Entrepreneurship’s Intention of Secondary School Student in Kuala Terengganu District, Malaysia

Wan Mohd Zaifurin Wan Nawang  
Student Social Studies (Ph.D) (Community Development)  
School of Social and Economic Development, University, Malaysia Terengganu, 21030 Kuala Terengganu, Malaysia.  
Email: wzaifurin@yahoo.com

Professor Ibrahim Mamat, Ph.D  
Director of the Institute Darul Iman, University Sultan Zainal Abidin,  
Campus Gong Badak, 21300 Kuala Terengganu, Terengganu, Malaysia  
Email: mibrahim30@gmail.com

Nor Hayati Sa’at, Ph.D  
Senior lecturer / Chairman of Public Policy and Environment Program School of Social and Economic Development, University Malaysia Terengganu, 21030 Kuala Terengganu, Terengganu, Malaysia.  
Email: norhayati@umt.edu.my

Associate Professor Sabri Ahmad, Ph.D  
Senior lecturer, School of Informatics and Applied Mathematics, University Malaysia Terengganu, 21030 Kuala Terengganu, Terengganu, Malaysia.  
Email: sba@umt.edu.my

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Abstract

This study purpose is to determine intention to entrepreneurship of adolescent’s student at secondary school in Kuala Terengganu who follow Tunas Niaga Program. This study was executed by quantitative approach which survey method was used. Sample of this study randomly selected and involved 96 students which are also members of Tunas Niaga Program from 10 secondary schools to answer a questionnaire. The result from this study acquired majority of Tunas Niaga Program’s members has a high intention to entrepreneurship. Finance and role model are a predictor factors influencing entrepreneurship intention in Tunas Niaga Program’s members. By the results of this study, government should provide a finance entrepreneurship scheme and encourage already entrepreneur to share their experience in develop their business to increase Tunas Niaga Program’s members involve in entrepreneurship. Tunas Niaga Program is a platform to students in secondary school to begin
any kind of business match to their interest. They also get advice and consultancy from a qualify teacher. Youth talents should to enhances and develop if government wants to have a prominent entrepreneur at the future.

Keywords: Entrepreneur intention, entrepreneurship adolescent school, Tunas Niaga Program, adolescent entrepreneur and small entrepreneur

Introduction

Tunas Niaga Program is entrepreneur’s culture approach to students in secondary school to expose and give experiences about operations system and dissolve company. From this program students will directly involve to hands-on training for nine month and at final year all students will present profit/loss account. This program is consistent with plan to create Bumiputera Industry and Commerce Society as a catalyst to encourage Bumiputera community to active in entrepreneurship. This program has a potential to fulfill government agenda to train youth generation to choose entrepreneurship as a career’s choice to enhance and improve country economy at the future (Terengganu State Economic Development Corporation, 2013).

Tunas Niaga Program is rebranding of Youth Entrepreneur Program which was launched at 1989 under Execution Coordinator Unit, Prime Minister Department. At 1990 management of Youth Entrepreneur Program was transfer to Ministry of Public Industry until 1995. In 1995 Youth Entrepreneur Program was transfer to Ministry of Entrepreneur and Cooperation Development until 2007. Since then Youth Entrepreneur Program was transfer to ministry of International trade until 2013. Begin from 2014 this program was funding by Ministry of Finance Malaysia and also create a memorandum of understanding with Ministry of Education Malaysia. Its mission is to develop an entrepreneurship culture in students at secondary school to enhance Bumiputera’s economy (Tunas Niaga Program, 2014).

Terengganu Entrepreneur Development Foundation (TEDF) gives advice and consultancy to ex-student who has intention to be an entrepreneur. Ex-student can attend a course provide by TEDF such as business financial, bakery and pastry and also processing product seminar following halal standard by authorities. Advantages for ex-student to attend this course are useful for them and fee to attend this course is fair. Beside that TEDF with others funding agencies also cooperate to provide start-up capital to qualified candidates (Terengganu Entrepreneur Development Foundation, 2013). Terengganu’s government also providing RM 130 million in five years to TEDF as a support and enhance entrepreneur fund and increase small and medium industry scale. This fund can assist TEDF to provide five years strategy action plan entrepreneur development to ensure fast growth of entrepreneur (Terengganu Entrepreneur Development Foundation, 2014).

Government via East Coast Economic Region Development Council (ECERDC) was already joint venture with the biggest bank group in Malaysia that is Maybank/Maybank Islamic Berhad to provide financial funding to local entrepreneur at East Coast Economy Region (ECER). Execution
ECER-Maybank Entrepreneur Scheme is predicted to increase a numbers of new entrepreneur at ECER. Execution of this scheme is consistent with Government Transformation Program which has purpose to create high income community around this country. ECER-Maybank Entrepreneur Scheme is a new program introduced under ECER entrepreneur program which was launched by ECERDC since 2011. ECER entrepreneur program is a part of initiative human resource development by ECERDC to develop entrepreneur community at this region. Besides Maybank, ECERDS also has joint venture with Agrobank and SIRIM Berhad to help 1,365 entrepreneurs at ECER (East Coast Economic Region Development Council (ECERDC), 2014).

**Problem Statements**

Nowadays entrepreneurship is a one importance sector. Entrepreneurship sector also can give advantage to surrounding people. Economy resource and country income also assist by entrepreneurs because they produce a growth of economy in country via business. Foreign investors also attract to invest by a progressive of business environment. This situation will increase income-flow to country. Therefore contribution by entrepreneur is worth to country. Opportunities provide by government to entrepreneur are to enhance their business and use all resources in this country. Country development today is to next generations.

According to Department of Statistic Malaysia (2009) numbers of entrepreneur between ages 15 to 24 is low. This mean adolescents in Malaysia choose to become employee in private and public sectors after they finished their school. This situation will lead over job hunting at both sectors because job market cannot fulfill all job demands. This is evidenced by a report issued by the Department of Statistics Malaysia, which recorded the number of unemployed in Terengganu a total of 12,600 people until 2013.

The questions are why numbers of adolescents entrepreneur at Malaysia range between 15 until 24 year is low? Did adolescents at secondary school which followed Tunas Niaga Program pretend to involve in entrepreneurship? High percentages of students following Tunas Niaga Program pretend to involve in entrepreneurship after they finished their school can decrease unemployment and increase job opportunities at Terengganu. Student who followed Tunas Niaga Program was learn business process and already has company at school.

Effects from government’s strategy and initiative to create Tunas Niaga Program are to give a hope to 12,600 job-hunting beside of depend on private and public sectors. Business culture was exposed to secondary school student via Tunas Niaga Program to train next entrepreneur at the future because have significant impact to numbers of youth entrepreneur, community and state. Therefore this study have three objectives; (i) study profile of Tunas Niaga Program’s members; (ii) measure level of intention to entrepreneurship within Tunas Niaga Program’s members; and (iii) determines relationship between predictor factors with entrepreneur intention Tunas Niaga Program’s members.

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Literature Review

This study makes a review of past research involved intention of entrepreneurship within youth generation at Malaysia and predictor factors influenced intention of entrepreneurship.

Intention of Youth Generation to Entrepreneurship within Malaysia

According to Sharifah Yuhayu (2003) Form Five students at Technical Secondary School in Muar, Johor has a high level intention to involve in entrepreneurship. Her results is not match with Asri (2007) which found Malay students secondary school attitude at University Park and Uda New City in Johor Bahru, Johor only have medium level of intention to entrepreneurship. The findings matched an earlier study obtained Omar Azhar (2004) which found intention to entrepreneurship is also at medium level within Form Four students who follow vocational course (craftsman engineering) at Technical Secondary School in Sungai Buloh, Selangor.

By the way, study conducts by Zaidatol Akhmaliah & Hisyamuddin (2009) found students in Form Four within secondary school at Selangor did not have self confident to be an entrepreneur. Students also pretend to choose another career because uninterested to be an entrepreneur. The study also founded majority (52.6 percent) student not have entrepreneur aspirations. Overall the study give a picture entrepreneurship education at secondary school still cannot attract student to choose entrepreneur as a favorite career within students.

Predictor Factors Influence Intention of Entrepreneurship

This study also reviews a past discovery about seven predictor factors which influenced intention of entrepreneurship. The seven factors are:

Finance

When this study focus on financial aspect, researcher focus on return of investment will be get by individual if involve in entrepreneurship. Past research show there is relationship and influence financial factor with intention of individual to involve in entrepreneurship. According to Woo et al. (2000) individual already get a high profit and can afford to own successful business firm can increase intention of entrepreneurship. Individual will work harder to get more money with most productive way. Individual can afford to get stable income more positive to influence intention to involve in entrepreneurship.

Research by Norudin et al. (2011) founded students from Form Four and Five within secondary school at Terengganu pretend to involve in entrepreneurship because of financial factor. Students also expect they will get a good financial reward if they become entrepreneur. However students ignore a profit to fulfill their needs with social status such as own luxury car and house. This study shows students at secondary school at Terengganu pretend to be an
entrepreneur because running a business can improve their life and not because of materialistic things.

**Role Model**

Research conducted by Zaidatol Akhmaliah & Hisyamuddin (2009) founded Form Four students at secondary school within Selangor was choose their parents to be their role model to run a business. Students are pretend to appreciate advice and encouragement from family which support them to choose business. The study’s result also is an evidence to determine relationship between role model which in this study is their parents and intention to student involve in entrepreneurship. According to Buerah et al. (2011) parents who involves in entrepreneurship act as a role model to their child in order to involve in a same career. Role model influences a success of Malay entrepreneur because children inherit parents career and also increase a number of youth generation to involve in entrepreneurship.

**Personality**

Research by Zaidatol Akhmaliah et al. (2007) founded secondary school’s students has a success motivation at medium level and uninterested to take a big risk. This research was proof students has medium entrepreneur personality because success motivation, willing to take a risk and also not too positive to be a new entrepreneur. Research by Hariri & Osman (2006) founded form five’s students from two secondary school at Ipoh, Perak has control locus and a needs of achievement to success. These two personalities are very important for students to learn entrepreneurship skills. Student who had inner-control locus belief they can control their life, need to achievement and own strong desire to success. Students can make a choice to better career and smart after knowing entrepreneurship potentials.

Research by Sapiah (2010) founded majority (90.7 percent) Form Four students at three secondary school around Skudai, Johor confessed individual who has intention to be an entrepreneur should has a specific personality. Perception of the students is career in entrepreneurship not easy as they see. Career in entrepreneurship are challenging, risky, and suffer to achieve something because their parents involve in business. By the way, research by Zahariah et al. (2010) a university level founded personality of university’s students can relate to their intention to entrepreneurship. She also founded personality has a significant relationship with intention of student in business’s course at public universities at Malaysia involve in entrepreneurship.

**Social Identity**

Social identity has influence to individual intention. In other words, its mean how individual see him/her-self appreciated or unappreciated by community will effect himself to be an entrepreneur (Grundsten, 2004). Research by Zaidatol Akhmaliah & Afsaneh (2011) founded
A student at technical and vocational secondary school has a high self-worth because they feel appreciated within their community if they involve in entrepreneurship. Besides that, this study also founded students has a high perception personal control on behavior and entrepreneur skills. Research by Rasheed (2002) founded students in Newark school at United States was trained and involved in entrepreneurship has a high self-worth than their friends which not involve with entrepreneurship. Self-worth factors is important in short-term behavior of student because influence them to be an entrepreneur. Student who wants to be an entrepreneur feel they are responsible and also can avoid from undesired behavior within community after they finished their school.

Social Norms

Social norms are a social tension from family, friends, and other people which has significance and predict obey by individual to execute entrepreneurship behavior (Ajzen, 2001). Generally individual with social norms has low intention to entrepreneurship (Armitage & Conner, 2001). Research by Sapiah (2008) founded parents to Bumiputera’s student at three secondary school around Skudai, Johor lack of concern to attract their child to involve in business. Only a minority (40 percent) parents ask their child to assist them to manage their business. This study show parents lack of concern to shape their child’s spirit to pretend and involve in entrepreneurship.

By the way research by Siti Hawa (2009) founded there is positive and significant relationship between social norms and intention to entrepreneurship within final year student in Bachelor of Engineering at three universities which there are University Sciences Malaysia, University Technology Mara at Penang Branch and University Malaysia Perlis. This research also founded family members, personal friends and university influence student to choose be an entrepreneur. University student make decision making depends on family suggestions, friends, and support within their environment. Conducive environment support and assist student to make decision making to be an entrepreneur because they get supports from variety of support which there are from financial aspects and advices.

Entrepreneurships Knowledge

Research by Zaidatol Akhmaliah et al. (2002) founded students at Vocational Secondary School was exposed to entrepreneurship knowledge via subject Kemahiran Hidup Bersepadu. Students is ensure to understanding entrepreneurship education to market their knowledge as a base before involve in entrepreneurship and achieve government goal to create more new entrepreneur at secondary school level. Research by Sharifah Yuhayu (2003) founded Form Five student at Technical Secondary School in Muar, Johor still lack of knowledge or not have a complete entrepreneurship knowledge from marketing strategy perspective.

Research by Zaidatol Akhmaliah & Hisyamuddin (2009) founded execution of entrepreneurship education at secondary school still not enough to make entrepreneurship as a favorite career within students. This research founded majority (52 percent) students not have ambition in
entrepreneurship. Conclusion of this study is students at secondary school at Malaysia are encouraged to involve in entrepreneurship by government but they did not have self-confident to be an entrepreneur. So students have a intention to choose another career because they see entrepreneurship is not an attractive profession.

**Entrepreneurship Skills**

One of main factors influence entrepreneurship growth is enough a numbers of skillful human resources. Demand for skillful employee will increase at the future. Government already provides a variety of training facilities to fulfill a growth and demands for employee with entrepreneurship skills at the future. Research by Tih et al. (2009) founded students at secondary school still lack of maturity to view an opportunities around them. In other words they only be a consumer and not create a new idea. Students did not have creative skills to think outside the box.

By the way research by Linan (2008) founded skills has a role to influence a intention of individual to involve in entrepreneurship. Individual with entrepreneurship skills can execute and start-up firm. Individual with high entrepreneur skills assist themselves by make decision making to run and manage their own firm. They also can teach their child an entrepreneur skills and this will lead to contribute an intention to entrepreneurship to the next generation. The results from this study also support a result by Gompers et al. (2006) which conclude skills is an important measure for individual success in entrepreneurship. Individual with skills such as determine market, strategy making and make analysis business problem with accurate methods can avoid failing in entrepreneurship.

**Research Methodology**

This research was executed at Kuala Terengganu district as a research location because Kuala Terengganu is a capital of Terengganu state. Terengganu was declaring as a city on 1st January 2008 and also known as Waterfront Heritage City. Kuala Terengganu becomes a business center and collector place of agriculture crop and fishery products. The main business area around Kuala Terengganu allocate at Banggol, Ladang and Hiliran.

A numbers of population in Kuala Terengganu district are predict as 375,481 people on 2013 where Malays ethnics is 352,951 people, Chinese 11,950 people, other Bumiputera 1,520 people, India 1,073 people and others is 510 people. Statistic with range of ages, Kuala Terengganu has a 86,900 people between 15 until 24 years old and also almost a majority than other district within Terengganu (Terengganu Economic Planning Unit, 2013).

A numbers of youth still study at secondary school at Kuala Terengganu is 39,637 people (Terengganu Economic Planning Unit, 2013). By the way a numbers of students joined Tunas Niaga Program on 2014 at 10 secondary school are 264 people (Teacher advisor Tunas Niaga
Program, 2014). A numbers of students to be a sample in this study is 100 and randomly selected. This study use a quantitative methods because use instruments and data in figure or measurement numbers. According to Chua (2006) quantitative methods to get a data is via research instrument which use survey form. This method is effective as a mechanism to collect information. Data is analyzed by using Statistical Package for Social Science software.

A pilot study executed on June 2004 at Sheikh Abdul Malek Secondary School involved 15 students randomly selected. All students are excluded from a real study as a sample. A Coefficient Alpha Cronbach is used to determine all items of intention to involve in entrepreneurship within Tunas Niaga Program is 0.83. While coefficients Alpha Cronbach predictor factors which influence intention of Tunas Niaga Program’s members is 0.95. This is evidence survey statements used in this study has a high reliability and suit to use in real research. According to Hair et al. (2010) measurement value reliability from 0.60 until 0.70 is a minimum to boundary acceptance.

This study was used a descriptive statistics to parsing a profile and determine a level of intention to entrepreneurship within Tunas Niaga Program’s members. This study also used inference statistic involving multi variance to determine a relationship between predictor factors and a intention to entrepreneurship within Tunas Niaga Program’s members. Lastly this study also use multivariance analysis Multiple Regression Test.

Results

This section will parse results after data was analyzed. Raw data which collect from instruments of this study was analyzed and present following the objectives. The results are based on 96 respondents. There are a total of four respondents do not return the instrument for this research.

Profile of Tunas Niaga Program’s members

Results from descriptive analysis founded majority (87 respondents or 90.60 percent) respondents studying in Form Four, (81 respondents or 84.4 percent) are girls and (40 respondents or 41.7 percent) get three A - four A in Ujian Pencapaian Sekolah Rendah also known as Primary School Achievement Test. From 96 respondents which took Ujian Pencapaian Sekolah Rendah, majority (36 respondents or 37.50 percent) respondents get seven A and above in the exam. From the course study in school, majority (47 respondents or 49 percent) respondents is study in Science course. Majority (75 respondents 78.10 percent) respondents take elective subjects such as Pure Science. This study also founded all (96 respondents or 100 percent) respondents invested in Tunas Niaga Program and most members (47 respondents or 49 percent) invested RM20.00 and below. Majority (80 respondents or 83.30 percent) respondents are actives in Tunas Niaga Program. Therefore majority (72
respondents or 75 percent) respondents want to work in public sectors such as pharmacist, nurse, teacher, army and police.

**Intention to Entrepreneurship within Tunas Niaga Program’s members**

Descriptive analysis founded majority (70 respondents or 72.29 percent) of respondents has intention to entrepreneurship at high level. While a minority (26 respondents or 27.71 percent) of respondents has a medium level of intention to entrepreneurship. This study not found any intention to entrepreneurship in low level.

**Relationship between Predictor Factors with Intention to Entrepreneurship within Tunas Niaga Program’s members**

This study used multi regression analysis to determine relationship between predictor factors and respondent’s intention to entrepreneurship. Multi regression analysis also suit to determine a most dominance predictor factors contribute to respondent’s intention to entrepreneurship. Results from multi regression analysis founded seven combinations predictor factors contribute 45 percent to changing a respondent’s intention to entrepreneurship. Contribution a seven predictor factors are significance because Anova Testing found F value (dk = 7, 88, p < 0.01) = 10.27.

Two factors which are financial ($\beta = 0.28, p < 0.01$) and role model ($\beta = 0.37, p < 0.01$) is a significant predictor factors influence respondent’s intention to entrepreneurship. While five others which are personality ($\beta = 0.19, p > 0.05$), social identity ($\beta = 0.05, p > 0.05$), social norms ($\beta = -0.01, p > 0.05$), entrepreneur knowledge ($\beta = 0.01, p > 0.05$) and entrepreneurship skills ($\beta = 0.01, p > 0.05$) are not significant predictor influence a respondent’s intention to entrepreneurship. Therefore only two predictor factors which are financial and role model explain in discussion section.

**Discussion**

Kuala Terengganu district is well known as small food business such as *keropok lekor* and *nasi dagang*. By the way, it also known with craft products such as *songket*, *batik*, wood and copper craft. These business can growth with a good prediction because majority (70 respondents or 72.90 percent) of Tunas Niaga Program’s members at research location has a high intention to involve in entrepreneurship. Effect of Tunas Niaga Program’s members involve in entrepreneurship sectors after they finished their school will lead to increases a numbers of small stalls and shop to sell *keropok lekor, nasi dagang* and craft products at Kuala Terengganu. Besides that a numbers of small entrepreneur at Payang Walk and KT Walk also will increases because Tunas Niaga Program’s members involves in entrepreneurship at the both places in the future.
However, Entrepreneur Development Department under Terengganu State Economic Development Corporation (TSEDC) and schools management should work harder to educate school students which following Tunas Niaga Program to choose entrepreneurship as a career choice. This study found majority of respondents (72 respondents or 75 percent) Tunas Niaga Program’s members want to choose a job outside entrepreneurship scopes. This situation occur not because of Tunas Niaga Program’s members has “poor mind syndrome” which mean unknown involving in entrepreneurship will improve their life. They know one method to improve their life is by involving in entrepreneurship. The problems are Tunas Niaga Program’s members lack of capital to start-up their own business. They also never reject a funding from government agencies. This research also approve financial is predictor factors influencing a intention to entrepreneurship Tunas Niaga Program’s members. Result of this study also support a Woo et al. (2000) view and discovery by Norudin et al. (2011).

TSEDC and government agencies which provide funding to entrepreneur such as Usaha Niaga Group Economy Fund can help Tunas Niaga Program’s members to start-up their own business after they finished their school. This approach will avoid Tunas Niaga Program’s members to borrowing money from loan shark if they want to start a small business. Small business such as food stalls to sell keropok lekor and nasi dagang at night market not need a huge capitals. By funding to interested candidates to borrowing and becomes an entrepreneur will enhances economy cycle surrounding Kuala Terengganu district. Business activities in Payang Walk and KT Walk will pleasant by youth generations also take an opportunity to become an entrepreneur in foods, clothes and craft products there.

Besides that, entrepreneur success in entrepreneurship will be inspires to Tunas Niaga Program’s members at research location to start-up their own business at the future. Entrepreneur scholar is a good role model to Tunas Niaga Program’s members because they can expose entrepreneurship is an interesting career. Entrepreneur is individual seen by Tunas Niaga Program’s members to give a hope to follow their steps. Entrepreneur did not need to be a popular, and need to precede daily life to ensure Tunas Niaga Program’s members achieve their goals and try to do right thing before they start-up their business. Parents also can be inspirations to Tunas Niaga Program’s members. Parents also should encourage their child to join Tunas Niaga Program and choose an entrepreneurship as a chosen career. Parents who already involved in small business also want their child to follow their steps. Therefore there is no odds this research found role model is a most dominance predictor factor which influence a intention of entrepreneurship within Tunas Niaga Program’s members. This research also supports discovery by Zaidatol Akhmaliah & Hisyamuddin (2009); Buerah et al. (2009).

Conclusion

One guideline need to develop a potential and talent within youth generation who stay in Kuala Terengganu to avoid misunderstanding in human capital resources development because it can affect a New Terengganu Transformation. Example of this statement is Tunas Niaga Program’s
members which have potential and talents to become entrepreneur need to identify and train to avoid they dropout because they have potential to be a source to improve economy in Kuala Terengganu district. Economy activities surrounding Kuala Terengganu has a fast growth because a numbers of youth entrepreneur is increasing which selling a varieties of foods, clothes, and craft products. Nowadays food, clothes, and traditional craft product are like “dead” or abandoned. So an effort to rebranding foods, clothes and traditional craft products businesses should supports by all level authorities in communities. Terengganu and Malaysia government should give a consistencies supports to food productions industry, clothes, and traditional craft products by begin with supporting Tunas Niaga Program’s members which finished their school and involve in small business. Encouragement in financial funding should give by authorities to assist Tunas Niaga Program’s members to start-up their own business after they finished their school. Government should believe in ability of Tunas Niaga Program’s members and enhance their capability with policies, execution and programs. Balance in development which national wealth can share within all ethnics with fairs and be a foundation of stability in political in long term.

References

Science in Technology to be presented with due permission of the Department of Industrial Engineering and management for public examination and debate in Auditorium TU2 at Helsinki University of Technology (Otaniementie 17, Espoo, Finland) on the 11th of June.


