

Predictors Towards Entrepreneurial Intention: A Malaysian Case Study

Abstract

The bumiputra population in Malaysia seems unable to match the nonbumiputras especially the Chinese in terms of their entrepreneurial character. The small number of small business startup by the bumiputras in Malaysia evidently shows this. One reason suggested by many academics is the risktaking propensity by the bumiputras. This research intends to investigate the relationship between risk taking propensity and entrepreneurial intention among the bumiputras and Chinese in Malaysia. The respondents for this study were 746 students studying in Universiti Malaysia Sabah. Questionnaires were used in the data collection process. The results revealed that the Chinese respondents had significantly higher risk taking scores than the bumiputras. The Chinese were also found to be more intent to become entrepreneurs upon graduation from the university. This clearly explains why the Chinese are predominantly involved in business in Malaysia as compared to the bumiputras. Significant differences were also found between genders whereby male respondents were found to have higher risk taking scores and more intent to become entrepreneurs than the females. The degree programs in which the students are enrolled in also showed significant differences with the Science students having the highest risk taking scores followed by the Business and the Arts students. The regression result examining the relationship between risk taking propensity and intention to become an entrepreneur was found to be significant. However, the ability of risk taking propensity to explain the variance in entrepreneurial intention is very small. Suggestions were given to overcome the problems of low risk taking propensity among the bumiputras.