THE INFLUENCE OF PSYCHOSOCIAL FACTORS ON ENTREPRENEURIAL INTENTION AMONG IKBN STUDENTS

By

NOR HANIS BINTI MAT SALLEH

Thesis Submitted to

Othman Yeop Abdullah Graduate School of Business,
Universiti Utara Malaysia,
in Fulfilment of the Requirement for the Degree of Master of Science (Management)
PERMISSION TO USE

In presenting this dissertation/project paper in partial fulfillment of the requirements for a Post Graduate degree from the Universiti Utara Malaysia (UUM), I agree that the Library of this university may make it freely available for inspection. I further agree that permission for copying this dissertation/project paper in any manner, in whole or in part, for scholarly purposes may be granted by my supervisor(s) or in their absence, by the Dean of Othman Yeop Abdullah Graduate School of Business where I did my dissertation/project paper. It is understood that any copying or publication or use of this dissertation/project paper parts of it for financial gain shall not be allowed without my written permission. It is also understood that due recognition shall be given to me and to the UUM in any scholarly use which may be made of any material in my dissertation/project paper.

Request for permission to copy or to make other use of materials in this dissertation/project paper in whole or in part should be addressed to:

Dean of Othman Yeop Abdullah Graduate School of Business

Universiti Utara Malaysia

06010 UUM Sintok

Kedah Darul Aman

Malaysia
ABSTRACT

This study intends to examine the influence of psychosocial factors (college experience, social support and risk taking propensity) on entrepreneurial intention among IKBN students. The study was conducted using a questionnaire that was distributed to 365 students of IKBN Kuala Perlis. The data obtained from this survey was analysed using the Statistical Package for Social Science (SPSS) 20.0. The descriptive analysis was used to identify the profile of the IKBN Kuala Perlis' students. This study uses probability sampling design that apply unrestricted or simple random sampling where the element of population was known and every element has an equal or non-zero chance of being selected as sample subject. The results of correlation analysis showed that all psychosocial factors such as college experience, social support and risk taking propensity have significant and positive relationships towards entrepreneurial intention. While through regression analysis it proved that, all these variables are significantly influence the entrepreneurial intention among skills-based students. This study helps many parties to realize that skills-based students as well have potential to be entrepreneurs. Thus, supports from various parties such NGOs and government is hope in order to help them to become successful entrepreneurs in the future.
ABSTRAK

ACKNOWLEDGEMENTS

In the name of Allah, the most Gracious and the most Beneficent. Praise to Allah S.W.T. the Creator and Guardian of the universe. Praise and peace be upon Prophet Muhammad S.A.W, the last messenger of Allah, his family and his companions, from whom we gain the enlightenment.

First and foremost, I would like to say Alhamdulillah by the grace of Allah A.W.T. for His bounties of blessing I am able to complete this thesis as was required to me. My deepest gratitude and appreciation to Dr Shamsul Huda Abd Rani for her guidance, and continuous advice as well as constant encouragement in guided me during this research. Without her guidance, patience, and willingness to help, this research would have been impossible.

I would like also to express my deepest gratitude, love and affection to my parents, Hj. Mat Salleh Daud and Hjh. Radziah Zakaria for giving the fullest strength and support to me in the pursuit of my goals in this research. Besides, my sincere thanks to all friends in Master of Science (Management) program, especially Azmawida, Nor Farahana, Nur Anis, and Abidah for their help and support. Finally, I would like to thanks all the IKBN staff members that helped me in distributing questionnaires. This thesis would not be completed on time without their encouragement and supports.

May Allah bless your contribution.
TABLE OF CONTENT

CONTENT

PERMISSION TO USE iii
ABSTRACT iv
ABSTRAK v
ACKNOWLEDGEMENT vi
TABLE OF CONTENTS vii
LIST OF TABLES xi
LIST OF FIGURES xiii
LIST OF ABREVIATION xiv

CHAPTER ONE: INTRODUCTION

1.1 Introduction .................................................................................................................. 1
1.2 Background of Study ..................................................................................................... 2
1.3 Problem Statement ........................................................................................................ 5
1.4 Research Questions ....................................................................................................... 6
1.5 Research Objective ....................................................................................................... 7
  1.5.1 General Objective ................................................................................................. 7
  1.5.2 Specific Objective ................................................................................................. 7
1.6 Significant of Study ...................................................................................................... 8
1.7 Scope and Limitation of Study ...................................................................................... 8
1.8 Organization of Remaining Chapter ........................................................................... 9
CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction.........................................................................................................................11
2.2 Entrepreneurial Intention.................................................................................................11
2.3 Demography......................................................................................................................14
2.4 Psychosocial Factors........................................................................................................15
   2.4.1 College Experience......................................................................................................15
   2.4.2 Social Support.............................................................................................................17
   2.4.3 Risk Taking Propensity.............................................................................................20
2.5 Theory of Planned Behavior............................................................................................23
2.6 Conclusion.........................................................................................................................26

CHAPTER THREE: RESEARCH METHODOLOGY

3.1 Introduction.........................................................................................................................27
3.2 Research Framework.........................................................................................................27
3.3 Hypotheses Development.................................................................................................28
3.4 Research Design...............................................................................................................29
3.5 Operational Definition....................................................................................................30
   3.5.1 Entrepreneurial Intentions.........................................................................................30
   3.5.2 College Experience...................................................................................................30
   3.5.3 Social Support..........................................................................................................30
   3.5.4 Risk Taking Propensity............................................................................................31
3.6 Instrumentation.................................................................................................................31
3.7 Data Collection................................................................................................................35
   3.7.1 Primary Data............................................................................................................35
   3.7.2 Secondary Data........................................................................................................35
   3.7.3 Population and Sampling Design............................................................................36
   3.7.4 Data Collection Procedure......................................................................................37
3.8 Pilot Test..........................................................................................................................38
3.9 Data Analysis..................................................................................................................40
CHAPTER 4: DATA ANALYSIS AND FINDINGS

4.1 Introduction ...................................................................................................................................... 44
4.2 Response Rate .................................................................................................................................... 44
4.3 Reliability Result of the Instrument .................................................................................................. 45
4.4 Descriptive Analysis ....................................................................................................................... 45
   4.4.1 Mean and Standard Deviation for Independent and Dependent Variables ........... 46
   4.4.2 Demographic Analysis ............................................................................................................. 47
4.5 Normality .......................................................................................................................................... 49
4.6 Hypotheses Testing ........................................................................................................................... 50
4.7 Summary of Hypothesis Testing ....................................................................................................... 57
4.8 Conclusion ......................................................................................................................................... 58

CHAPTER 5: DISCUSSION AND CONCLUSION

5.1 Introduction ....................................................................................................................................... 59
5.2 Discussion of the Findings ................................................................................................................. 59
   5.2.1 Demographic ............................................................................................................................ 59
   5.2.2 The Influence of college experience on entrepreneurial intention among IKBN student ......................................................................................................................... 60
   5.2.3 The influence of social support on entrepreneurial intention among IKBN student .................................................................................................................................. 61
   5.2.4 The influence of risk taking propensity on entrepreneurial intention among IKBN student ......................................................................................................................... 62
5.2.5 The most influence of pyschosocial factors (college experience, social support and risk taking propensity) on entrepreneurial intention among IKBN student .......... 63

5.3 Implications 64
5.3.1 Theory Implication.......................................................................................... 64
5.3.2 Practical Implication ...................................................................................... 65

5.4 Recommendation 66
5.5 Recommendation for Future Research 67
5.6 Conclusion 67

References..............................................................................................................69

Appendices.............................................................................................................83
LIST OF TABLE

<table>
<thead>
<tr>
<th>TABLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1 Summary of Past Research on Entrepreneurial Intention</td>
<td>13</td>
</tr>
<tr>
<td>2.2 Summary of Past Research on College Experience</td>
<td>17</td>
</tr>
<tr>
<td>2.3 Summary of Past Research on Social Support</td>
<td>19</td>
</tr>
<tr>
<td>2.4 Summary of Past Researcher on Risk Taking Propensity</td>
<td>21</td>
</tr>
<tr>
<td>2.5 Summary of Past Research on Theory of Planned Behaviour</td>
<td>25</td>
</tr>
<tr>
<td>3.1 The Instruments of Study</td>
<td>32</td>
</tr>
<tr>
<td>3.2 Source and Reliability of Instruments</td>
<td>40</td>
</tr>
<tr>
<td>3.3 Interpretation of Coefficients by McBurney (2001)</td>
<td>42</td>
</tr>
<tr>
<td>4.1 Reliability Result of the Instruments</td>
<td>45</td>
</tr>
<tr>
<td>4.2 Mean and Standard Deviation for Independent and Dependent Variables</td>
<td>46</td>
</tr>
<tr>
<td>4.3 Profile of Respondent</td>
<td>47</td>
</tr>
<tr>
<td>4.4 Outliers Removal Process</td>
<td>49</td>
</tr>
<tr>
<td>4.5 Normality Test</td>
<td>50</td>
</tr>
<tr>
<td>4.6 Correlation between College Experience and Entrepreneurial Intention</td>
<td>52</td>
</tr>
<tr>
<td>4.7 Linear Regression Analysis between College Experience and Entrepreneurial Intention</td>
<td>53</td>
</tr>
<tr>
<td>4.8 Correlation between Social Support and Entrepreneurial Intention</td>
<td>54</td>
</tr>
<tr>
<td>4.9 Linear Regression Analysis between Social Support and Entrepreneurial Intention</td>
<td>54</td>
</tr>
<tr>
<td>4.10 Correlation between Risk Taking Propensity and Entrepreneurial Intention</td>
<td>55</td>
</tr>
</tbody>
</table>
4.11 Linear Regression Analysis between Risk Taking Propensity and Entrepreneurial Intention 56

4.12 The Most Influence of Psychosocial Factors on Entrepreneurial Intention 57

4.13 Summary of Hypothesis Testing 57
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>FIGURES</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1 Research Framework</td>
<td>28</td>
</tr>
</tbody>
</table>
### LIST OF ABREVIATION

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>IKBN</td>
<td>Institut Kemahiran Belia Negara</td>
</tr>
<tr>
<td>TPB</td>
<td>Theory of Planned Behaviour</td>
</tr>
</tbody>
</table>
CHAPTER ONE

INTRODUCTION

1.1 Introduction

The development of human capital is the key agenda towards realizing the vision 2020 (Azhar & Idris, 2015). To develop young generation as quality human capital, Malaysia government puts various efforts to incorporate entrepreneurship and education together. Education serves as a medium mover’s in shaping civilized and competitive society. Therefore, entrepreneurship education in Malaysia should be implemented as a strategy to increase the number of skilful human capital and encouraging businesses to achieve commercial and industrial community by 2020. The aim of this action is to produce more intellectuals that actively involved in the field of entrepreneurship.

Preparations for entrepreneurship-oriented nation are important because entrepreneurship is a form of discipline that stimulates economic growth and development, whereas society with a high number of entrepreneurs is viewed as the best society (Ahmad, Fauziah, Yusoff, Noor & Kaseri, 2012). Entrepreneurship also plays an important role in the economic development of the country as this field is capable to contribute and solve a variety of problems, including the unemployment issue (Hashim & Radio, 2011). This is the reason why the government of Malaysia starts to emphasize in the field by offering and creating various educational vocational institutions for young development.
The contents of the thesis is for internal user only
References


characteristics of nascent entrepreneurs. *Entrepreneurship & regional development*,
12(1), 1-23.


Di-Masi, P. (2004): “Defining Entrepreneurship”. Generated at e-mail pauljude@centrin.
Net.id.

9324-9

Entrepreneurial Orientation and Entrepreneurial Intentions of Female Students at
Nigerian Universities. *International Journal of Management Sciences and Business
Research*, 1(4), 1–16.

Ertuna, Z. I., & Gurel, E. (n.d.). Effects of Entrepreneurial Traits and Education on
Entrepreneurial Intentions.


Fatoki, O. (2014). The Entrepreneurial Intention of Undergraduate Students in South Africa:
The Influences of Entrepreneurship Education and Previous Work Experience.


benchmarking study. *International Journal of Innovation and Technology Management*,
1(03), 269-288.


Reitan, B. (1997, June). Where do we learn that entrepreneurship is feasible, desirable and/or profitable. In *ICSB World Conference* (pp. 21-24).


