EFFECT OF SKILL ACQUISITION ON ENTERPRISE CREATION AMONG MALAYSIAN YOUTHS

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Abstract: This study aims at investigating whether moderating factors such as self-motivation and social influence could hinder skill acquisition from resulting to enterprise creation among Malaysian university graduates. A survey, and proportionate stratified random sampling method, was adopted to collect data from a sample of 240 youths in Malaysia peninsula. Data were analyzed using descriptive statistics and hierarchical regression methods. One of the results reveals that self-motivation moderated between skill acquisition and enterprise creation among the youths. The study recommends that more counseling from parents, universities, governments and other stakeholders be given to youths to engender greater interest in enterprise creation.

Key words: skill-acquisition, self-motivation, social-influence, enterprise-creation, Malaysian-youths

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Introduction

Many countries of the world have come to realize the import of entrepreneurship in economic development through creativity, innovation, job creation and contribution to gross domestic product. In line with this, Malaysian government has initiated various enterprise development programs to encourage her citizens, especially the youths, to venture into enterprise creation. Such programs include the introduction of entrepreneurship courses into the curriculum of many tertiary educational institutions in the country. This is due to the fact that skill acquisition has been proved to lead to enterprise creation in many countries of the world (Ekpe et al., 2012).

However, despite the government’s effort in this regard, enterprise creation among Malaysian youth graduates is still at a low level (Abdullah et al., 2009). This study intends to investigate, among others, factors that could be responsible for this low interest in enterprise creation among the youths?

Though studies (e.g Ikegwu, 2014) exist that measured skill acquisition and enterprise creation; however, scarcity of study exists that measures the moderating influence of self-motivation and social influence on skill acquisition and enterprise creation, especially in Malaysia. This is because negative self-motivation (Ekpe et al., 2012) and social influence (Udida et al., 2012) could hinder skill acquisition from resulting to enterprise creation among youths. Again, poor societal

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perceptions about enterprise creation mostly come from social networks such as friends, family members, role models and advisors (Mayer et al., 2007) and this can hinder skill acquisition from maturing into enterprise creation.

**Literature Review**

**Skill acquisition**: Corporate leaders in the industry, business and government have come to realize the importance of skill training in stimulating enterprise development as well as enhancing business success. This resulted from the scholastic argument that entrepreneurs are made or born (Abdullah et al., 2009). Skill training also helps to develop human capital (Ikegwu, 2014). With the exception of Dasmani (2011) which found a low correlation between entrepreneurial skills and paid employment; other studies have established a significant positive influence of entrepreneurial skill training and tertiary education on enterprise creation (Amadi, 2012; Stohmeyer, 2007). Again, other researches done in Nigeria and Germany respectively found similar results (Ikegwu, 2014; Stohmeyer, 2007). Therefore, we hypothesize that:

**H1**: Skill acquisition is positively related to enterprise creation among youths.

**Self-motivation**: Enterprise creation depends on one’s prepared mindset or intentions, and this depends on one’s personality and abilities (Majumdar, 2008). A positive influence between skill acquisition and enterprise creation has been established in literature (Kickul et al., 2007; Stohmeyer, 2007). However, self-motivation can hamper skill acquisition from leading to enterprise creation (Udida et al., 2012); hence the inclusion of moderator in this study (Baron and Kenny, 1986). Therefore, we hypothesize that:

**H2**: Self-motivation moderates the relationship between skill acquisition and enterprise creation among youths.

**Social influence**: Society’s perception about, and attitude towards, entrepreneurship is poor (Mayer et al., 2007); whereas perceived social environment had positive impact on students’ entrepreneurial intentions in China (Yun and Yuan-qiong, 2010). A relation was found to exist between social norms and entrepreneurial intention (Ajzen, 1991). On the other hand, Nasurdin et al. (2009) found that social identity did not have any significant relationship with entrepreneurial intentions in Malaysia. The inconsistency in these studies suggests a moderator (Baron and Kenny, 1986). Therefore, we hypothesize that:

**H3**: Social influence moderates the relationship between skill acquisition and enterprise creation among youths.

**Underpinning Theory**: In order to provide a solid foundation for the variables in this research, the study developed a Conceptual Framework tied to Ajzen (1991) Theory of Planned Behavior and Shane’s Model of Entrepreneurship Process.
Methodology

Survey Procedures

A quantitative approach with proportionate stratified random sampling, and structured mailed questionnaires, of entrepreneurship university graduates who had received skill training on business start-up was adopted. The country was stratified into three regions for this study. Then, simple random sampling was applied on each institution’s sample members to select the respondents. Data analysis was done using descriptive statistics and hierarchical regression.

The population for this study was the degree graduates who studied entrepreneurship from Malaysian public universities from year 2006 to 2009. They were contacted through their contact addresses and phone numbers with their university alumni. The benchmark of year 2009 was chosen because previous studies have found that five years period was enough for aspiring entrepreneur to start business after graduation (Stohmeyer, 2007); or after work experience (Ikegwu, 2014). The sample size was determined in line with Israel (1992) based on Yamane (1967) formula for a known population (n = N/1+N (e)^2). With a total population of 600 students from the three university business faculties, a sample of 240 students was chosen. However, data for 121 respondents were usable for the analysis.

Data Cleaning

This study employed a series of data screening approach including detection and treatment of missing data, outliers, normality and multicollinearity. After keying in the data and running the descriptive statistics (frequency), it was discovered that there was no missing data. For outliers, the table value of chi-square statistics was used as a benchmark to determine the optimal values for the predictor variables at p < 0.001, and normality at p < 0.05 corresponding to z-score 1.96, as suggested by Hair et al., (2010).

Measures

Skill training was measured as skill acquisition, general or business training (Kickul et al., 2007). Self-motivation was measured as determination to succeed (Osunloye, 2008). Social influence was regarded as influence of friends, families, role models and advisors, and the measures were adapted from Kennedy et al. (2003). Enterprise creation was defined as the tendency to engage in new business or business expansion (Tata and Prasad, 2008). All measures are tapped on a 4-point scale.

The principal component analysis (EFA) revealed that skill acquisition had total variance expected (TVE) as 78.33% and measure of sampling adequacy (KMO) as 0.929. Self-motivation had TVE as 64.57% and KMO as 0.789, while social influence had TVE as 77.21% and KMO as 0.732. Enterprise creation had TVE as 68.03% and KMO as 0.616.
After the principal component factor analysis (EFA), the data were standardized (mean of items) to become variables for subsequent analyses such as ‘reliability’. However, for hierarchical regression, the variables were centralized to avoid high multicollinearity (Aiken and West, 1991). Prior to hierarchical multiple regression, the independent variables were multiplied with the moderator to get the product of interaction terms. After EFA, reliability test was performed on the factors. All the factors were highly reliable, with Cronbach’s alpha ranging from 0.768 to 0.956 and mean from 2.99 to 3.82.

**Testing Hypotheses**

| Variables                      | Beta 1 (Step 1) | Beta 2 (Step 2) | Beta 3 (Step 3) |
|-------------------------------|----------------|----------------|----------------|
| **Independent Variable:**     |                |                |                |
| Skill Acquisition (SA)        | 0.292***       | 0.293***       | 0.398****      |
| **Moderator:**                |                |                |                |
| Self-Motivation (SM.1)        |                | 0.471****      | 0.315***       |
| (SM.2)                        | -0.113         | -0.013         |                |
| Social Influence (SI.1)       |                | 0.070          | 0.104          |
| (SI.2)                        | 0.008          | -0.036         |                |
| **Interaction Term:**         |                |                |                |
| SA*SM.1                       | -0.259***      |                |                |
| SA*SM.2                       |                | 0.054          |                |
| SA*SI.1                       |                | 0.174          |                |
| SA*SI.2                       |                | -0.125         |                |
| R Square                      | 0.085****      | 0.293****      | 0.364          |
| Adjusted R Square             | 0.078          | 0.262          | 0.313          |
| R Square Change               | 0.085          | 0.208          | 0.071          |
| F Value                       | 11.103         | 8.437          | 3.118          |
| Sig. F Change                 | 0.001****      | 0.000****      | 0.018**        |

DV = Enterprise creation. Note: *p<.10; **p<.05; ***p<.01; ****p<.001

Beta 1 (step 1) showed the direct influence of skill acquisition on enterprise creation. The R square was 0.085. In other words, this independent variable explained 8.5% of the variance in enterprise creation (R square change = 0.085, p < 0.01). The overall regression model was significant (Sig. F change = 0.000, R square = 0.085, F change = 11.103, p < 0.01). From the individual coefficients, skill acquisition (beta = 0.292, p < 0.01) was significant. This indicates that skill acquisition was a critical factor to youth’s enterprise creation. In beta 2 (step 2), when the moderators were entered, the R square was 0.293. This showed that total variance explained by the model as a whole became 29.3% (R square = 0.293, F change = 8.437, p < 0.001). The additional variables explained an additional 20.8% of the variance in enterprise creation, after controlling skill acquisition (R square change = 0.208). Again, the overall model was significant (Sig. F change = 0.000, p < 0.001). In beta 3 (step 3), when the interaction was performed, then R square became 0.364. This showed the total variance explained by the model.
as a whole was 36.4%. The interaction effect was noticed by the increase in R
square value by 7.1% (R square change = 0.071) which explained an additional
7.1% of the variance in enterprise creation (R square = 0.364, F change = 3.118, p
< 0.05). The overall model was significant (Sig. F change = 0.018, p < 0.05). This
showed that skill acquisition, self-motivation, and social influence have joint
positive influence on enterprise creation among the graduates.
Hypothesis 1 predicted a positive relationship between skill acquisition and
enterprise creation. The regression analysis result, Table 1 (step 1) revealed that
skill acquisition (beta = 0.292***, p < 0.01) had significant relationship with
enterprise creation among the graduates. Thus, hypothesis 1 was supported.
Hypothesis 2 predicted a moderating effect of self-motivation on the relationship
between skill acquisition and enterprise creation. The regression analysis result,
Table 1 (step 2) revealed that skill acquisition (beta = 0.293, p < 0.01) and self-
motivation (do not fear risk-taking) (beta = 0.471***, p < 0.001) had significant
relationship with enterprise creation among the graduates. However, in Table 1
(step3), when the interaction was performed, only self-motivation (do not fear risk-
taking) interacted with skill acquisition (beta = -0.259***, p < 0.01) to predict
enterprise creation among youth graduates. This proves that self-motivation
moderates the relation between skill acquisition and enterprise creation among
Malaysian youth graduates. Thus, hypothesis 2 was supported. Hypothesis 3
predicted social influence moderates the relationship between skill acquisition and
enterprise creation. Table 1 (step3), when the interaction was performed, social
influence did not interact with skill acquisition to predict enterprise creation among
the youth graduates. That is, social influence (beta = 0.174 and -0.125) had
insignificant relationship with enterprise creation among the graduates.

Discussion
The results are discussed in line with the objectives of the study earlier stated and
with previous studies in the field. For example, the descriptive statistics confirmed
that skill acquisition had a significant relationship with enterprise creation as it had
a higher mean value (M = 3.58, SD =0.97). The current findings support previous
studies (Ikegwu, 2014; Stohmeyer, 2007) that skill acquisition training had
significant relationship with entrepreneurial activity.
Regarding the nature of the relationship between skill acquisition and enterprise
creation, the regression result indicated skill acquisition (beta = 0.292***, p <0.01)
had significant positive effect on enterprise creation among Malaysian university
graduates. The current findings support previous works that skill acquisition
training has positive effect on enterprise creation (Ebong and Asodike, 2011;
Stohmeyer, 2007).
The findings also revealed that self-motivation moderated the relationship between
skill acquisition and enterprise creation among the youths. That is, self-motivation
interacted with skill acquisition (beta = -0.259***, p < 0.01) to predict enterprise
creation among the youths. This indicated that skill acquisition could only lead to
enterprise creation if the graduates are self-motivated. The study also found that most graduates did not venture into enterprise start-up due to lack of self-motivation occasioned by fear of failure risk, coupled with the fact that the government provides most jobs to graduate youths. The private sector also provides high-pay jobs to graduates. This low risk-taking propensity could probably be one of the reasons some of the graduates who could not secure better paid or government jobs decided to join their family businesses. The study also supported the fact that for entrepreneur’s intentions to lead to enterprise creation, it depends on his/her personality and abilities including hardwork (Majumdar, 2008; Udida et al., 2012). Similarly, this study also supported Dasmani (2011) who found that low self-confidence hindered youth’s employment in Ghana.

Furthermore, the final overall regression model was significant (Sig. F change =0.018, p < 0.05) which indicated that skill acquisition, self-motivation and social influence had joint positive effect on enterprise creation among the youths. Previous studies (e.g. Asikhia, 2010) have argued that social influence affects aspiring entrepreneur’s decision for enterprise creation; because society’s perception about and attitude towards entrepreneurship is poor (Mayer et al., 2007). In support of previous researches in other contexts (Ekpe and Mat, 2012; Yun and Yuan-qiong, 2010), this study found that social influence had positive relationship with enterprise creation. However; the second dimension of social influence (only start business if close friends agree) had insignificant relationship with enterprise creation among Malaysian youths. This also supported Nasurdin et al. (2009) who found that social identity (appreciation from family, friends and society if someone becomes an entrepreneur) did not have any significant relationship with entrepreneurial intentions in Malaysia. However, the most vital result in moderation is the interaction effect. In this study, the interaction between skill acquisition and social influence (beta = 0.174 and beta = -0.125 respectively) was insignificant; indicating that social influence did not moderate between skill acquisition and enterprise creation among Malaysian youths.

Conclusion

The study found that skill acquisition has positive effect on enterprise creation, and that self-motivation moderates between skill acquisition and enterprise creation among Malaysian youths. Also, the study discovers that most of the graduates have low risk-taking propensity. Again, it is observed that some students only go to universities to acquire academic degrees but their mindsets are difficult to change. As such, they are not mentally prepared for enterprise creation while teachers nowadays mostly focused on completing the syllabus as required by education authority. Similarly, university authorities and parents alike now emphasize learning outcome grades (As) instead of effort or ability to create value to the society. These factors have suppressed creative and analytical thinking and problem-solving skills among students who graduated to seek paid jobs at the expense of enterprise creation. Therefore, this study recommends that more
counseling is required from parents, universities, governments and youth organizations for attitudinal change in order to engender greater interest among youth graduates in enterprise creation and development in the country. This study was limited to Malaysian university graduates from business faculties. Future studies can investigate the variables’ relationships on youth graduates from other educational institutions, aside universities. A comparative study of respondents from university’s business and non-business faculties regarding skill acquisition and enterprise creation could also be carried out by future researchers.

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EFEKT ZDOBYWANIA WIEDZY NA TEMAT ZAKŁADANIA PRZEDSIĘBIORSTWA WŚRÓD MALEZYJSKIEJ MŁODZIEŻY

Streszczenie: Niniejsze opracowanie ma na celu zbadanie, czy moderujące czynniki, takie jak automotywacja i wpływ społeczny, mogłyby utrudnić nabywanie umiejętności prowadzących do kreowania przedsiębiorczości wśród absolwentów malezyjskich uczelni. Badanie i proporcjonalne rozwarstwona metoda losowego doboru, zostały przyjęte do zbierania danych z próby złożonej z 240 młodych ludzi na półwyspie malajskim. Dane zostały przeanalizowane przy użyciu statystyki opisowej i metod hierarchicznej regresji. Jeden z wyników wskazuje, że automotywacja jest miarkowana pomiędzy nabywaniem umiejętności i zakładaniem przedsiębiorstw wśród młodzieży. Badanie zaleca, że młodzieży powinno się zapewnić więcej poradnictwa ze strony rodzin, jak i profesjonalistów, aby pomóc im w tym procesie.
uniwersytetów, rządów i innych zainteresowanych stron, aby wzbudzić ich większe zainteresowanie w tworzeniu przedsiębiorstw.

Słowa kluczowe: nabywanie umiejętności, automotywacja, wpływ społeczny, tworzenie przedsiębiorstw, młodzież malezyjska

獲得技能對創建企業之間的馬來西亞青年才俊的影響

摘要：本研究旨在調查是否緩和等因素的自我激勵和社會影響力可以從導致企業創造馬來西亞的大學畢業生阻礙技能的獲得。一項調查顯示，和按比例分層隨機抽樣方法，獲得通過，從在馬來西亞半島240青少年樣本收集數據。使用描述性統計和分層回歸方法進行數據分析。結果之一表明，自我激勵技能採集和青年中創建企業之間的緩和。研究報告建議家長，大學，政府和其他利益相關者更多的諮詢給予年輕人以產生企業創造更大的興趣。

關鍵詞：技能採集，自我激勵，社會影響力，企業的創造，馬來西亞青年。