

THE IMPACT OF ENTREPRENEUR EDUCATION ON BUSINESS PERFORMANCE

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INTRODUCTION

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The importance of entrepreneurship has become increasingly important where it has become a priority for developing countries like Malaysia.

Public universities have to implement entrepreneurship education to encourage students to venture into entrepreneurship.

Universiti Teknologi Mara (UiTM) requires all undergraduate students to take ENT300 entrepreneurship courses directly related to real business management.

Although entrepreneurial education has become a priority at the HEIs and received strong support from the government, entrepreneurship as a career choice is still rare among graduates and the number of participants is still low. Thus, it can be concluded that unemployed graduates have less entrepreneurial traits.

In the context of UiTM Terengganu, there is no research conducted to measure entrepreneurship education towards UiTM graduates, and the effectiveness of entrepreneurship education through learning process has not been revealed yet.

RESEARCH OBJECTIVE

To examine the effects of entrepreneurship education in influencing business performance among ITM/UiTM graduates in Malaysia.

LITERATURE REVIEW

- **Entrepreneurship Education**

- ❖ It concerns with fostering creative skills that can be applied in practices, education and environments supporting innovation (Ndofirepi, 2020; Gundry, Ofstein, & Kickul, 2014).
- ❖ Involves preparing graduates to thrive in their careers when they seek to start a new business (Blenker, Elmholdt, & Frederiksen, 2014).
- ❖ It is vital for socio-economic landscape, as it could play an influential role in equipping and changing ones' attitude to becoming an entrepreneur (Kyari, 2020; Adi, Joniarto, & Jun, 2019; Bharucha, 2019; Peterman & Kennedy, 2003; Volery & Mueller, 2006).

- **Business Performance**

- ❖ It is an important aspect for an organization to manage well, for that reason constitutes an integral part of all activities and operations performed by entrepreneurs to strengthen their business (Shu-HuiChuang & HongNanLin, 2017).
- ❖ The strength of performance will enable firms and societies to benefit through resource extraction, job creation and wealth creation (Madrid-Guijarro et al., 2007).
- ❖ It is important for firms to constantly monitor their performance over time due to changes in the volatile business environment (Najmi, Rigas, & Fan, 2005).

HYPOTHESES DEVELOPMENT

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▪ Entrepreneurship Curriculum

- ❖ Curriculum refers to the course content of an educational program (Tanner & Tanner, 1980).
- ❖ According to Norasmah (2002), the success of an entrepreneurial program is to produce students with the skills and attitude of entrepreneurship and thus become successful entrepreneurs depending on the suitability of the course content offered by the program.
- ❖ Reynaldo, Maria, and Asuncion (2007) suggest that universities should evaluate, diversify and refine existing curriculum forms.

H₁: *Entrepreneur curriculum has a significant positive effect on business performance.*

▪ University Role

- ❖ The higher education sector should play an important role in providing the knowledge needed to support and encourage young people to engage in entrepreneurship (Galloway and Brown (2002).
- ❖ According to Norita et al. (2007), universities in Malaysia have played a role in the development of student entrepreneurship based on the various entrepreneurial education programs and activities that have been introduced.
- ❖ Institutions also help coordinate individual planning, providing structure and order in society (Scott & Meyer 1991) and capable of taking action that can make a significant impact on entrepreneurial activity (Kostova 1999).

H₂: *University roles have a significant positive effect on business performance.*

HYPOTHESES DEVELOPMENT

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▪ Relational Factor

- ❖ Refers to the role of various parties in students' surrounding in sowing their interest in entrepreneurship.
- ❖ Support and encouragement from family members, relatives and friends have shown that it is closely related to the development of an entrepreneur (Le, Lim, & Neupert, 2006).
- ❖ Sylvia and Dayang (2016) found out that the support received from those who are connected with the prospect entrepreneurs is the third factor that most influences the intention of students to engage in entrepreneurship.

H₃: *Relational factors have a significant positive effect on business performance.*

▪ Society

- ❖ Support from government and financial institutions should be considered among basic requirements of setting up and managing a business (Ladzani and Van Vuuren, 2002).
- ❖ Martinelli (1994) consider culture, institutional support, and resource dependence can encourage entrepreneurship.
- ❖ Reynaldo, Maria, and Asuncion (2007) suggest that universities should evaluate, diversify and refine existing curriculum forms.
- ❖ The findings of Zuraini's (2000) also show that training programs and courses are required to emphasize the ability and willingness of entrepreneurs to attend.

H₄: *Society factors have a significant positive effect on business performance.*

HYPOTHESES DEVELOPMENT

- **Entrepreneurial Values**
 - ❖ Concern about skills needed to turn ideas into action (Shaver & Scott, 1991).
 - ❖ Many studies explain the relationship between entrepreneurial values possessed by students with the intention of their involvement in entrepreneurship (See: Koe (2016), Linan & Chen (2009), Phelan and Sharpley (2012), Ferrington, Venter and Louw (2012)).
 - ❖ These factors have a major influence on student's involvement in entrepreneurial activity after their graduation.
- H₅:** *Entrepreneurship values have a significant positive effect on business performance.*

METHODOLOGY

▪ Sample Selection and Data Collection

- ❖ The population consists of UiTM graduates who practice entrepreneurship.
- ❖ Non-probability sampling which includes convenience sampling method is utilised to choose the sample from the population.
- ❖ As of Jun 2019, a total of 250 graduates had been identified and only 235 remained in the business.
- ❖ A total of self-administered 235 questionnaires were distributed and 161 respondents (68.5%) utilised as the final sample.

▪ Measures

- ❖ The dependent variable refers to the business performance that consists of perceptions of financial outcomes (12 items) using a 5-point *Likert* scale with potential answers ranging from 1 (*very unsatisfactory*) to 5 (*very satisfactory*).
- ❖ The independent variables are entrepreneurship curriculum (7 items), university role (9 items), relational factor (7 items), society (7 items) and entrepreneurial values of the individual (14 items). Utilised five points of *Likert* scale with the frequency of 1= "strongly disagree" to 5= "strongly agree" except for relational factor and entrepreneurial values, who use *Likert* scale with the frequency of 1= "very low" to 5= "very high".

RESULTS AND FINDINGS

▪ Descriptive Analysis

- ❖ The mean value for all the variables is above level three (3).
- ❖ The median was 3.5 clearly shows all the variables beyond the level of the variable characteristics of entrepreneurship showed the highest mean value (4.506), while the mean was lowest in variables curriculum (3.745).
- ❖ For the standard deviation (SD), clearly shows that all variables have a small deviation of less than 1.

Variable	Mean	SD	1	2	3	4	5
1. Curriculum	3.745	0.655	1.000				
2. University roles	4.047	0.550	0.394***	1.000			
3. Relational Factor	3.642	0.626	0.556***	0.667***	1.000		
4. Society	4.146	0.478	0.703***	0.659***	0.716***	1.000	
5. Entrepreneurial Values	4.506	0.411	0.348***	0.521***	0.383***	0.627***	1.000
6. Performance	3.787	0.613	0.961***	0.504***	0.674***	0.834***	0.393***

RESULTS AND FINDINGS

▪ Multiple Regression Analysis

- ❖ For model 2, the R^2 value was 98.2 per cent ($\Delta R^2 = 0.956$), while the F test is significant at the one per cent level. It is clear that all the independent variables are significant attempt to explain the variation in business performance among graduates.
- ❖ The study confirms that the factor explains H_1 entrepreneurship curriculum of study at university has a great influence on the performance of the business undertaken by graduates.
- ❖ The role of universities in promoting entrepreneurial activity among students is not significant to business performance ($\beta = 0.07$, ns). Accordingly, the study could not confirm H_2 .
- ❖ The relational factors have a significant positive impact on business performance ($\beta = 0.159$, $p < 0.01$), thus confirms H_3 .
- ❖ For society variable, Model 2 for empirical explain this factor has a positive coefficient and significant business performance ($\beta = 0.345$, $p < 0.01$), thus confirms H_4 .
- ❖ The findings clearly show there is a significant positive relationship between entrepreneurial traits possessed by graduates with business performance ($\beta = 0.101$, $p < 0.01$), thus confirms H_5 .

RESULTS AND FINDINGS

Multiple Regression Analysis

	Collinearity Statistics		Model 1	Model 2
	Tolerance	VIF		
Step 1- Controls				
Field of study	0.964	1.073	0.146 (1.858)	0.004* (0.369)
Types of business	0.884	1.132	-0.067 (-0.845)	0.010 (0.830)
Age of business	0.965	1.037	0.024 (0.300)	0.010 (-0.875)
Step 2 - Factors				
Curriculum	0.470	2.127		0.718*** (45.099)
University Role	0.419	2.386		0.007 (0.402)
Relational	0.368	2.718		0.159*** (3.294)
Society	0.229	4.358		0.345*** (15.158)
Entrepreneurial Values	0.511	1.956		0.101*** (6.600)
Constant	0.000	0.010	(17.622)***	(-1.921)*
R ²			0.026	0.982
R ² change			0.026	0.956
F statistics			1.403	1604.03***

Note: Enterprises performance as dependent variable; * $\rho < 0.10$, ** $\rho < 0.05$, *** $\rho < 0.01$

Source: Based on the sample survey

CONCLUSION AND RECOMMENDATIONS

- ❖ The results revealed that four hypotheses are supported, which indicate that the entrepreneurial education such as university curriculum, relational factor, society factor and entrepreneur value are significantly related to the business performance of ITM/UiTM graduates firms.
- ❖ However, the findings suggest that university role does not have a significant impact on business performance of ITM/UiTM graduates.
- ❖ Overall, the findings are consistent with the resource-based view (RBV) theory.
- ❖ There are several suggestions that should be taken into consideration as to enhance the business performance of ITM/UiTM graduates firms, among others:
 - 1) From a policy perspective, students should be exposed to self-development and entrepreneurial development programs that are closely linked to the development of student entrepreneurial learning;
 - 2) The university also should be given proper recognition to students who excel in entrepreneurship to motivate other students. Moreover, they need to support students to open and expand their business;
 - 3) To complement the need for entrepreneurship culture among students, the university should provide a conducive business environment including infrastructure, capital assistance, mentoring and advisory services to students;
 - 4) Based on the importance of entrepreneurship curriculum on entrepreneurial education and business performance, it should be updated accordingly to the needs of global environmental shift; and
 - 5) The effectiveness of entrepreneurship education depends on the competence of the educator and entrepreneurial leadership.



THANK YOU