DIFFERENCES IN ENTREPRENEURIAL DETERMINATION BETWEEN MALAYSIAN AND INDONESIAN STUDENTS

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Abstract— This study examines entrepreneurial determination among Malaysian and Indonesian university students. More specifically, it attempts to ascertain levels entrepreneurial determination and differences with respect to country and personal demographics. Questionnaires were used as a research instrument. Responses were obtained from 778 randomly-selected participants at five and six Malaysian and Indonesian universities, respectively. Entrepreneurial determination among the respondents was moderately high regardless of country. It nevertheless differed significantly between genders among Malaysian students, although a similar phenomenon was not observed among Indonesian respondents.

Index Terms— Demographics, Entrepreneurial Determination, Knowledge, Skills and Self-efficacy.

I. INTRODUCTION

Globalization is an inevitable phenomenon that is affecting most countries. Nevertheless, there are varying rates of global economic growth. Indeed, globalization increases international trade, which indirectly impacts the Malaysian and Indonesian economies. Such growth has spawned various multinational and transnational corporations. However, the presence of these corporations has not had a significant impact on local job opportunities, since many of them require highly-skilled operators of equipment based on sophisticated technologies.

In addition to a shortage of local workers with high technological skills, shortages also exist owing to a reluctance to procure employment in sectors lacking prestige. In 2007 there were 1.2 million registered foreign workers in Malaysia, a number that rose to 2.06 million in 2010 [1]. Youth unemployment is consequently increasing, which has prompted the government to encourage entrepreneurialism among young people. This has entailed, for example, establishing entrepreneurship clubs at universities. Despite such efforts, the number of students who have actually pursued entrepreneurship remains quite low. Thus, what role should universities play in fostering an entrepreneurial culture? Likewise, what is the status of entrepreneurial determination among Malaysian and Indonesian university students?

II. ENTREPRENEURIAL DETERMINATION

Determination is the best predictor for exploring the process of creation and decision-making with respect to certain rare behaviors in imperceptible or unexpected situations [2, 3]. It is possible that entrepreneurial determination does not reflect individualized actions; however, it is assumed to be a predictor of good choices in starting a business. Hence, entrepreneurial activities can produce a form of determination that contributes to understanding and predicting entrepreneurial behavior. Moreover, it is important to understand entrepreneurial determination since it encompasses the entrepreneurial process in its entirety. Determination also triggers individual actions while conducting business activities (e.g., preplanning by entrepreneurs prior to executing activities in order to determine their effectiveness).

III. THE IMPORTANCE OF ENTREPRENEURIAL DETERMINATION AMONG STUDENTS

The marketability and employability of university graduates can be bolstered by educators through meaningful efforts to foster a culture of entrepreneurship in higher education. Furthermore, with respect to knowledge, academic skills, and soft skills, the competency of graduates is not commensurate with market needs. Nooriah, Zakiah, and Noraini [4] reported that at the Universiti Sains Malaysia, Universiti Utara Malaysia, and Universiti Malaysia Perlis, only 724 students possessed sufficient confidence to acquire a job after graduating; this was attributable to their soft skills and high degree of employability. Nevertheless, the perceptions of students such as those in the aforementioned sample should be refined to focus not only on procuring employment after graduation, but also job creation. Given that most of these students had inadequate confidence and/or employability, it can be assumed that their desire to become entrepreneurs was similarly low.

In the future, there will be a greater need for Malaysian and Indonesian university graduates to become involved in entrepreneurship and job creation in their respective communities. Entrepreneurial determination is typically accompanied with adequate planning and actions that will positively affect one's ability to successfully pursue a business venture. In the present case, entrepreneurial success is influenced by education; indeed, entrepreneurship education is key to encouraging students to become entrepreneurs. Moreover, it can be provided indirectly through soft

skills and extracurricular activities in formal courses at any Malaysian or Indonesian university.

IV. CURRENT PROBLEMS IN MALAYSIA AND INDONESIA

In mobilizing physical resources such as raw materials and machinery, human capital is a country's most valuable asset, which can be enhanced and increased in worth through investment. Moreover, a country's economic strength is highly dependent on human capital [5]. Investment in human capital can be achieved by means of education, job training, healthcare, immigration, and research concerning costs and income [6]. Such investments not only increase one's revenue and foster individual growth, but also a nation's overall economic development.

Through the Eleventh Malaysia Plan [7], special attention has been afforded to human capital in order to ensure that it develops according to the country's growth. In addition, the number of public/private universities and colleges in Malaysia has increased dramatically: as of 2015 there were 20 and 53 Department of Public Service-recognized public and private universities, respectively, although the precise figures are in the hundreds [8]. Given this surge in the establishment of universities and colleges, the number of higher-education graduates has also increased, thereby creating an imbalance between supply and demand for labor, a condition that has been confirmed by the Ministry of Higher Education [9].

The aforementioned high unemployment rates among graduates can also be attributed to Malaysia's present economic standing, as it was negatively impacted by a recent economic downturn. Whereas employment in the public sector is decreasing, the private sector is unable to sufficiently provide work to graduates. Further, the demand for fresh graduates has decreased, with the ratio of the labor force to the number of graduates being 1:9 [10]. Hence, many graduates are seeking suitable jobs with salaries commensurate to their academic qualifications. Even though 42% of Malaysians believe in pursuing entrepreneurship [11], most individuals who do so are not salaried workers during that time, whether in the public or private sectors.

The scenario in Indonesia is similar, where the government has taken various steps to increase interest in entrepreneurship among youths (e.g., exposing students to knowledge and skills related to entrepreneurship at the primary and high school levels). Despite these efforts, most young people prefer pursuing traditional jobs that are perceived as more secure. This is compounded by pressure from parents, who encourage their children to seek employment in the government sector, as it is deemed more prestigious and less risky. Moreover, vocational school graduates are often unprepared to open their own businesses, and instead seek salaried employment [12]. Indeed, according to the Pekanbaru Labor Department [13], 10,998 higher-education graduates have registered with career services as of 2014.

Regardless of efforts made by both countries (e.g., offering incentives to university graduates, provisioning of funds, entrepreneurship education/training programs), Indonesia and Malaysia have failed to produce a substantial number of graduates who become entrepreneurs. Hence, this study examines entrepreneurial determination among university students; in doing so it attempts to identify (a) the level of entrepreneurial determination among Malaysian and Indonesian students, and (b) differences in entrepreneurial determination according to demographic factors.

V. METHODOLOGY

Questionnaires were distributed to 87,572 students at five research universities in Malaysia, and to 61,407 students at six universities in Pekanbaru, Indonesia [13]. The sample was selected randomly according to Krejcie and Morgan's [14] research, which comprised 389 Malaysian and Indonesian university students.

The questionnaire was written in Malay and Indonesian; it was adapted from Zaidatol Akmaliah [3], Mazura [15], and Sukarni [16], and divided into two parts. Part A contained items pertaining to demographics, whereas those in Part B focused on entrepreneurial determination specifically, and were based on a five-point Likert scale in which 1 = strongly disagree and 5 = strongly agree. The instrument's validity was verified in a pilot study conducted previously in both countries, wherein at 0.60 it exceeded the minimum reliability value of 0.30.

VI. OVERVIEW OF SAMPLE

The final sample comprised 778 respondents (see Table 1). Of those from Malaysia, 185 (47.6%) and 204 (52.4%) were male and female, respectively; 229 (58.9%) were aged between 18–21, 154 (39.6%) between 22–25, and 6 (1.5%) over 26. Among the Indonesian respondents, 202 (51.93%) and 187 (48.07%) were male and female, respectively; 333 (86.8%) were aged between 18–21, 45 (11.5%) between 22–25, and 6 (1.7%) over 26. Hence, there was a greater number of female respondents from Malaysia, whereas there were more students aged between 22–25 among students from Indonesia.

Table 1: Student Demographics

	Malaysian		Indonesian	
	n	%	*n*	%
Gender				
Male	185	47.6	202	51.93
Female	204	52.4	187	48.07
Age				
18–21	229	58.9	333	86.8
22–25	154	39.6	45	11.5
26+	6	1.5	6	1.7
TOTAL	**389**	**100**	**389**	**100**

VII. RESULTS AND DISCUSSION

Determination is important in the formation of new organizations [2]. Moreover, when one is committed to a goal, he or she will adjust their behaviors accordingly [17]. By examining entrepreneurial determination at the individual level, it is possible to ascertain one's ability to pursue business ventures. Table 2 [18] shows how mean scores derived from questionnaire responses were used to discern participants' entrepreneurial intentions.

Table 2: Interpretations of Mean Scores

M	Entrepreneurial Intentions
1.00–2.00	Low
2.01–3.00	Moderately Low
3.01–4.00	Moderately High
4.01–5.00	High

A. Levels of Entrepreneurial Determination Among Malaysian and Indonesian students

As shown in Table 3, entrepreneurial determination among respondents from both countries was moderately high. The item with the highest mean score from the Malaysian participants was item 10 (i.e., "I want to become a boss/leader in my own organization" [$M = 4.14$]), thereby matching the results of Ekpoh and Edet [19], who determined that students desired to identify bosses within themselves that they could ultimately become. The aforementioned results indirectly indicate that the present study's participants disliked being shackled, favored independence, and preferred to lead. Conversely, items 6 and 7 (i.e., "I have seriously thought about starting a business" and "I will start my own business in the next five years") had the lowest mean values (3.41).

For the Indonesian students, item 9 (i.e., "I wish to own a business in the future") was the highest rated (4.10); in contrast, item 6 had the lowest mean score (3.54). Although respondents from both countries differed with respect to their highest rated item, their results were nearly identical for items 6 and 7. These results corroborate the research of Wijaya [12], who found declining interest in entrepreneurship among graduates.

Table 3: Means and Standard Deviations for Entrepreneurial Determination

Item	Statement	Malaysia			Indonesia		
		M	SD	Level	*M*	SD	Level
1	I will pursue entrepreneurship as a career choice	3.71	0.79	Moderately High	3.90	0.67	Moderately High
2	I prefer to be an entrepreneur rather a salaried employee at a company	3.66	0.83	Moderately High	3.80	0.74	Moderately High
3	I am prepared to do anything to become an entrepreneur	3.54	0.82	Moderately High	3.82	0.69	Moderately High
4	I will strive in all respects to start my own business	3.68	0.78	Moderately High	3.74	0.67	Moderately High
5	I have a strong will to start my own business	3.58	0.85	Moderately High	3.67	0.77	Moderately High
6	I have thought seriously about starting a business	3.41	0.82	Moderately High	3.54	0.82	Moderately High
7	I will start my own business in the next five years	3.41	0.84	Moderately High	3.55	0.79	Moderately High
8	I will start my own business in the next 10 years	3.85	0.79	Moderately High	3.84	0.89	Moderately High
9	I hope to own a business in the future	4.02	0.77	High	4.10	0.76	High
10	I want to become a boss/leader in my own organization	4.14	0.79	High	4.09	0.80	High
Average		**370**	**0.56**	Moderately High	**3.84**	**0.60**	Moderately High

B. Differences in Entrepreneurial Determination According to Demographic Factors

In examining demographic factors that affect differences in entrepreneurial determination between Malaysian and Indonesian students, the authors conducted a *t*-test, and in doing so focused solely on gender (see Table 4). The results revealed a significant difference between genders with respect to entrepreneurial determination ($t = 95$, $p < 0.01$), a finding that corroborates Hawa's [20] research. Male respondents in the present study possessed a higher level of entrepreneurial determination when compared to their female counterparts, thereby matching the findings of Ekpoh and Edet [19] and Wilson, Kickul, and Marlino [21].

Table 4: *T*-test Results for Entrepreneurial Determination According to Gender

Country	*n*	*M*	SD	*df*	*t*	Sig. *p*
Malaysia						
Male	185	3.57	0.68	387	2.95	0.00**
Female	204	3.37	0.65			
Indonesia						
Male	202	3.89	0.77	388	2.07	0.15
Female	187	3.87	0.68			

*$p < 0.01$

According to Wilson *et al.*[21], women are often less keen to pursue entrepreneurship owing to insufficient self-confidence. Likewise, respondents in Ekpoh and Edet's study believed that entrepreneurial careers were more masculine in nature, and therefore best suited to

men. Hence, stereotypes are a significant obstacle that prevent women from pursuing entrepreneurship. Nonetheless, the two aforementioned assertions contradict the Indonesian students' responses, as no significant differences were identified between genders. In that respect, the present study's findings support Norasmah and Halimah's [22] research, wherein gender did not affect entrepreneurial determination. It remains unclear, however, why there was not a similar outcome among the Malaysian respondents.

CONCLUSION

Entrepreneurship can produce greater individual achievement and economic growth at the national level. Moreover, increased determination can prompt individuals to make behavioral changes, which will in turn enable them to pursue a given goal [23]. Thus, students who possess entrepreneurial determination are more likely to become entrepreneurs; likewise, entrepreneurs are more likely to possess greater levels of determination. Entrepreneurship education is therefore key to both motivating students and increasing their entrepreneurial commitment. In addition, exposure to entrepreneurship ought to enable students to cope with competitive situations, including the procurement of employment following graduation. In sum, entrepreneurship education curricula in higher education should focus on nurturing attitudes that are conducive to entrepreneurship.

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