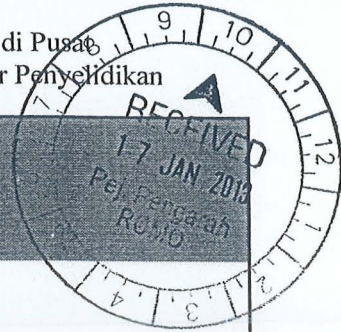


LAPORAN AKHIR PROJEK PENYELIDIKAN JANGKA PENDEK
FINAL REPORT OF SHORT TERM RESEARCH PROJECT

Sila kemukakan laporan akhir ini melalui Jawatankuasa Penyelidikan di Pusat Pengajian dan Dekan/Pengarah/Ketua Jabatan kepada Pejabat Pelantar Penyelidikan



1. **Nama Ketua Penyelidik: Premalatha Karupiah**
Name of Research Leader

Profesor Madya/
Assoc. Prof.

Dr./
Dr.

Encik/Puan/Cik
Mr/Mrs/Ms

2. **Pusat Tanggungjawab (PTJ): Pusat Pengajian Sains Kemasyarakatan**
School/Department

3. **Nama Penyelidik Bersama:**
Name of Co-Researcher

4. **Tajuk Projek: Who wants to be an entrepreneur?**
Title of Project

5. **Ringkasan Penilaian/Summary of Assessment.**

	Tidak Mencukupi <i>Inadequate</i>		Boloh Diterima <i>Acceptable</i>	Sangat Baik <i>Very Good</i>	
	1	2		3	4
i) Pencapaian objektif projek: <i>Achievement of project objectives</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	<input type="checkbox"/>
ii) Kualiti output: <i>Quality of outputs</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	<input type="checkbox"/>
iii) Kualiti impak: <i>Quality of impacts</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	<input type="checkbox"/>
iv) Pemindahan teknologi/potensi pengkomersialan: <i>Technology transfer/commercialization potential</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
v) Kualiti dan usahasama : <i>Quality and intensity of collaboration</i>	<input type="checkbox"/>	<input type="checkbox"/>	/	<input type="checkbox"/>	<input type="checkbox"/>
vi) Penilaian kepentingan secara keseluruhan: <i>Overall assessment of benefits</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	/	<input type="checkbox"/>

6. **Abstrak Penyelidikan**

(Perlu disediakan di antara 100 - 200 perkataan di dalam Bahasa Malaysia dan juga Bahasa Inggeris. Abstrak ini akan dimuatkan dalam Laporan Tahunan Bahagian Penyelidikan & Inovasi sebagai satu cara untuk menyampaikan dapatan projek tuan/puan kepada pihak Universiti & masyarakat luar).

Abstract of Research

(An abstract of between 100 and 200 words must be prepared in Bahasa Malaysia and in English)

This abstract will be included in the Annual Report of the Research and Innovation Section at a later date as a means of presenting the project findings of the researcher/s to the University and the community at large)

Please refer to attachment.

7. **Sila sediakan laporan teknikal lengkap yang menerangkan keseluruhan projek ini.**

[Sila gunakan kertas berasingan]

Applicants are required to prepare a Comprehensive Technical Report explaining the project.

(This report must be appended separately)

Three manuscript in the form of working papers and publication are attached as replacement for a comprehensive technical report.

Senaraikan kata kunci yang mencerminkan penyelidikan anda:

List the key word that reflects your research:
Bahasa Malaysia

Bahasa Inggeris

Usahawan

Entrepreneur

Halangan

Barrier

Gender

Gender

8. **Output dan Faedah Projek**

Output and Benefits of Project

(a) * **Penerbitan Jurnal**

Publication of Journals

*(Sila nyatakan jenis, tajuk, pengarang/editor, tahun terbitan dan di mana telah diterbit/diserahkan)
(State type, title, author/editor, publication year and where it has been published/submitted)*

Journal article: Barriers to Becoming Graduate Entrepreneurs: A Study in a Public University in Malaysia submitted for review in Journal of Business Venturing.

Journal article: Patterns of Intergenerational Mobility in Income of Graduates from a Public University in Malaysia submitted for review to British Journal of Sociology

Conference Proceeding: Karupiah, P. (2010). Gender, Aspiration and Choice to become an Entrepreneur among Malaysian Graduates, in Rawani, A. M., Kettani, H. and Ting, Z. (eds.) *Proceedings of 2010 International Conference on Humanities, Historical and Social Sciences*. Liverpool: World Academic Press. (Published)

- (b) **Faedah-faedah lain seperti perkembangan produk, pengkomersialan produk/pendaftaran paten atau impak kepada dasar dan masyarakat.**

State other benefits such as product development, product commercialisation/patent registration or impact on source and society

As part of this research, the researcher has made some training recommendation to encourage more graduates to become entrepreneur.

Paper presentation

Karupiah, P. Gender, aspiration and choice to become an entrepreneur among Malaysian graduates.

Presented at International Conference on Humanities, Historical and Social Sciences 2010, 26-28 February 2010.

* Sila berikan salinan/*Kindly provide copies*

- (c) **Latihan Sumber Manusia**
Training in Human Resources

- i) **Pelajar Sarjana:**
Graduates Students
(Perincikan nama, ijazah dan status)
(Provide names, degrees and status)

- ii) **Lain-lain: 2 research assistants**
Others

9. Peralatan yang Telah Dibeli:

Equipment that has been purchased
1 Laptop



Tandatangan Penyelidik
Signature of Researcher

7/1/13

Tarikh
Date

Komen Jawatankuasa Penyelidikan Pusat Pengajian/Pusat
Comments by the Research Committees of Schools/Centres

Deperatukan.

TANDATANGAN PENERUSI
JAWATANKUASA PENYELIDIKAN

PUSAT PENGAJIAN/PUSAT
Signature of Chairman
[Research Committee of School/Centre]

Profesor Madya Intan Hashimah Hashim
Timbalan Dekan
(Penyelidikan)

Pusat Pengajian Sains Kemasyarakatan
Universiti Sains Malaysia
11800 USM, P. Pinang

10-1-2013

Tarikh
Date

Abstract

This study aims to identify the influence of demographic variables and training in influencing students' aspirations and young entrepreneurs' choice of becoming an entrepreneur. It will also identify some barriers the graduates may face in pursuing entrepreneurship as a career. For quantitative data, there are three sets of data in this study. The first analysis was based on national level statistics based on Tracer Study. Second, Tracer Study data for Universiti Sains Malaysia (2009) and a survey using self-administered questionnaire. In addition to this, 30 participants were interviewed to identify barriers and perception of barriers to become entrepreneur. Even though more than half the graduates have entrepreneurial intent, only 0.9 per cent became entrepreneur. Demographic variables and family variable show some associate with entrepreneurial intent. Qualitative data analysis identified five barriers i.e. investment, education, unrealistic goals, procedures and gender related barriers. Various training recommendations are made based on qualitative data analysis.

Abstrak

Kajian ini bertujuan untuk mengenalpasti hubungan pembolehubah demografi, keluarga and latihan dengan pilihan pelajar atau usahawan untuk menjadi usahawan. Kajian ini juga akan mengenalpasti halangan yang mungkin dihadapi oleh seseorang untuk menjadi usahawan. Terdapat tiga set data kuantitatif dalam kajian ini iaitu data Kajian Pengesanan Graduan peringkat kebangsaan, data Kajian Pengesanan Graduan untuk USM dan data daripada tinjauan yang dilakukan oleh penyelidik menggunakan soal-selidik. Selain itu, tiga puluh peserta telah ditemubual untuk mengenalpasti halangan atau persepsi tentang halangan dalam proses menjadi usahawan. Walaupun lebih daripada separuh graduan mempunyai cadangan untuk menjadi usahawan, hanya 0.9 peratus sahaja yang menjadi usahawan. Even though more than half the graduates have entrepreneurial intent, only 0.9 per cent became entrepreneur.

Pembolehubah demografi, keluarga mempunyai hubungan lemah dengan keinginan menjadi usahawan. Analisis data kualitatif mengenalpasti lima halangan iaitu: pelaburan, pendidikan, matlamat yang tidak realistic, prosedur dan halangan berkaitan dengan gender. Beberapa cadangan latihan diberi berdasarkan analisis data kualitatif.

Gender, Aspiration and Choice to Become an Entrepreneur among Malaysian Graduates

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Abstract. This paper looks at the influence of gender on graduates' aspirations and choice to become an entrepreneur and type of business chosen by graduate entrepreneurs. Data for this study were collected using from 138,066 graduates in Malaysia in 2008 by the Ministry of Higher Education Malaysia. This paper is based on the secondary data analysis provided by the Tracer Study Unit in the ministry. Data analysis shows that most graduates choose paid employment. In addition to this, gender has no influence on the aspiration to become an entrepreneur. However, it influences the choice to become an entrepreneur and types of business chosen moderately.

Keywords: gender, entrepreneur, occupational choice and aspiration

1. Introduction

In recent years, many countries are promoting entrepreneurship as an alternative occupational choice for graduates. This is mainly because, the number of graduates has increased tremendously in many countries around the world and traditional employers are unable to provide jobs for all the graduates. This scenario not only encourages more graduates to seek non-traditional graduate occupations but encourages many policy makers to promote entrepreneurship as an occupational choice for graduates ¹. In Malaysia, the number of graduates from public and private universities has increased by 79 and 169 per cent, respectively from 2001 to 2006². The graduate unemployment has also become a serious problem in Malaysia in recent years³ and the government has taken various steps to promote entrepreneurship as an option to graduates. The Ninth Malaysia Plan (2006-2010) highlights the importance of entrepreneurship in enhancing the human capital in Malaysia⁴. The process of attempting to start or starting a business is considered part of entrepreneurship and it represents a very unique act of making an occupational choice. This is because becoming an entrepreneur provides an individual various opportunities, responsibilities and constraints which are very different from an employee in an organization.

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Despite this, some theories of occupational choice do not differentiate the uniqueness of entrepreneurship as a career¹. Many studies in this field look at the factors which influence one's choice to become an entrepreneur. Traditional theories in this field look at various personality traits, demographics variables and how these variables influence the choice of becoming an entrepreneur^{5,6,7}. Studies have also shown that males have higher preference to become entrepreneur as compared to females. This is similar to any occupation which is considered as a male dominated occupation⁸. In addition to this, Birley⁹ highlighted that social conditioning may influence women's decision to become entrepreneurs. Fischer, Rueber and Dyke¹⁰ explain that social feminists' theory highlights the difference in the way women and men are socialized which results in them having different yet effective traits which may influence their participation in entrepreneurship. In addition to this, Scherer et al.⁸, also highlights that women sometimes have high aspiration to become an entrepreneur but they need various support in order to successfully become an entrepreneur.

In this paper, an entrepreneur refers to "someone who sets up and runs his/her own business"¹¹(pg.30). Occupational choice is defined as what a person aspires to do or chooses to do depending on the position of person in the process of choosing an occupation^{12,13}. In this paper, occupational aspiration refers to what the graduate planned to do while occupational choice refers to the choice which they have made after graduation. This paper looks at whether there is a gender difference in the aspiration to become an entrepreneur and choice of becoming an entrepreneur among graduates. In addition to this it looks at if there are gender differences in the type of business chosen by these graduate entrepreneurs.

Data and Methods

1.1. Respondents

The data and analysis for this paper were prepared by the Tracer Study Unit under the Ministry of Higher Education in 2008. Every year the Ministry of Higher Education conducts what is called a Tracer Study which tries to look at graduates' progress either in the work or education after they have completed their educational program. It involves a nationwide survey. In the 2008, 139,278 respondents participated in this study, from which 99 per cent are local students. The total number of graduates for the year 2008 in Malaysia is 176,039.

1.2. Measures

The questionnaire used in this study has various sections. The first part requires the respondents to fill up demographic variables such as gender, age and employment status. Aspiration to become an entrepreneur is measured by asking the respondent if he/she planned to become an entrepreneur. Occupational choice refers to what graduates are doing at the time of data collection. They were asked if they are working, pursuing post-graduate studies, learning new skills or waiting for a job placement. Graduates who are waiting for job placements are those who may have applied to serve in the civil service (i.e. teachers) and are still waiting for their posting. For those who are working, they were asked if they are self-employed or working in an organization. For respondents involved in business, they were asked to choose the type of business they are involved in.

2. Data Analysis

Data analysis in this paper focuses on the local graduates (n=138,066). The age breakdown of the respondents in this study is as shown on Table 1. There are 39 per cent male graduates and 61 per cent female graduates in this study.

Table 1: Respondents' Age

Age	Per cent
19 – 20	3.9
21 – 25	80.0
26 – 30	7.4
31 – 35	3.2
36 – 40	2.7
41 and above	2.8
Total	100

Among these graduates, 52.8 per cent are working while 24 per cent are unemployed and the rest are either pursuing a graduate degree or learning other skills or waiting for job placement. Only about 16 per cent of graduates did not plan to become an entrepreneur. There is no major difference between gender in terms of their aspiration to become an entrepreneur. Cramer's V value between gender and aspiration to become an entrepreneur is 0.101 which shows that there is a very weak association between these two variables. Among these students, only 14 per cent attended courses related to entrepreneurship. However, among the respondents only 1,032 have become entrepreneurs. This is interesting because a very high percentage of the respondents state their aspiration to become an entrepreneur but only a very small percentage of graduates actually chose to become an entrepreneur. In addition to this, among those who are entrepreneurs, 68 per cent are male graduates and only 32 per cent are female graduates. This is interesting because the percentage of female graduates in general is much higher than the percentage of male graduates. Among the respondents who are entrepreneurs, there is a moderate association between type of business conducted by the respondents and gender. Cramer's V value between type of business and gender is 0.314. There is also a very weak correlation between respondents' area of study and their aspiration to start a business. Cramer's V value between these two variables is 0.135.

3. Discussion

This study shows that a large number of students still prefer to go for paid employment as compared to becoming an entrepreneur despite all the efforts which are being taken by the government to promote entrepreneurship. Higher education may be seen as an investment by the graduates therefore they prefer to choose occupation related to their qualification as compared to venturing into business. Human capital theory explains that humans are rational beings who try to maximize their investments for benefits in the future. Individual pay a cost for education while assessing the benefits it will bring in future¹⁴. Therefore it is possible that graduates will not choose to become an entrepreneur if they do not perceive entrepreneurship as being a good return for their investment in education. Therefore, based on this analysis, it can be hypothesized that tertiary education may be a barrier to the promotion of entrepreneurship among graduates.

This study shows that there are no gender differences in the aspiration to become entrepreneur between male and female graduates. However, there is a big difference on the number of male and female graduates who choose to become an entrepreneur. This is similar to findings by Scheerer et al.⁸ who showed that aspiration to become entrepreneur does not always transform into the choice to become an entrepreneur among women. In addition to this, the type of business chosen is moderately associated with gender. Male graduates are more likely to choose business which involves some technical skills such as plumbing, wiring, and agriculture while female graduates prefer business related to fashion, grocery stores, consultation and franchising. According to social feminists' theory men and women acquire different skills through socialization. These skills may influence the type of business they choose. Here again, men and women choose business which are traditionally dominated by their own gender. Other than that, field of study does not have any influence on their occupational choice.

4. Conclusion and Future Directions

This study shows that there is no gender difference in terms of graduates' aspirations to become an entrepreneur. The choice to become an entrepreneur is, however, influenced by gender. Most students however, choose to go for paid employment as compared to becoming an entrepreneur. The choice of type of business among those who are self-employed is influenced by gender.

This study shows that there is a big gap between aspirations of becoming an entrepreneur to the choice of becoming an entrepreneur especially among women graduates. Therefore, it is important to identify the factors or barriers which are preventing women to choose entrepreneur as their career. More detailed data are required to test if tertiary education itself serves as a barrier to choosing entrepreneurship. Studies on the other hand, have also shown that education is important in promoting entrepreneurship among youths. It is important to identify the type of training which allows graduate to learn about entrepreneurship and promote entrepreneurship among graduates. It is important to identify different types of entrepreneur training available in various public higher education institution influences the choices made by the students. In this study only 14 per cent of graduates have had some training in entrepreneurship which does not have an influence on the aspirations of graduates to become an entrepreneur but may influence their occupational choice.

In addition to this it is important to identify if socialization plays a role in preventing women from becoming entrepreneur. In addition to this, it is also important if there are any form of systematic discrimination which becomes barriers to women venturing into the business sector. Other than that, factors or skills specific to both genders need to be identified to explain how gender influences the choice to become an entrepreneur and the type of business chosen by an entrepreneur¹⁰.

5. Acknowledgements

The author would like to express her gratitude to the Tracer Study Unit, Ministry of Higher Education Malaysia for providing the data analysis for this paper.

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Patterns of Intergenerational Mobility in Income of Graduates from a Public University in Malaysia

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Abstract

Intergenerational income mobility compares parents' and children's socio-economic status. In developing country, educational opportunities are seen as an important means of ensuring income mobility. Socio-economic status influences income mobility not only through investment made by parents but also values and other advantages transmitted across generations. Similarly in Malaysia, higher education is heavily funded by the government and used as a means of helping social mobility among Malaysians. Students in public higher learning institutions are partially or fully funded by the government through the availability of scholarship and educational loans. This study focuses on income mobility of graduates from a public university in Malaysia. Data for this study is based on data from Tracer Study by the Ministry of Higher Education. The data for this study comes from 2580 Malaysian graduates from a public university in Malaysia. Data analysis shows that higher education helps income mobility among graduates. About 30.1 per cent graduates experience upward mobility. Both sons and daughters show similar mobility. The mobility between male and female students was similar. However, this does not explain why the higher number of women in public universities in Malaysia is not transformed into higher mobility for female graduates. This study shows that affirmative action policies in Malaysia do help upward mobility through higher education.

Keywords

intergenerational income mobility, Malaysia, graduates, gender

Introduction

Social mobility can refer to various changes such as “income, political power, social relations (social distance or deference), skill or occupational prestige” (Miller, 1960: 4). One of the goals of higher education is to promote social mobility (Haveman and Smeeding, 2006). Studies have consistently shown that education is a transmission mechanism in intergenerational income mobility (Blanden, 2009). Educational opportunities especially in higher education are seen to promote social mobility by distributing human capital and reducing the influences of child’s income from its social origins (Blau and Duncan, 1967). Meritocracy based education system is expected to help upward social mobility (Haveman and Smeeding, 2006).

In Malaysia, the people and government see higher education as an important means of social mobility (Lim, 1993 cited in Pope, Musa, Singaravelu, Bringaze and Russell (2002)). A study in 2011 showed that almost 79 per cent who enrolled for a bachelor degree program in Universiti Sains Malaysia, a public university in Penang, Malaysia are first generation students i.e. none of their parents have a bachelor degree qualification (Authors, 2011). Every year public higher education institutions receive a large allocation from the government. For example, in the 2013 budget, the government allocated RM 13 billion for higher education and this is the sixth highest allocation for that year (Shah, 2012). In addition to this, students in public higher learning institution are given financial assistance in the form of loans or scholarship to reduce the cost of pursuing a tertiary qualification. These actions help a bigger participation of youths in tertiary education regardless of their social origin and reduce the influence of family income in participation in higher education and choice of educational programs. A previous study showed that family income had very weak association with students’ educational and occupational choices among students in Universiti Sains Malaysia, Penang, Malaysia (Author, 2006). Studies

have reported that there is a growth in educational attainment (Lillard and Willis, 1994) in Malaysia but not much has been discussed if participation in higher education is transformed into upward income mobility in Malaysian society. This paper tries to explore the role of higher education in helping intergenerational income mobility in Malaysia. It explores if variables such as gender and ethnicity influences income mobility among graduates. While most studies in the United States (US) and around the world focuses on income mobility only on sons or daughters (Solon, 2002; Chadwick and Solon, 2002), this study focuses both on sons and daughters.

Intergenerational mobility

Intergenerational mobility compares the socio-economic status of parents and socio-economic status of their children as adults (Blanden, 2009). Intergenerational income mobility refers to the difference in one's income when compared to the family which raised him/her (Becker and Tomes, 1986).

Peters (1992) explained that the theoretical literature related to intergenerational income mobility has two directions. Blau and Duncan (1967) looked at how socio-economic status of a person is influenced by the socio-economic status of his/her parents. The second direction was by Becker and Tomes (1979). They emphasized that children's income increase when they receive more 'human and non-human capital' from their parents (Becker and Tomes, 1979: 1181).

Intergenerational mobility is not only influenced by parents' investment on children but also on the abilities, values and connections which they pass on to their children (Becker and Tomes, 1986). According to Peters (1992) intergenerational mobility is influenced by propensity of investment on their children. Chadwick and Solon (2002) highlighted that most early studies in intergenerational income mobility showed that the elasticity of son's earning compared to

father's earning is 0.2 or lower. They also estimated that the intergenerational income elasticity for daughters ranges between 0.35 and 0.49. They concluded that assortative mating plays an important role in the intergenerational mobility for daughters. Lillard and Kilburn (1996) explored the income mobility of sons and daughters in Malaysia over the half century from the mid 1930s to 1988. They concluded that intergenerational linkages are strong for both sons and daughters in Malaysia.

Methods

This paper is based on secondary data analysis. Data was collected by the Ministry of Higher Education as part of their annual Tracer Study among graduates from Malaysian public universities. The main objective of Tracer Study is to identify what graduates are doing after completing their degree programs (approximately three months after they have completed their degree program i.e. when they attend their convocation at their respective universities). The questionnaire used in the Tracer Study is divided into six parts. Part A is to collect background information regarding the respondent such as age, gender, family income, ethnicity, nationality. Part B is regarding their experiences in the university. Part C is regarding the effectiveness of the educational system at the university. Part D asks questions related to the respondent's intention to pursue a higher degree. Part E is regarding their current status while part F is questions related to respondent's career if they are working. Part G is consists of questions for respondents who are unemployed. The data for this paper comes for responses in Part A, E and F.

Intergenerational income mobility is measured using respondents' monthly income and family monthly income. Both family and respondents' income were categorized into six categories (see Table 1). Upward mobility happens when respondents' income is in a category higher than their

family income. No mobility is when respondents' income and family income are in the same category while downward mobility happens when respondents' income is in a category lower than family income. Age is measured in years. Gender is category of male and female. Ethnicity consists of two broad categories of Bumiputera and non-Bumiputera. Bumiputera includes Malays respondents and respondents who are natives of Sabah and Sarawak. Sabah and Sarawak are states in East Malaysia. The terms Bumiputera and non-Bumiputera are not strictly categories of ethnicity but was first used in 1971 to differentiate groups that are indigenous to Malaysia and those who are not. Non-Bumiputera refers mostly to respondents of Indian and Chinese origins (the two biggest minority group), but also includes other ethnic groups.

This paper uses data from 2580 Malaysian respondents who graduated from a public university with a bachelor's degree and had started working at the time of the survey. These respondents are all Malaysian nationals. There were 57.8 per cent female and 42.2 per cent male graduates in this survey. Mean age was 29.1 (S.D 7.5) with 45.6 per cent graduates are between the ages 23-24 years old.

Results

A transition matrix was created to show mobility. It is a crosstabulation between family income and graduates' income.

Table 1: Crosstabulation Graduate Income and Family Income

Family Income	Graduate Income						
	Less than RM1501	RM1501 - RM2000	RM2001 - RM2500	RM2501 - RM3000	RM3001 - RM5000	More than RM5000	Total
Less than RM1501	372	211	147	57	79	3	869
RM1501 - RM2000	71	91	89	33	26	2	312
RM2001 - RM2500	41	54	113	53	21	2	284
RM2501 - RM3000	51	45	59	155	48	1	359
RM3001 - RM5000	44	37	54	122	209	5	471
More than RM5000	20	18	39	53	125	30	285
Total	599	456	501	473	508	43	2580

Based on Table 1, 67.7 per cent graduate experience mobility when compared to their family income. About 30.1 per cent graduates experience upward mobility. Only, 32.2 per cent graduate experienced downward mobility while the others remained in the same income category as their parents or experience upward mobility. In addition to this, Kendall's tau-b statistic is 0.43 which shows a positive and moderate association between parents' and children's income. For sons, 68.4 per cent showed mobility. Only, 31.2 per cent experienced downward mobility while 35.0 per cent remained in the same category as their parents' income. For daughters, 33.0 per cent

experienced downward mobility while 27.5 per cent experience upward mobility. Kendall's tau-b statistics is 0.43 for sons and daughters respectively. This shows that there are positive association between sons and daughters' income with parents' income. In terms of ethnic categories, Kendall's tau-b statistics for Bumiputera students is 0.47 while for non-Bumiputera students the value is 0.30. This shows moderate association between family and children's income.

Binary logistic regression using mobility (0=No mobility or downward mobility while 1=upward mobility) as the dependant variable confirms the influence of age, gender and ethnicity on graduate's mobility. The model has a Nagelkerke-R² value of 0.122. The model has predictive accuracy of 67.7 per cent. Blindly predicting the highest category gives a predictive accuracy of 59.6 per cent. This model, therefore, increases the predictive accuracy.

Table 2: Logistic regression model for social mobility

Variables	<i>B</i>	Exp(<i>B</i>)
Gender 0-Male 1-Female	-0.276*	0.759
Ethnicity 0-Bumiputra 1-Others 2	0.156*	1.168
Age	-0.087**	0.917
Constant	1.916**	6.792

Dependant variable: Mobility

The odds of experiencing upward mobility (compared to no mobility or downward mobility) is decreased by a factor of 0.759 by being female rather than male. The odds of experiencing upward mobility (compared to no mobility or downward mobility) is increased by a factor of 1.168 for non-Bumiputra students compared to Bumiputra students. The odds of having upward

mobility reduces by a factor of 0.917 for each year age increases. The probability of achieving upward mobility is higher for younger graduates.

Discussion

There is some evidence that higher education helps social mobility in Malaysia. In Malaysia, participation in higher education is helped by availability of various forms of funding from government and private agencies. In this study, 72.6 per cent respondents received some form of funding from various organizations in Malaysia during the degree program. This therefore shows that the participation in tertiary education is highly supported by the government policy to invest in higher education. However, given the higher participation of women in higher education in Malaysia, it is unclear why this growth in participation is not transformed in higher mobility among female graduates. It may be hypothesized that this may be due to difference in occupational choices among both genders. The data show that there is high preference for women to work in government sector and low preference to work in private sector when compared to man. In this study, more than 60 per cent women worked in the government sector compared to 40 per cent men in the same sector. In addition to this, higher mobility among Bumiputera respondents show the role played by affirmative action policies in Malaysia which helps groups which have been historically and traditionally disadvantaged. However, Miller (1960) cautioned against equating high mobility with equality. This is because high social mobility is an indicator for higher access but it does not necessarily explain differences in advantages in the society. Therefore the high mobility among Bumiputera students shows the success of affirmative action policies in giving access and opportunity to these students.

Conclusion

Based on the analysis, it can be concluded that higher education in Malaysia does help upward mobility among graduates. Further research is needed to explore those who experience downward mobility. It is important to explore if there are changes in the mobility after approximately after a year after their graduation. In addition to this, it is important to explore if upward mobility experienced by respondents are limited or continues for a long period of time. As pointed out by Miller (1960) downward mobility is still an underdeveloped area. Most studies in social mobility even today focus on upward mobility.

One of the limitations of this study is that it did not take into account life cycle differences across generation. Differences in the period of the stage of life in which income is measured can cause a biased picture of intergenerational income mobility. In addition to this, it also compares family income and individual income. Therefore, there is a good reason to expect the actual mobility is much higher than shown in the analysis.

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Barriers to Becoming Graduate Entrepreneurs: A Study in a Public University in

Malaysia

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Abstract

In recent years, entrepreneurship has been promoted as an alternative occupational choice for graduates because the number of graduates has increased tremendously and traditional employers are unable to provide jobs for all the graduates. Many studies focus on factors which influence entrepreneurial intent or choice of becoming entrepreneurs not much is focused on the barriers of becoming an entrepreneur except for traditionally disadvantaged groups. This paper therefore explores barriers which are perceived by students who wish to be entrepreneurs and barriers which are faced by nascent entrepreneurs. The data for this study comes from two sources. Most data were collected through face-to-face interviews with twenty undergraduate students and ten graduate (with bachelor's degree) entrepreneurs. The sample was selected through a purposive sampling method. Other than that secondary data from Tracer Study conducted by the Ministry of Higher Education is used for analysis. The analysis shows that very few graduates become entrepreneur in the first four months after they complete their programs. Some of the barriers identified by them are: unrealistic goals and expectations; investment; lack of awareness on procedures; investment on education; and gender related barriers. Training needs to be designed to cater to the needs of different types of students and business.

Keywords

Barriers, entrepreneurship, graduate, Malaysia, training

1.1 Introduction

An entrepreneur refers to “someone who sets up and runs his/her own business” (Henry et al., 2003: 30). Reynolds et al. (2004) distinguished between opportunity and necessity entrepreneurs i.e. those who became entrepreneurs because of opportunities available to them and those who became entrepreneurs because they lack alternative opportunities. In recent years, many countries are promoting entrepreneurship as an alternative occupational choice for graduates. This is mainly because, the number of graduates has increased tremendously in many countries around the world and traditional employers are unable to provide jobs for all the graduates. This scenario not only encourages more graduates to seek non-traditional graduate occupations but encourages many policy makers to promote entrepreneurship as an occupational choice for graduates (Reynolds et al., 2004). Even though, some theories of occupational choice do not differentiate the uniqueness of entrepreneurship as a career, the process of attempting to start or starting a business represents a very unique act of making an occupational choice. This is because becoming an entrepreneur provides an individual various opportunities, responsibilities and constraints which are very different from an employee in an organization (Reynolds, et al., 2004).

Traditional theories in this field look at various personality traits, demographics variables and how these variables influence the choice of becoming an entrepreneur (Henderson and Robertson, 1999; Nabi et al., 2006; Scott and Twomey, 1988). Self-efficacy, background, childhood experiences and family are some of the factors that influence an individual's choice to become an entrepreneur. In recent years, studies have focused on entrepreneurial intent and how it influences one's choice of starting a business (Bagozzi, et al., 1989; Nabi et al., 2006). Two models used in entrepreneurial studies are Ajzen (Nabi, Holden and Walmsley, 2006) and Shapero models (Krueger et al., 2000).

Many studies have focused on the pull and the push factors to becoming an entrepreneur but not much research are done on barriers to entry to entrepreneurship except for traditionally disadvantaged groups such as for women, disabled people and ethnic minorities. Sarasvathy (2004) highlighted that one of the most important aspect which needs to be analyzed, is to explore the barriers to becoming entrepreneurs as compared to the pull to become entrepreneurs. She expected that the removal of these barriers will help more people to become entrepreneurs. Some of the barriers identified in research are institutional barriers, socio-cultural barriers, and economical barriers (Robertson et al., 2003; Sarasvathy, 2004). Robertson et al. (2003) based on various studies in the United Kingdom, summarized that some of the barriers to start up business are fear of debt; fear of failure and difficulty in obtaining finance. Even though education is often seen as way to encourage entry into entrepreneurship, Gibb (1996) explained that training and education system sometimes do not encourages values which are important for entrepreneurship hence becomes a barrier to entrepreneurship.

In Malaysia, the number of graduates with bachelor's degree from public universities has increased by 78.7 per cent respectively from 2007 to 2009 (Ministry of Higher Education (MOHE), 2008, 2011). The graduate unemployment has become a serious problem in Malaysia in recent years (Othman et al., 2007) and the government has taken various steps to promote entrepreneurship as an option to graduates. The Ninth Malaysia Plan (2006-2010) highlights the importance of entrepreneurship in enhancing the human capital in Malaysia (Economic Planning Unit, 2006). Based on the data from Tracer Study 2008 to 2011, the percentage of graduates which become entrepreneur is less than one per cent (see Table 1). Tracer Study is conducted annually by the Ministry of Higher Education to identify what graduates are doing after completing their degree programs (approximately three months to four months after they have completed their degree program i.e. when they attend their

convocation at their respective universities). This is a comprehensive study which involves everyone who graduates with a post-secondary qualification in Malaysia.

Table 1: Number and percentage of graduate entrepreneurs¹

Year	Local graduates from public universities (a)	Local graduates with bachelor's degree from public universities (b)	Self-employed graduates from public universities (percentage over b)
2008	94,622	59,844	392 (0.66)
2009	101,702	65,756	573 (0.87)
2010	101,407	47,839	690 (1.44)
2011	101,331	85,710	778 (0.91)

In Malaysia, many studies focus on entrepreneurial intent among students (see Zain et al., 2010; Yasin et al., 2011) but not much research is done on the barriers to becoming an entrepreneur. These studies are important in understanding the factors which influence a person to become an entrepreneur however a more comprehensive understanding can be obtained by studying the possible barriers in becoming an entrepreneur. This paper focuses on barriers and perceived barriers in becoming a graduate entrepreneur. Since very low numbers of graduates in Malaysia become entrepreneur, barriers are an important aspect which needs to be explored in understanding who and how graduates become entrepreneurs. In addition to this, this paper provides some training recommendations which may be used to help graduates to become entrepreneurs.

1.2 Data and Methods

Most part of this paper is based on data which were collected through face-to-face interview with twenty undergraduate students and ten entrepreneurs. The sample was selected through a purposive sampling method. There was equal number of male and female undergraduate students in the sample. Among the young entrepreneurs there were six males and four female

¹ Calculated based on statistics from MOHE (2011) available at http://www.mohe.gov.my/web_statistik/

entrepreneurs. Entrepreneurs in this study refer to nascent entrepreneurs and new business owners. Nascent entrepreneurs refer to individuals who are involved in setting up business while new business owners refer to owners of a business which is less than 3.5 years old (Bosma et al., 2007). These interviews explored issues such as entrepreneurial intent/choice, factors which influence their intent/choice, supports which are available to them and barriers which they may face or faced in becoming an entrepreneur. The interviews were conducted in either Malay or English. All interviews were transcribed and translated to English (when necessary). In translating these interviews the researcher tried to maintain the slang and style of Malaysian English hence some of the interviews quoted in this paper may not be grammatically correct. After transcription researcher went through the transcripts for familiarization before coding is done to identify important themes from the data.

Another set of data used in this study is data from Tracer Study from one public university. The questionnaire used in the Tracer Study is divided into six parts. Part A is to collect background information regarding the respondent such as age, gender, family income, ethnicity, nationality. Part B is regarding their experiences in the university. Part C is regarding the effectiveness of the educational system at the university. Part D asks questions related to the respondent's intention to pursue a higher degree. Part E is regarding their current status while part F is questions related to respondent's career if they are working. Part G consists of questions for respondents who are unemployed. The data for this paper comes from responses in Part C and F. The analysis in this study used all 2580 Malaysian graduates with bachelor's degree from this public university in 2009. This is about 47.7 per cent of total number of graduates with bachelor's degree from this university in 2009.

1.3 Findings from Tracer Study 2009

There were 57.8 per cent female and 42.2 per cent male graduates in this survey. Mean age was 29.1 (S.D 7.5) with 45.6 per cent graduates are between the ages 23-24 years old. In this survey, 56.3 per cent graduates had intention to become entrepreneur, however only 0.9 per cent of graduates (24 graduates) became entrepreneurs in the four months after they have completed their programs. About 75 per cent of these entrepreneurs used their own money as the capital for their business. These numbers suggest two possible problems. First, the survey is conducted too soon after they have completed their program and this does not allow them enough time to become entrepreneurs. Second, there are many barriers to becoming entrepreneur that the high percentage of graduates who intended to become entrepreneurs either dropped or postponed the idea. The number of entrepreneurs in this sample is too small to make further meaningful statistical analysis. Therefore, the rest of the paper focuses on mainly on qualitative data analysis.

1.5 Barriers to Becoming Entrepreneur

Students and young entrepreneurs identified five major barriers which may stop someone from becoming an entrepreneur. These barriers are discussed in sections 1.5.1 to 1.5.5.

1.5.1 Unrealistic Goals and Expectations

Young entrepreneurs identified that unrealistic goals and expectation is the main barrier in becoming an entrepreneur. Many nascent entrepreneurs have unrealistic goals regarding their business and when this is not achieved, they become frustrated and quit. Ahmad, a male entrepreneur, for example, explained:

Many people think that they will make a few thousand a month in the first month and the profit will increase after that. The reality is very different,

in the beginning especially the first six months, our profit is very little, there are times when I didn't get profit at all but I need to sustain my business for some time, in my case for eighteen months. Only then, I got a steady income and a good profit margin. If I quit in six months, my business would have been failure.

When asked what made him continue his business, he explained further:

My uncle who has a grocery store told me. In the beginning, we only get random customers. It takes a while for customers to like your shop and continue coming. All this take time. After some time, you will have your regular customers plus random customers. He also asked me to invest some money in advertisement such as banners and flyers. This helps.

Some young entrepreneurs explained their unrealistic expectations in early stages of their business. Jaya, a male entrepreneur,

When I started, I expected everything to be smooth sailing. I thought after I made my plan, all I have to do is follow the plan and I will be fine. I learnt the hard way. Nothing went according to plan. Sometimes you ask the vendor to deliver on Monday, they will deliver on Wednesday. Of course, you can change the vendor but before that you have to think what to do for Monday until Wednesday. So it is a lot complicated that when you plan. I really never thought of this when I started.

This barrier does not stop someone from becoming an entrepreneur but determines the sustainability of the business venture. Unrealistic goals often lead to disappointment and frustration and some nascent entrepreneur may quit in the first few months of the venture. It

also shows the importance of having a role model or a mentor in helping a person become an entrepreneur. Other studies have highlighted the lack of role model as one the barrier in entrepreneurship especially among women entrepreneurs (McElwee and Al-Riyami, 2003).

1.5.2 Investment

Another major barrier to becoming an entrepreneur is investment. Many young entrepreneurs explained that they gathered information from other business people to help them get money to be invested in their business. National level Tracer Study 2009 showed that about 52.3 per cent of graduates (with bachelor degree from public and private higher educational institutions) who were self-employed used their own money as capital for their business. About 21.9 and 21.6 per cent were supported by their business partner and family, respectively. Less than five per cent entrepreneurs obtained funds through loans or other funds available to graduate entrepreneurs. This may be an indication of their lack of awareness regarding available funds and loans for graduate entrepreneurs. Many explained that it was not easy. Ani, a female entrepreneur, explained:

When I graduated, I had no money. How to start a business? I was not sure where to go and get money. I can get some money from my family but I don't think it is enough even to start a business in Kulim. So I asked around. I found out that there are loans available. So I applied for it. That is how I started my business...During my time in the university there were no courses on how to start business so I just find my way.

On the other hand, students also identified that this will become a major problem for them when they start a business after graduation. Most students are not aware of the opportunities which are available in Malaysia to get investment. Some students who are keen on becoming an entrepreneur are hoping that their parents will invest some money in their business. Other

studies have also highlight the lack of finances in starting business (Shurry, Lomax and Vyakarnam (2001) cited in Robertson et al., 2003).

1.5.3 Unaware of procedures

Another barrier foreseen by students and identified by graduates is that they are unaware of the procedures and processes involved in starting a business. Some of the problems identified by students and young entrepreneurs are that there were unaware of the procedures involved in getting a business licence; other licences specific to their business; procedures in getting assets. Man, a male student explained:

I really don't know what to do if I want to start my business. Where to go, or what to do first. It will be good if before we graduate we have information on this.

David, a male entrepreneur shared his experiences.

I really suffered. When I wanted to start my business, I had to ask around. Go here and there a few times. But now I know what to do and I try to help others who want to start their business...Some give up even before they start because of they do not want to deal with this [red tape].

Entrepreneurs recalled a few friends who gave up before they started their business because they were unable to gather enough information on how to start a business.

1.5.4 Gender related barriers

This is a type of socio-cultural barrier. Gender barriers to entrepreneurship have been discussed in various fields. Studies have consistently showed that there is a higher prevalence of male entrepreneurs compared to female entrepreneurs with similar background (Gorji and

Rahimian, 2011). A study in Latin America, Eastern Europe and Central Asia, showed that there is a gender gap in the size of firms and women often own smaller firms than men. Women were also less likely to get formal financing for their business as compared to male (Bardasi et al., 2011). Barriers to becoming entrepreneur for women are mainly caused by patriarchal values in society. Patriarchal values may restrict the entry to entrepreneurship either by creating institutional or social barriers. In this study, women entrepreneurs identified social barriers in becoming an entrepreneur. A few women entrepreneurs and students identified that their family were not/will not be supportive when they want to become an entrepreneur. Some felt that being an entrepreneur is not 'a woman's job'. It is seen as 'too difficult' or 'too risky' as it may create conflict in the future roles as wife and mother. One student said that her family disapproved her choice of becoming an entrepreneur because it may jeopardize her chances of finding a husband. Being a teacher or working in an office would be more 'attractive' in the marriage market. She felt that this would make it very difficult for her to start a business. Lina, an entrepreneur, explained:

After I graduated, when I told my parents I wanted to become an entrepreneur they did not allow me to do that. They asked me to find a job. They encouraged me to become a teacher but I refused. Then I got a job in a private company. I started my business only after I got married. My husband is ok with it. Gives me lots of flexibility.

This excerpt shows that parents' expectations are influenced by gender stereotype in occupational choice and roles. Family often expect occupational choices which are considered 'suitable' for a particular gender. Even though she explained that her husband accepted her choice, this still indicates the need to get approval from the family which in this case is a male. This is another manifestation of patriarchal values. Some families see entrepreneurship

as a symbolic transgression from the gender roles accepted in their society therefore object to such choices.

1.5.5 Investment in Education

Some graduate entrepreneurs suggested that their degree sometimes becomes a barrier to becoming an entrepreneur. According to human capital theory, people invest in education with expectations of future earnings. They, therefore, accept a cost for their education with expectation of benefits for their investment in the labour market (Maranda and Comeau, 2000). Graduates often spend three to four years to complete their programs. In addition to this, their invest money (either their own or supported by government or other funders) to obtain their qualification. Such investments coupled with societal or parental expectations become a barrier to become an entrepreneur. Aman, a male entrepreneur explained:

Most of the time when people get a degree they look forward to getting a high paying job. They spend a lot of time getting their degree. Sometimes I feel this makes people reluctant to try business. Sometimes I feel that we have more to lose than someone who does not have high qualification.

This shows that graduates sometimes feel that it is a very big risk to venture into business after investing in their education. When asked further why Aman became an entrepreneur, he explained that it is because that is what he really wanted. He had to convince his family and friends constantly for almost two years. They were more supportive when they realized that his business is doing well and his career is progressing well.

The wish or passion to become an entrepreneur is sometimes questioned or ridiculed by family members, spouse, friends and relatives. The investment in education is seen as wasted if someone chooses to become an entrepreneur after getting a bachelor's degree. Various

remarks and comments from others sometimes discouraged graduates from becoming an entrepreneur. Michael, a male entrepreneur explained,

I have an engineering degree. When I wanted to start my own business. Everyone was shocked. My parents were scared I will mess up. My relatives kept asking me is that what I want to really do after spending four years doing their degree. Even my neighbours and family friends asked similar questions...It is really hard to go against these views. I really needed a lot of courage and strength to finally start my business. Now they are all impressed that I make good money. So I feel sometimes it is easier for people who are not graduates to start business because people don't think they are wasting their education unlike us.

Such views are common among Malay and Indian participants while uncommon among Chinese participants. Malaysian Chinese have a long history and culture of venturing into business therefore, it is not seen as weird or uncommon when they choose to venture into business after they graduate. In the years after Independence (1957), Malaysia already had a large number of Chinese business community. The size of Malay business community was very small after Independence and only increased drastically as a result of affirmative action policies after 1970 (Abdul Rahman, 1996). Even though the size and composition of business class has changed since Independence, business is still considered more a norm in Chinese community compared to other ethnic groups in Malaysia. The researcher hypothesizes that Chinese participants hardly mention negative remarks from their family and acquaintances because of the positive entrepreneurial culture among the Chinese community. As one participant, Lee, a female entrepreneur explained,

Even though doing degree is important and you spend many years doing that, it is not like if you have this you can't have the other. In fact I think it is a good idea to do business after you get your qualification.

There is a need to explore cultural values which seem to be supporting Chinese graduates in becoming entrepreneurs.

1.6 Recommendations

During the interviews, students and graduate entrepreneurs highlighted some steps which can be taken to assist graduates to become an entrepreneur. The recommendations are discussed in the sections 1.6.1 to 1.6.4.

1.6.1 How to start your business?

Many entrepreneurs highlighted the difficulty they faced to start their business. They felt that other than training on how to run a business, students need to be exposed to the process of starting a business and the sources of funding available for them. This is because students and young entrepreneur identify lack of knowledge regarding the funding and the process of starting a business as the major barriers to becoming an entrepreneur. This can be done through short workshops or lecturers regarding the opportunities which are available to them. Some entrepreneurs said that the existing programs and courses are insufficient for them. They were forced to find information from various sources before they could start their business. Some felt that they wasted much time gathering information and felt that the process of starting a business will be fast and efficient if such information is provided in courses or programs at their university.

1.6.2 Training on Realistic Goals

Graduate entrepreneurs felt that training and workshops should focus on how to set realistic goals. Young entrepreneurs recollect various instances where they were frustrated in the early stages of starting their business because they had unrealistic goals. They also identify friends who closed their business in the first year because they had unrealistic goals. For different types of business, students should be trained on how to set realistic goals and possible problems which may arise in the early stages of starting their business. This would make them more prepared to face the challenges in starting a business.

1.6.3 Vendors and Customers

Young entrepreneurs also felt that training should also be provided on how to deal with vendors and customers. Young entrepreneurs felt that this is important because the inability to choose a good vendor would create much problem for the business. In addition to this, they felt students need to be trained on how to set terms and conditions when dealing with vendor to avoid being cheated. Some of them admitted that they learnt this by experience i.e. they had experience dealing with 'bad' vendors.

1.6.4 Training for Specific Needs

Another important suggestion by the participants was to conduct training which are specific to the needs of the students. One entrepreneur, Anand, a male entrepreneur said:

There is no one training that can be suitable for everything. If you start a business to sell a product, your needs are very different from someone who is into services. So if we explore what the students are interested, more specific training can be given to them.

Therefore training needs to be tailored according to the types of business and needs of the students to ensure that the students benefit from these trainings.

1.7 Conclusion and Limitations

This study shows that high entrepreneur intention among Malaysian graduates is not transformed to the choice of becoming an entrepreneur. Some barriers which may be preventing them from becoming entrepreneurs are unrealistic goals and expectations; investment; lack of awareness on procedures; investment on education; and gender related barriers. General training in entrepreneurship has to be supported by more specific training depending on the type of business students may be venturing. This study is not meant to do generalization but explore barriers that are perceived and faced in detail. Further research needs to be conducted before more concrete training recommendations are made to encourage more graduates to become entrepreneurs. The sample only had four female entrepreneurs due to the difficulty of identifying female graduate entrepreneurs. Future research should be conducted to focus on gender related barriers.

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