

**THE EFFECTIVENESS OF  
ENTREPRENEURSHIP EDUCATION AND  
TRAINING PROGRAMME (EETP) IN KOTA  
KINABALU PUBLIC UNIVERSITIES**



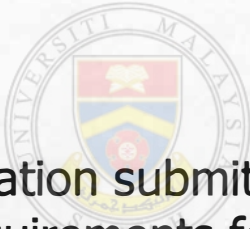
**MUSTAPHA BIN SAKMUD**

UNIVERSITI MALAYSIA SABAH

**SCHOOL OF BUSINESS AND ECONOMICS  
UNIVERSITI MALAYSIA SABAH  
2007**

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(EETP) IN KOTA KINABALU PUBLIC  
UNIVERSITIES**

**MUSTAPHA BIN SAKMUD**

 **Dissertation submitted in partial fulfillment of the  
requirements for the degree of Master of  
Business Administration**

**SCHOOL OF BUSINESS AND ECONOMICS  
UNIVERSITI MALAYSIA SABAH  
2007**

**UNIVERSITI MALAYSIA SABAH**

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## DECLARATION

The materials in this thesis are original except for quotation, excerpts, summaries and references, which have been duly acknowledged.

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## ABSTRACT

*Previous study have attempted to assess the effectiveness of Entrepreneurship Education and Training Programme (EETP) by using Theory Of Planned Behavior(TPB) and its relation with entrepreneurial intention. Theory Of Planned Behavior has three main dimension mainly perceived attractiveness, subjective norms and perceived behavior control that is used as independent variables. Entrepreneurial intention is used as dependent variable. The objective of this study is to attempt whether similar relationship exists among the public universities student within Kota Kinabalu. The comparison between students who have attended and those who have not attended will be studied to assess the effectiveness of the programme. A total of 252 respondents participate in this study with 98 students attended and 154 students not attended the programme. The responses from the survey were statistically analyzed with SPSS version 12.0. The results indicated that only perceived attractiveness has positive relationship with entrepreneurial intention. The study of moderating variables such as gender, major subject and ethnic did not influence the relationship between independent variables and dependent variable. This unique finding had added another inconsistent result as shown by previous researches. This research hopes to assess the effectiveness of Entrepreneurship and Education Programme (EETP) within the Kota Kinabalu public universities.*



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## ABSTRAK

*Kajian-kajian terdahulu telah cuba menilai keberkesanan Program Pendidikan dan Latihan Keusahawanan dengan menggunakan Teori Tingkahlaku Yang Dirancang dan kaitannya dengan niat keusahawanan. Teori ini mengandungi tiga dimensi utama iaitu penilaian daya tarikan, norma subjektif dan penilaian kawalan tingkahlaku sebagai pembolehubah tidak bersandar. Niat keusahawanan dijadikan sebagai pembolehubah bersandar. Objektif kajian ini adalah untuk mengkaji sama ada hubungan yang sama wujud di kalangan pelajar universiti awam di Kota Kinabalu. Perbandingan antara dua kategori pelajar iaitu yang hadir dan tidak hadir akan dibandingkan untuk mengkaji keberkesanan program. Sejumlah 252 responden menyertai kajian ini dimana 98 pelajar hadir dan 154 pelajar tidak menghadiri program tersebut. Data-data tersebut dianalisa secara statistik menggunakan SPSS Versi 12.0. Keputusan analisa menunjukkan bahawa hanya penilaian daya tarikan yang mempunyai hubungan positif dengan niat keusahawanan. Analisa terhadap pembolehubah penyerderhanaan juga mendapati jantina, subjek teras dan etnik tidak mempengaruhi hubungan antara pembolehubah tidak bersandar dengan pembolehubah bersandar. Penemuan unik ini menambah satu lagi ketidaktentuan keputusan kajian seperti kajian-kajian sebelum ini. Kajian ini diharap dapat menilai keberkesanan program pendidikan dan keusahawanan di kalangan pelajar universiti awam di Kota Kinabalu.*



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# CHAPTER 1

## INTRODUCTION

### 1.1 Overview

The honorable Prime Minister YAB Dato' Seri Abdullah Haji Ahmad Badawi in his Ninth Malaysia Plan 2006-2010 presentation have stressed that the development of Bumiputera Commercial dan Industrial Community (BCIC) will remain a key thrust to ensure effective Bumiputera participation in the economy. The Prime Minister outlined that the second phase of BCIC development programme will focus on expediting the development of self-reliant, sustainable and competitive Bumiputera entrepreneurs and the creation of strong Bumiputera Small and Medium Enterprises (RMK9, 2006)

Furthermore, following the global transformation, Malaysia has made its effort to transform the economy to the knowledge based economy. In September 2002, the Institute of Strategic and International Studies (ISIS) released the Knowledge-based Economy Master Plan in which Entrepreneurship is one of the key elements discussed in the Master Plan. Furthermore, it has been said that without entrepreneurs, there is no knowledge economy (V. Sivapalan, 2001).

In realizing the challenge in implementing the Ninth Malaysia Plan and the Global effect with the importance of entrepreneurs the government had introduced aggressively the Entrepreneurship Education and Training Program (EETP) in all public universities and government agencies. The prime aim and objective of the program is to nurture and

to expose the entrepreneurial culture among university students and graduates. It is also designed to complement the efforts to produce and create BCIC society.

However, a big question mark has arisen on the EETP that is being conducted amongst the undergraduate level. Is the program able to groom the graduates to become middle-class entrepreneurs and participate actively in the economic development? At least what is the impact and effect of the EETP on the student Entrepreneurial Intention (EI)?

Therefore, it is interesting to study the impact and effect of the EETPs that is currently being offered in the higher institution. Hopefully, this project research will be able to analyze the related issues and contribute to the improvement of the program for the benefit of the graduates, the institution, the government and Malaysian as a whole. Two public universities i.e. Universiti Malaysia Sabah (UMS) and Universiti Teknologi Mara (UiTM) are being selected as both are conducting the EETPs that are being sponsored by Ministry of Entrepreneur and Co-operative Development (MECD). The module of the EETPs which is offered is common for both universities.



## 1.2 PROBLEM STATEMENT

Based on historical perspective, since the time of Plato, education serve two basic purposes mainly to produce new knowledge and to transfer knowledge. However, since the introduction of Knowledge Economy or known as K-Economy, the higher institution are being entrusted with a new additional task, which is to contribute to the development of entrepreneurial talent among young graduates (Cheng and Chan, 2004).

The educational and training approach has certainly challenged the myth of entrepreneurship which state that Entrepreneurs Are Born, Not Made. The idea that the characteristics of entrepreneurs cannot be thought or learned, that they are innate traits with which one must be born, has long been prevalent (Kuratko and Hodgetts, 1995). However, the recognition of entrepreneurship as an important factor in education has dispelled the myth.

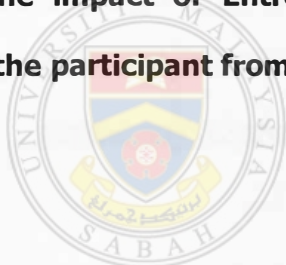
Many universities and higher education institutions in the country have introduced Entrepreneurship related course. In most of the universities are currently offering Major in Entrepreneurship degree and some up to Doctorate level. In University Malaysia Sabah (UMS), all Master in Business Administration (MBA) students are required to take Entrepreneurship as core subject. In Multimedia University (MMU), the Telekom Malaysia (TM) education wing, has introduce the Bachelor of Multimedia (Media Innovation and Entrepreneurship) with entrepreneurship as core course for the program. In addition, the subject Introduction to Cyberpreneurship, has been made a compulsory subject for all students regardless of their major.



On top of that, the Ministry Of Entrepreneur and Co-operative Development (MECD) is allocating budget for EETPs for the graduates. The approach is much more practical compared to theoretical Entrepreneurship Education. In fact, the government is now realizing the importance of introducing entrepreneurship concept amongst the school children.

Therefore, this research study is trying to explore the effectiveness of entrepreneurship education and training program with regard to Entrepreneurial Intention (EI) amongst the Entrepreneurship Development Program participants. Thus the research question is:

**What is the impact of Entrepreneurship Education and Training Program (EETP) to the participant from the Public University in Kota Kinabalu?**

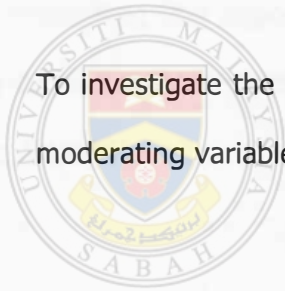


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### 1.3 Objectives of Study

This paper proposed testable hypotheses linking the impact of EETP on participant Entrepreneurial Intention (EI) by using Theory of Planned Behavior (TPB). The objectives of the study are as follows:

- a. To determine whether the Entrepreneurship Education and Training Program has an impact on intensity of entrepreneurial intention amongst the participants
- b. To assess the effectiveness of the Entrepreneurship Education and Training Program by using Theory Of Planned Behavior (TPB)
- c. To investigate the role of gender, major subject and ethnicity to EETP as moderating variables to the entrepreneurial intention.



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#### **1.4 Scope of Study**

The scope of this research is to investigate the impact of Entrepreneurship Education and Training Program (EETP) on the entrepreneurial intention. In order to assess the impact of EETP, the theory of planned behavior originally presented by Ajzen (1991) is used. This theory assumes that human social behavior is reasoned, controlled or planned in the sense that it takes into account the likely consequences of the considered behavior (Ajzen and Fishbin, 2000).

By using the theory as a research basis will explain how the attitudes and beliefs predict intentions and in turn predict behavior (Ajzen and Fishbein, 1980). This means that intentions serve as a mediator or catalyst for action. In terms of evaluation, it means that measuring the impact of an EETP on attitude and intention provides an indirect way to assess its impact in terms of entrepreneurial behavior (Fayolle, Gailly, Lassas-Clerc, 2006).

## 1.5 Significance of Study

In Current years, the world has witnessed the growing interest in entrepreneurship as alternative career due to economic recessions and high unemployment rates. In many industrialized countries such as USA and Europe have started to recognize the instrumental role of entrepreneurship as engine of economic growth (Lee, 2005). The policy maker worldwide are begun to incorporate entrepreneurship education program in the higher institution as early preparation for young graduates to become enterprising citizen.

In Malaysian context, the interest in entrepreneurship as career choice is still low especially amongst the bumiputera graduates. The dependence on the job vacancy in public and private sectors is very high and some graduates are willing to be unemployed and some are brave enough to work in the non-executive position.

Therefore, in the light of the importance of the issue, it is timely to study the extent of effect and impact of EETPs towards the graduate's entrepreneurial intention (EI). This is not a fault finding study but merely to highlight and address the issue with the current EETP that is being offered. Hopefully, result of the study will contribute to the EETPs improvement and help to produce the graduates or human capital that has strong EI. With such quality graduates with high EI intensity, we really hope that they could survive in their business venture.

## **1.6 Key Variables**

### **1.6.1 Entrepreneurship Education and Training Program (EETP)**

There are various definitive labels used to explain entrepreneurship education. The term "entrepreneurship education" is commonly used in USA and Canada but less commonly applied in Europe (Gibb, 1993). The preferred term in Europe is "Enterprise Education". However in 1990's the term "enterprise" gradually converged to "Entrepreneurship" (Lee, 2005).

Essentially, Gibb made a clear distinction between the two terms. The "enterprise" focus on the advancement of personal enterprising attributes and attitudes that prepare the individual for self-employment and "entrepreneurship" refer to the development of functional management skills and abilities that train the individual to start, manage, and develop a business (Gibb and Nelson, 1996). Despite this difference in definition, both terms are to encourage independent business creation (Lee, 2005).

### **1.6.2 Entrepreneurial Intention**

The intentions Toward Entrepreneurial Behavior is based on the Theory of Planned Behavior (TPB) develop by Krueger & Carsrud (1993).

The three antecedents of intention in this model are:

#### **a. Perceived Attractiveness of Entrepreneurial Behavior.**

This factor corresponds to the attitude towards the behavior, and is dependent on beliefs relating to the behavior's positive or negative impacts. It encompasses the notion of perceived desirability (or lack

thereof), which is one of the components of Shapero et Sokol's Model (1982)

b. Perceived Social or Subjective Norms about Entrepreneurial Behaviors

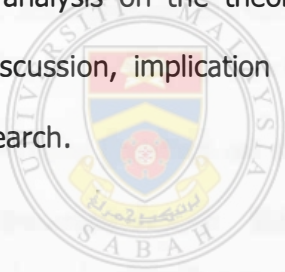
This factor includes perceptions of what important people or groups (peer pressure, friends' wishes, family wishes, etc.) think of the target behavior. These perceptions are influenced by normative beliefs and are of less relevance for individuals with a strong internal locus of control (Ajzen, 1987) than those with a strong action orientation (Bagozzi et al., 1992). The factor covers the notions of desirability from Shapero et Sokol's model (1982).

c. Perceived Self-efficacy / Control for Entrepreneurial Behaviors

This factor is as important in this model as in that of Ajzen (1991). It relates to perceptions of the behavior's feasibility, which are an essential predictor of the behavior. Individuals usually elect to work towards behavior they think they will be able to control and master.

## 1.7 Organization of Study

**Chapter 1** gives an overview of the research and its significance in the impact of EETP with EI. This chapter focuses on the objective of the research and scope of the study, defining the variables involved and the significance of study. **Chapter 2** presents the past studies of EETP and its relationship with EI. Detail literature review on the theory of TPB will be given special attention due to its important application in this research project. The dependent, independent and moderating variables will be highlighted and supported with empirical data done by previous researchers. **Chapter 3** outlined the theoretical framework, research hypotheses, and type of study, nature of study, unit of analysis, instrument, and population of sample, data collection and data analysis methods. **Chapter 4** will present respondent profiles and the research finding including the SPSS analysis on the theoretical framework variable relationship. **Chapter 5** will present discussion, implication of research, limitations of research and suggestion for future research.



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## **CHAPTER 2**

### **LITERATURE REVIEW**

#### **2.1 Introduction**

This chapter presents the past studies and literatures on the impact and effect of entrepreneurship education and training (EETP) on the Entrepreneurial Intention (EI). Most of the literature will highlight the use of Theory of Planned Behavior (TPB) model to assess the effectiveness of EETP in terms of EI. Therefore, a detail review of the theory will be outlined and specifically mentioned the variables that predict the entrepreneurial intention. Some of critical issues also highlighted that moderate the intensity of entrepreneurial intention.

#### **2.2 Previous Studies on the relationship between the impact and effect of Entrepreneurship Education and Training Program (EETP) with Entrepreneurial Intention (EI).**

##### **2.2.1 The Entrepreneurship Education and Training Program (EETP) and it's effect on the Entrepreneurial Intention (EI)**

In order to understand the EETP and EI, let's define first the word entrepreneur. Different authors use different words to define the word such as Hamilton and Harper (1994) define entrepreneur as a person who bears certain risks in order to take advantage of an invention. Thompson (1999) define entrepreneur as someone who is able to "smell" a new opportunity and is willing and able to act on it. Joseph Schumpeter in his famous book, Theory of Economic Development (1911), defined an