



UNIVERSITI PUTRA MALAYSIA

***A STUDY IN THE ENTREPRENEURIAL CHARACTERISTICS OF
UNIVERSITY STUDENTS***

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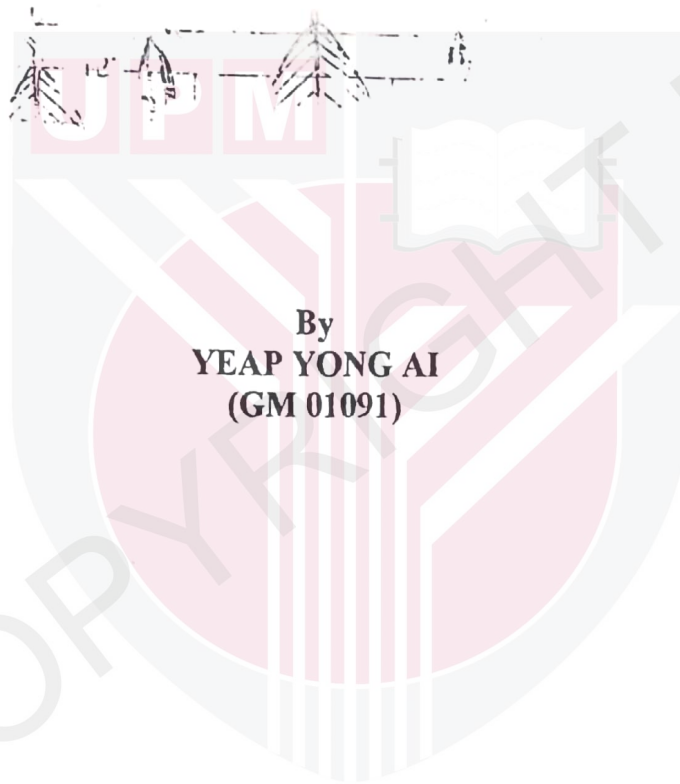
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A Study in the **entrepreneurial characteristics of University Students**



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Abstract

The title of this research is "A Study in the Entrepreneurial Characteristics of University Students" is aimed to find out the entrepreneurial characteristics of students who are entrepreneurial inclined. In this research the six entrepreneurial characteristics: risk propensity, self-confident, need for achievement, innovation, tolerance of ambiguity, and locus of control became the primary interested variables. The null hypothesis of this research studied that who are entrepreneurial inclined have the level of entrepreneurial characteristics which are not the same level as those who are non-entrepreneurial inclined. The results will be discussed from marketing perspective. 300 undergraduate students from Universiti Putra Malaysia, Universiti Kebangsaan Malaysia, and Universiti Malaya were selected to answer a set of questionnaire. The results showed that, Malaysian university students who are entrepreneurial inclined have the levels of risk propensity, self-confident, innovation and need for achievement which are higher than those who are non-entrepreneurial inclined.

Abstrak

Penyelidikan ini adalah bertajuk “**Kajian tentang Ciri-ciri Usahawan oleh Pelajar Universiti**” dan bertujuan untuk mencari ciri-ciri usahawan bagi mahasiswa dan mahasiswi yang mempunyai semangat usahawan. Dalam kajian ini, sebanyak 6 ciri usahawan dijadikan sebagai pembolehubah utama iaitu: **propensiti terhadap risiko, kepercayaan diri-sendiri, keperluan untuk kecapaian, inovasi, toleransi terhadap ambiguiti, dan kawalan lokus**. Hipotesis nul yang diuji ialah pelajar yang bersemangat usahawan mempunyai tahap ciri usahawan yang tidak sama dengan pelajar yang tidak bersemangat usahawan. Kemudian keputusan yang diperolehi dibincangkan dari persepektif pemasaran. Seramai 300 pelajar dari **Universiti Putra Malaysia, Universiti Kebangsaan Malaysia, dan Universiti Malaya** telah dipilih untuk mengisikan satu set soal-selidik. Keputusan menunjukkan bahawa pelajar universiti tempatan di Malaysia mempunyai tahap propensiti terhadap risiko, kepercayaan diri-sendiri, keperluan untuk kecapaian, dan inovasi yang lebih tinggi daripada pelajar yang tidak bersemangat usahawan.

Chapter 1

1.0 Introduction

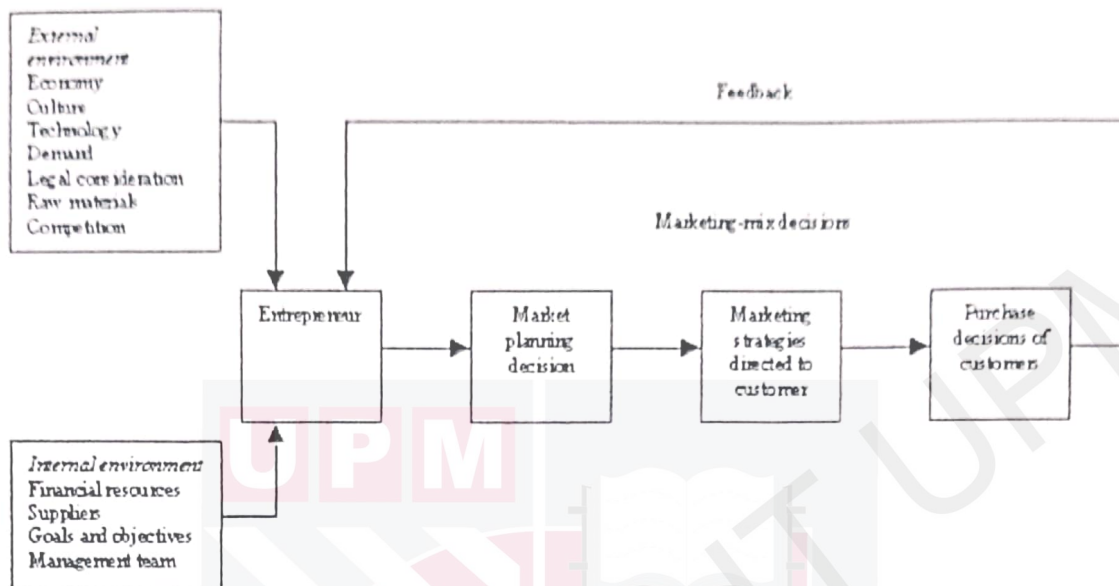


Figure 1.0: The Marketing System

From a marketing system, which suggested by Philip Kotler, 2000, we can know that the external and internal environments play a very important role whether for an entrepreneur who wants to start a new venture or who already started his business venture. Especially for those are intending to start a new business, the environment analysis must be done before they start anything else.

But, what will discussed here is how an entrepreneur influences the marketing mix decisions. First of all, what is a marketing mix? The marketing mix represents the interaction of four major variables within the marketing system: products/service, pricing, distribution, and promotion. Commonly,

products or services actually fully describe the nature of the entrepreneur's business since there may be only a single product or service in the initial phases of the new venture. But, pricing is one of the most difficult decisions for any new venture, because it is not easy to determine an appropriate price for their products or services. Later, the distribution provides place utility to the customer, that is, makes a product convenient to purchase when it is needed. Finally, the promotion is aimed to let the consumers know about the entrepreneur's business, especially their products or services. But, the significance of each of these variables differs, depending on the industry, company mission, nature of the market, and size of the firm, as well as numerous other factors.

As shown by the marketing system, an entrepreneur is the initial power of the whole marketing system. Therefore, as an entrepreneur, normally he or she will make the marketing mix decision based on their current external and internal environmental conditions. Again, although the environment analysis can help the entrepreneur gain the information they need, but the key to success is their decisions, especially in the way to market their products and/or services. Finally, an entrepreneur can know that he or she either succeed or fail from their marketing mix decision feedback.

So, now the question is what is an entrepreneur? Or, what is entrepreneurship? As Coulter (2001) said, defining entrepreneurship may seem as a simple and easy task, but actually it is not. For examples, some maybe saying

that identifying and pursuing opportunities is an important part of entrepreneurship (Coulter, 2001). And, some may be saying that entrepreneurship involves the creation of value, the process of starting or growing a new profit-making business, the process providing a new product or service, and intentional creation of value through organization by an individual contributor or small group partners (Coulter, 2001). Another definition of entrepreneurship that's been used is that "the process of creating different with value by devoting the necessary time and effort, assuming the accompanying financial psychological and social risks and receiving the resulting reward of monetary and personal satisfaction" (Coulter, 2001). But, from development of entrepreneurship theory and term 'entrepreneur', we can determine what are the entrepreneurial characteristics. As mentioned, an entrepreneur needs to make decision and normally his own entrepreneurial characteristics are the key, which influence him to make decisions.

Why must we know the entrepreneurial characteristics? It is because the entrepreneur is the initial of a marketing system; because entrepreneurial characteristics decided the successful or failure of an entrepreneur; because the entrepreneur's decision influence the marketing mix decision; and so on. Hisrich, suggested that actually the entrepreneurship characteristics are not just useful for those entrepreneurs. The entrepreneurship characteristics, like the need for achievement, locus of control, propensity to take risks, innovativeness, self-

confidence, and ambiguity to tolerances are also important to other professionals and non-professionals.

In this research, the Malaysian University students were selected as the samples of the research. The universities' student were chosen because we need to know the entrepreneurial characteristics especially for an entrepreneur who wants to start a new business venture. Of course, all of them who are entrepreneurial inclined can be considered as the entrepreneur of the future. The university's undergraduate students were selected as a sample because the research aimed to know how many students are entrepreneurial inclined and what are their entrepreneurial characteristics. Indirectly, these also give some impressions about the marketing systems for new venture entrepreneurs. Through this research, for certain agency and units which are interested to help our graduates to create their own business, they can know more about the Malaysian local universities' students entrepreneurial characteristics and try to find the best way to help them success in the future, especially to them to gain the best feedback for their marketing mix decision.

1.1 Problem Statements

As we know, normally Malaysian University students (Bachelor degrees' holder) will apply a job, a position or a vacancy from a company or an organization. But, because certain companies or organizations only recruit a graduate student who has some job experience needed by the companies, some of

the students may not get a job. Because of this, some university students are unemployed and this cause the rate of unemployment to increase. For those who do not like to apply for any position, they may start their own business. These types of students normally aimed to get rich by their own efforts to build their own business. Some of them may have started their business during their undergraduate years. This is a good phenomenon because it tends to create more working opportunities to anyone or anybody. But unfortunately, not all the business as created by them ended in a success. Some failed during the initial period; some failed because of financial problems; some failed due to lack of experience; and some failed due to insufficient experiences and ineffective management. So, why do businesses fail?

A business failure can be caused by many problems, like what have been mentioned before. One of the factors that is believed to have a major influence on business success is the personal entrepreneurship characteristics of the business owner. According to famous scholars in entrepreneurship research, like David McClelland (1961), Karl Verspel (1980), Jeffery Timmons (1983), and Robert Hisrich (1985), those who want to gain a big success in their business must have certain entrepreneurship characteristics.

Of course, the personality of the person is one of the factors can determine an entrepreneur success or failure. But, inappropriate marketing plan or strategy is the next factor, Moorman and Hallorman (1996). As mentioned before, while a

person started his or her business, he or she may have already presented his or her marketing system. Finally, marketing approach may become the key of success. So, from the marketing perspective, the entrepreneurial characteristics may be playing an important role.

This research focuses on two problems: (I) what characteristics differentiate the entrepreneur and non-entrepreneurs (II) how are these characteristics important from a marketing perspective. So, by knowing the importance of the entrepreneurial characteristics, it may help our local universities' students to understand whether they have a better chance of succeeding in business.

1.2 Research Objective

The main objective of this research is to examine the entrepreneurial characteristics of Malaysian university students. Besides, there are some sub objectives as follows:

1. To differentiate the entrepreneurial characteristics between the entrepreneurial inclined and non-entrepreneurial inclined students.
2. What are the entrepreneurial characteristics of the students.
3. Does an entrepreneurial inclined student has a better prospect to marketing himself.

1.3 Hypotheses tested in this research

From the literature review, it can be seen that theoretical and empirical research in the academic and professional entrepreneurship literature has associated psychological characteristics with entrepreneurship. In particular, evidences show that as compared to non-entrepreneurs, entrepreneurs have greater need for achievement, more internal locus of control, higher propensity to take risk, greater tolerance of ambiguity, more self-confidence, and greater innovativeness.

Based on theory and the previous research findings, this study postulates the following null hypotheses:

H0₁ : individuals who are entrepreneurial inclined have the same level of the need for achievement as those who are non-entrepreneurial inclined.

H0₂ : individuals who are entrepreneurial inclined have the same level of the locus of control as those who are non-entrepreneurial inclined.

H0₃ : individuals who are entrepreneurial inclined have the same level of innovation as those who are non-entrepreneurial inclined.

H0₄ : individuals who are entrepreneurial inclined have the same level of the propensity to take risk as those who are non-entrepreneurial inclined.

H0₅ : individuals who are entrepreneurial inclined have the same level of the tolerance of ambiguity as those who are non-entrepreneurial inclined.

H0₆ : individuals who are entrepreneurial inclined have the same level of the self-confidence as those who are non-entrepreneurial inclined.



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