

Personality Dimensions Towards Entrepreneurship Enculturation Among Graduates in Malaysia

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Abstract

“Self-Employment” as an entrepreneur is a career that must be given attention as an alternative for graduates besides those employed in facing the volatile limited job market and high retrenchment rate. Therefore, responsible parties such as the Malaysia’s Ministry of Education (MoE) plays an important role in enculturating entrepreneurship among students in higher education institutions and graduates as a career choice upon completion of study. Hence, this study investigates competency level of entrepreneurship enculturation among graduates in Malaysia specifically those who are selfemployed. The study utilises secondary data collected from Graduate Tracer Study from the year 2007 until 2009 which involves 3062 samples whom are graduates from the public and private higher education institutions in Malaysia and analysed using the Factor Analysis method. The results obtained from this study indicates that character (maturity, personal identity, independent, selfconfidence, knowledge and problem solving ability as well as decision making) and soft skill (problem solving ability, critical and creative thinking, analytical, positive values and communication skills) are two primary personality dimensions in enculturating entrepreneurship for a graduate.

Keywords: entrepreneurship, personality dimensions, character, soft skill, graduate, entrepreneurship development.

Introduction

Entrepreneurship Enculturation is a continuous long term process to attract interest of all members to society to be involved in business and begin by involving students from primary and secondary school and education institution. The education system plays an important role in flourishing and enculturating values of entrepreneurship especially fresh graduates to not be inclined towards employment but consider employment as the final choice upon graduation.

Mastery in the field of entrepreneurship is not only an exposure to technical knowledge but practical knowledge which is crucial for future generations. Effective acquisition of entrepreneurship knowledge can develop and establish the culture of entrepreneurship in society especially graduates who wants to enter the field of entrepreneurship. It is here the role of the education system in strengthening the value and the culture of entrepreneurship is established especially among higher education institution graduates. Acquisition of values and characteristic is important to create a vibrant culture in life for a community in the society.

Problem Statement and Objective of Research

The Graduate Tracer Study Data from the Malaysia's Ministry of Higher Education for the year 2006 until 2010 indicates that the majority (more than 50%) of graduates are employed and less than 20% are unemployed upon their respective convocation ceremony which is 4-6 months after completing their studies. In addition, a large number of them are active job seekers.

According to Ministry of Higher Education (2010) Around 64% of first degree graduates in the year 2008 and 2010 succeeded in landing a full-time job and only a few are self-employed which is around 1%. Even though those who are self-employed are not many, this field is the best alternative to be considered to attract graduates due to the competitive job market. Efforts in enculturating entrepreneurship must be pushed further and given support especially among graduates who have interest and potential to succeed as an entrepreneur.

Most employment sector in Malaysia has undergone the privatization which is a takeover of management from the public sector by the private sector that results in a monopoly by the private sector while the public sector experiences a contraction. This situation will make it difficult for graduates to secure a job and incidentally those employed in the government will be secured and stable with pension. On the other hand, employers in the private sector are more inclined to employ those who have work experiences. According to Ishak Yusof, Rahmah Ismail & Robiah Sidin (2008) this situation is said one of the major factors that contribute to the problem of unemployment in Malaysia besides the quality of graduates who have poor English language proficiency as well as communication skills.

Table 1 shows the fact that the number of the labour force increases while on the other hand the employment rate decreases every year. In addition, the overall rate of unemployment experiences an increase from 2001 and a slight decrease in 2006.

Table 1: Labour Force, Employment and Retrenchment, 1995-2006, Malaysia

Year	Total Labour (‘000) Force	Retrenchment Rate (%)	Employed Labour Force (%)
1995	7,645	3.1	64.7
1996	8,399	2.5	66.3
1997	8,569	2.5	65.6
1998	8,600	3.2	64.3
1999	8,838	3.4	64.2
2000	9,269	3.0	65.0
2001	9,357	3.5	64.9
2002	9,543	3.5	64.4
2003	9,870	3.6	65.2
2004	9,980	3.5	64.4
2005	10,045	3.5	63.3
2006	10,275	3.3	63.1

Source: Labour Force Statistic Report, Department of Statistics Malaysia, 2006

A look at the current job market scenario require graduates to think of alternative or other career choice besides being employed such as self-employment and entrepreneurship depends on the limited current employment sector. Based on Table 2, 41,470 of graduates working in 2008 indicate 64.1 percent graduates are full-time employed, 20 percent are contract workers, 14 percent are parttimers, 1.1 percent is self-employed and 0.8 percent works with their family.

Table 2: Employment Status of Graduates According to Level of Education, 2008

Employment Status	Level of Education						Total
	Ph.D	Masters	First Degree	Diploma	Certificate	Professional	
Full-time	86.4	80.3	64.1	73.4	37.7	83.7	60.9
Contract	8	10.2	20.2	14.23	23	11.6	20
Part-time	3.9	7.3	13.9	10.43	33.6	4.6	16.5
Self-employed	1.7	1.9	1.1	1.03	2.3	-	1.4
Work with family	-	0.3	0.8	0.93	3.5	-	1.2
Total	100	100	100	100	100	100	100

Source: Graduate Tracer Study Report 2008. Ministry of Higher Education

It is evident that only 1.1 percent of the total of First Degree graduates which is 456 graduates in 2008 made the decision to be self-employed and become an entrepreneur upon completing their studies. The culture of self-employment as an entrepreneur is a foreign career for most graduates.

According to Working Paper presented at the 3rd Islamic Economy Congress the process of entrepreneurship enculturation in Malaysia begun from the National Education Policy and National Education System by involving students from primary and secondary school and students in higher learning institutions. Malaysia's Ministry of Education for example launched the Entrepreneurship Enculturation Programme through the school curriculum learning syllabus such as Accountancy and Commerce. The Ministry of Higher Education in the National Higher Education Strategic Transformation Plan outlined the

nation's role in higher learning institution to produce innovative human capital which is one of the important characteristics of an entrepreneur (National Higher Education Strategic Plan, 2007). The Ministry of Higher Education estimates roughly five percent of public higher learning institution leavers venture in the field of entrepreneurship beginning in the year 2011 (Berita harian, 2010).

Hence, this study aims to understand the competency level of entrepreneurship enculturation among graduates in Malaysia with focus on those who are self-employed.

Research Methodology

Conceptual Study Framework

Figure 3 shows the framework formation entrepreneurial process that looks at the three individual stages which are

- University students who will take up entrepreneurship upon completion of study.
- Graduates who chose to be an entrepreneur (self-employed).
- Individual groups/graduates who chose to work first (employed) before being an entrepreneur

The three phases affect four motivation factors selected from entrepreneur background, attitude, motivation and skills. It can be concluded that the four factors are the factors of success as well as the characteristic of a successful entrepreneur.

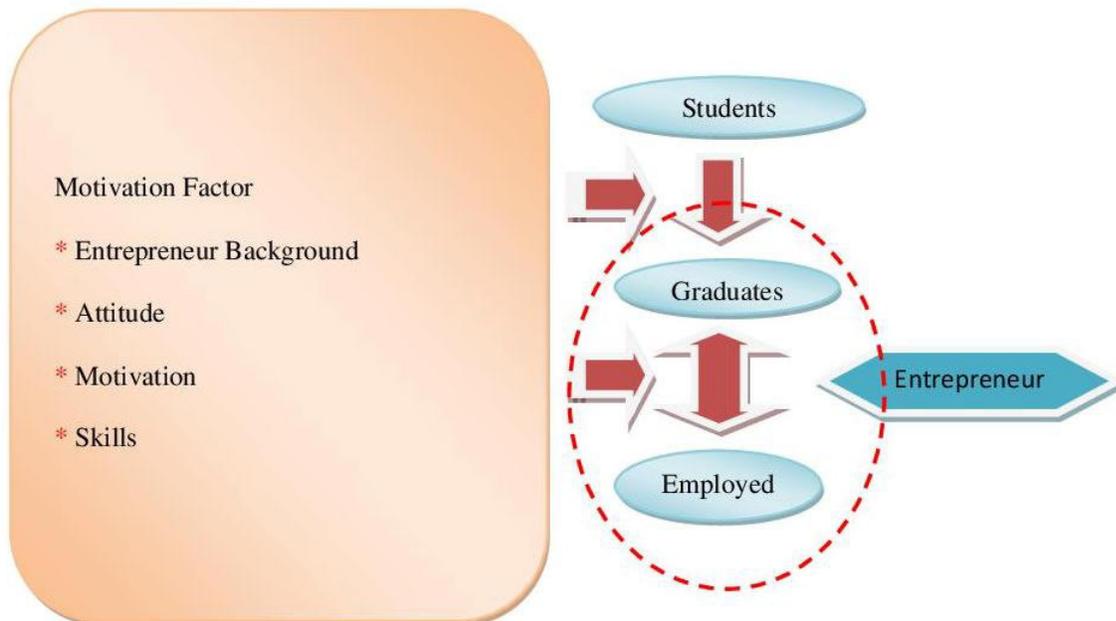


Figure 3: Formation Framework of Entrepreneurial Process (Mohd Hassan Mohd Osman, (2007)

This study focuses on two groups individual level particularly graduates who are selfemployed after their studies and graduates who are employed prior before venturing into entrepreneurship. The achievement of an entrepreneur in the world of business is studied through the characteristic they possess as factors that affects their success in entrepreneurship.

Data Collection

The approach for this study used primary and secondary data source. The gathering of primary source data is obtained from the Ministry of Higher Education Graduate Tracer Study Survey from the year 2007 until 2009 while secondary source data was obtained through books, journals, theses, old newspapers, websites and related reports. Secondary data were used to support the understanding in detail of the study carried out.

Data Analysis

This study used the Analysis Factor Method to analyse secondary data from the Graduate Tracer Study from the year 2007 until 2009 related to soft skill as well as the graduates personality involved in entrepreneurship. Kaiser Mayer Oldin Test (KMO) and Barlett Test of Spherity Test are referred to determine whether analysis factor was suitable for a certain data set. If the KMO value is between 0.5 to 1.0, it shows the analysis factor to be suitable for the data set. On the other hand, if the KMO value was low which is less than 0.5 showed that the analysis is not appropriate when used for a data set. Besides that, Barlett Test of Spherity tests if the correlation matrix for a data is the identity matrix. If the correlation matrix was the identity matrix ($r=1$), then the factor cannot be used while the correlation matrix was not the identity matrix hence analysis factor can be used (Hair Jr, J. F., Anderson, R.E., Tatham, R. L., & Black, W. C., 1995).

Findings**Personality Dimensions**

The Analysis Factor result showed two personality dimensions identified which was character (Factor 1) and soft skill (Factor 2). Results obtained from Early Factors (Table 3) showed the communalities value of 67.28 percent are successful variants value stated by Factor 1 and Factor 2 with 55.78 percent and 11.51 percent respectively. Communalities value was the variant's percentage value contributed by variables on every other variables and the high values showed high influence in expounding the variables (Hair Jr, J. F., Anderson, R.E., Tatham, R. L., & Black, W. C., 1995). However, the factors generated were less stable and undergoes rotation process.

Table 3: Early Factors and Communalities

Initial Component	Component		Communalities
	Factor 1	Factor 2	
Can think critically and creatively	0.846	-0.218	0.763
Personal maturity	0.838	-0.308	0.796
Can solve problems and make decisions	0.834	-0.261	0.763
Build self-confidence	0.833	-0.265	0.764
Can communicate effectively	0.830	-0.204	0.730
Build personal identity	0.829	-0.293	0.773
Able to be independent	0.824	-0.277	0.756
Can work in a team	0.823	-0.228	0.729
Become more knowledgeable	0.808	-0.295	0.740
Conscious about current events	0.791	-0.280	0.704
Increased interest to learn more	0.737	-0.275	0.619
Prepared to face the outside world and career	0.804	-0.274	0.721
Able to solve problems	0.734	0.486	0.775
Acquire and experience positive values	0.730	0.424	0.713
Able to think critically and creatively	0.725	0.490	0.766
Teamwork	0.703	0.423	0.672
Analytical thinking	0.696	0.499	0.733
Exposure to general knowledge and current issues	0.690	0.397	0.633
Interpersonal communication skills	0.647	0.471	0.640
Able to use the Malay Language	0.588	0.184	0.379
Able to use Information and Computer Technology in general	0.548	0.157	0.325
Able to use English	0.386	0.398	0.308
Before Rotation			
Eigenvalue	12.271	2.532	14.803
Total Original Factors =22	(E1)	(E2)	(E1+E2)
% Variance = eigenvalue/22	55.778	11.510	67.288
	(%E1)	(% E2)	(%E1+%E2)

Table 4 and Table 6 showed the result after the rotation factor was done. After the rotation factor was done, factor 1 can be classified as character while factor 2 was classified as soft skill. The Eigen value percentage of character after rotation was 39.614 percent (before rotation 55.778%) while soft skill after rotation is 27.673 (before rotation, 11.510%). Eigenvalue was total variants expounded by every factor which contributed by every variants extracted through analysis factor (Hair Jr, J. F., Anderson, R.E., Tatham, R. L., & Black, W. C. ,1995). Rotation also makes the large variable's weightage (Early Factors) to be larger while the smaller variables become mutually exclusive factors.

The variants percentage that expounded Factor 1 (39.61%) was higher compared to Factor 2 (27.67%). This meant that character is the largest contributing factor to individual change of an entrepreneur compared to the soft skill factor in overall. The cumulative variants was successfully explicated by both factors were 67.3 percent. On the other hand, the Cronbach's Alpha value showed in the character factor was 0.9673 is higher compared to the Cronbach's Alpha value showed in the soft skill factor which is 0.9147. The Cronbach's Alpha value was obtained through reliability test and acquired the alpha value to

determine the consistency level and data stability (Hair Jr, J. F., Anderson, R.E., Tatham, R. L., & Black, W. C.,1995). The stability of the character dimension was more consistent compared to the soft skill dimension.

Character

Factor 1 collected variables (characteristics) related to character with 12 significant weightage factor (refer to Table 4). The result obtained showed the influence of higher education to an entrepreneur's character which was most significant was the increase in personal maturity with the weightage factor of 0.853 followed by the formation of personal identity with the weightage factor of 0.837. According to Datuk Seri Utama Dr. Rais Yatim base on his In-depth Understanding of Personal Identity Enculturation Personal identity refers to elements that reflect the individual's life or society. In other words, personal identity is the individual's identity, society and nationality that possesses integrity features.

Besides that, four other important characteristics were: able to be independent (0.824), build self-confidence (0.824), become more knowledgeable (0.822) and can solve problems and make decisions (0.822) is crucial to be a successful entrepreneur. Entrepreneurship is a profession and career that requires strength in facing competitive challenges provided with education.

Table 4: Character Factor

Factor 1: Character	Weightage Factor
Personal maturity	0.853
Develop personal identity	0.837
Able to be independent	0.824
Build self-confidence	0.824
Become more knowledgeable	0.822
Can solve problems and make decisions	0.822
Prepared to face the outside world and career	0.806
Able to think critically and creatively	0.806
Conscious about current events	0.799
Can work in a team	0.793
Can communicate effectively	0.784
Increased interest to learn more	0.753
After rotation	
Eigenvalue	8.715
Variants Percentage	39.614
Cronbach's alpha	0.967
Kaiser-Meyer-Olkin (KMO)	0.97
Bartlett's Test of Sphericity	0.00

Soft skill

Factor 2 is related to soft skill and 10 significant weightage skills (refer Table 6). Analysis results showed there are five main skills identified. The most significant skill that should be possessed by an entrepreneur is the ability to solve problems (0.831), followed able to think critically and creatively (0.829), analytical thinking (0.818), acquire and experience positive values (0.779) and interpersonal communication

skill (0.766). An entrepreneur not only possesses skills in solving a problem on how to get a modal but use their intelligence to analyse how to expand their business. Besides that, acquired experience and positive values such as trust and honesty must be present and always be practised when doing any business transaction.

Table 4: Soft Skills Factor

Factor 2: Soft Skills	Weightage Factor
Problem-solving	0.831
Think critically and creatively	0.829
Analytical thinking	0.818
Acquire and experience positive values	0.779
Interpersonal communication skills	0.766
Teamwork	0.761
Exposure to general knowledge and current issues	0.733
Able to use English	0.551
Able to use the Malay Language	0.502
Able to use Information and Computer Technology in general	0.456
After rotation	
Eigenvalue	6.088
Variants Percentage	27.673
Peratus Kumulatif Varians (Faktor 1 + Faktor 2)	67.288
Cronbach's Alpha	0.9147
Kaiser-Meyer-Olkin (KMO)	0.973
Bartlett's Test of Sphericity	0.000

Conclusion

The results of this study shows two personality dimensions that influence entrepreneurship enculturation among Malaysian graduates which are character and soft skill. Character is the main contributing factor that strongly influences a graduate to be an entrepreneur compared to soft skill. There are 6 characteristics which are maturity, personal identity, able to be independent, self-confidence, knowledge and problem-solving ability as well as making decisions. On the other hand, there are 5 main skills in soft skills which are ability to solve problems, critical and creative thinking, analytical thinking, positive values and communicative ability must be present in a graduate to be a successful entrepreneur.

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