available: <http://www.fba.nus.edu.sg/cet/papaers/babson99.pdf> (January 3, 2003).

Pearson, C. A., & Chatterjee, S. R. (2001). Differences and similarities of entrepreneurial characteristics in a diverse social setting-evidence from Australian and Singaporean managers. *Journal of Enterprising Culture*, 9 (3), 273-289.

Pages, E.R.K. (2003). Understanding Entrepreneurship Promotion as an Economic Development Strategy: A Three-State Survey.

Peter, W. (2004). Entrepreneurs' networks and the success of start-ups. *Entrepreneurship & Regional Development*, 16,391-412.

Piangpis, P. (2007). The Entrepreneurial Commitment among the Members of the Community-Based Enterprises: A Case Study of the OTOP Scheme in Southern Thailand.

Palaniappan, A.k., & Rafik-Galea, S. (2009). Creativity and Entrepreneurial Tendencies among Form two Malaysian Students. *Journal of Applied Sciences*, Vol.9, I, 19, No. 3539-3546.

Paul, D.M. (2009). Defining Entrepreneurship. (Online), Available: www.gdrc.org/icm/micro/define-micro.html. (August 23, 2009).

Rotter, J. B. (1966). Generalized expectancies for internal versus external control of reinforcement. *Psychological Monographs: General and Applied*, 80 (1), 1-28.

Robinson, P.B., Stimpson, D.V., Huefner, J.C., and Hunt, H.K. (1991). "An attitude approach to the prediction of entrepreneurship", *Entrepreneurship: Theory and Practice*, Vol. 15, 1991, pp. 13-31.

Robinson, G. (2002). Do general practitioners' risk-taking propensities and learning styles influence their continuing medical education preferences? *Medical Teacher*, 24 (1), 71-78.

Robbins, S.P. (2003). *Oeganizational Behavior*. (International edition), New Jersey: Prentice Hall.

Rosylin, M.Y., and M. Shabri, A.M. (2008). Towards an Islamic international financial hub: the role of Islamic capital market in Malaysia. *International Journal of Islamic andnMiddle Eastern Finance and Management Vol. 1*

No. 4, pp. 313-329.

Sullivan, P. (2001). Gender differences in the online classroom: Male and female college students evaluate their Experiences. *Community College Journal of Research and Practice*, 25, 508-818.

Sekaran, U. (2003). *Research Methos for Business: A Skill Building Approach*. 4th ed., United State: John Wiley & Sons.

Shook, C.L., Priem, R.L. and McGee, J.E. (2003), "Venture creation and the enterprising individual: a review and synthesis", *Journal of Management*, Vol. 23 No. 3, pp. 379-99.

Shane, S., & Venkataraman, S. (2003). "Guest editors' introduction to the special issue on technology entrepreneurship." *Research Policy*, 32 (2): 181-184.

Sarri, K, & Trihopoulou, A. (2005). Female entrepreneurs' personal characteristics and motivation: A review of the Greek situation, *Women in Management Review*, 20(1), 24-36.

Syahrina, A. (2007). A study Entrepreneurial Characteristics Among Students At University Utara Malaysia (UUM).

Thomas, A.S. and Mueller, S.L. (2000), "A case for comparative entrepreneurship: assessing the relevance of culture", *Journal of International Business Studies*, Vol. 31 No. 2, pp. 287-301.

The profile of an Entrepreneur- Business Town. (2001-2003). Entrepreneurial – Profile of an Entrepreneur. (Online), Available: www.businessstown.com (August 23, 2009).

Timmons, J. A. and Spinelli, S. (2003). *New Venture Creation: Entrepreneurship*

for the 21st Century. New York, Irwin, McGraw Hill.

Tagoe, N., Nyarko, E., & Anuwa-Amarh, E. (2005). Financial challenges facing urban SMEs under Financial sector liberalization in Ghana. *Journal of Small Business Management*, 43(3), 331-343.

Tajeddini, K., & Mueller, S.L. (2009). Entrepreneurial characteristics in Switzerland and the UK: A comparative study of techno-entrepreneurs. *Journal International Entrepreneurship*.

Turker, D., & Selcuk, S.S. (2009). Which factors affect entrepreneurial intention of university students? *Journal of European Industrial Training Vol. 33 No. 2*, pp.142-159.

Venkatapathy, R. (1984). "Locus of Control among Entrepreneurs: A review." *Psychological Studies*, 29(1), 97-100.

Verhees, F. J. H. M., & Meulenber, M. T. G. (2004). Market Orientation, Innovativeness, Product Innovation, and Performance in Small Firms. *Journal of Small Business Management*, 42(2), 134-154.

Venasaar, U., Kolbre, E., & Piliste, T. (2006). Students' Attitudes and Intentions toward Entrepreneurship at Tallinn University of Technology.

Westhead, P., & Wright, M. (2000). *Advances in Entrepreneurship*.

Wang, C.K., Wong, P.K., & Lu, Q. (2001). Entrepreneurial Intentions and Tertiary Education in Singapore.

Wood, J., Wallace, J., Zeffane, R.M., Chapman, J., Fromholtz, M. and Marrison, V. (2001). *Organizational Behavior: A Global Perspective*. 3rd ed., John Wiley and Sons, Australia.

Zimmerer, T.W., & Scarborough, N.M. (2002). *Essentials of Entrepreneurship*

and Small Business Management, 3rd Ed., Pearson Education, Upper
Saddle River, NJ.

Zimmerer, W.T., & Scarborough, N, M. (2008). Essentials of Entrepreneurship
and Small Business Management: Pearson Prentice Hall.