

## Factors Shaping Enterprise Creation Among Graduates

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### Abstract

This study explains factors that influence enterprise creation among graduates within a public university in Malaysia. The analysis of the data reflects the vision and mission of that university to promote entrepreneurial skills among its student. This study recognises four factors that influence students starting a business after graduation. These factors are; 1) individual's intention and characteristics, 2) family background, 3) culture and 4) financial resources. Individual's intention and characteristics expedite enterprise creation, while family background presents students' ability to participate in businesses. Culture draws upon cumulative knowledge, experience, belief and values that can cultivate a person's thought and mindset, meanwhile, financial resources draw upon financial assistance made available to students for starting-up enterprises. These factors were tested using regression coefficient, reliability and descriptive methods. This is to ensure data received are legit and valid to use for this study.

**Keywords:** Personalities; Family background; Culture; Financial resources and enterprise creation.



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### 1. Introduction

Entrepreneurship could be defined as a process to launch new ventures with an objective to the exploitation of opportunities and the subsequent creation of new economic activities (Reynolds *et al.*, 2005). Caliendo *et al.* (2010) see entrepreneurship is about risk-taking. Meanwhile, Thomas and Mueller (2000) indicated that the study of entrepreneurship must be developed to international markets to analyse the conditions and characteristics that spur on entrepreneurial activity in different countries and regions. To exploit this concept, governments especially in developing economies see the potential of local universities to produce graduate entrepreneurs. Indeed, the purpose of establishing entrepreneurial universities is to improve the visibility of entrepreneurship to students as a career option in future. The entrepreneurship programs which introduce work experiences of an entrepreneur has a significant influence on students toward an entrepreneurial career (Duval-Couetil and Long, 2014). Entrepreneurial universities are also active in bringing entrepreneurial experts to be students' mentors and role models for students to pursue a career in entrepreneurship after graduating. Meanwhile, universities' lecturer could act a lens for students to crystallise their business ideas before forming enterprises. Meanwhile, universities' lecturers could be a role model to the student to pursue a career in entrepreneurship after graduation. Hence, the teachers contributed to the students' career option (Maalu, 2012).

The second purpose of establishment of an entrepreneurial university is to exhibit those entrepreneurial competencies are a key component of enterprises' success and ideally, they need to be developed from an early age. Entrepreneurial competencies are the combination of knowledge, skills and attitude of the person (Kaur and Bains, 2013), an awareness of entrepreneurship can be nurtured from an early age. Students could develop their initiative, creativity, self-confident in becoming socially responsible entrepreneurs. The levels of education and entrepreneurship training programs are feasible determinants of perceived skills. The requirement of skills and capabilities help the entrepreneurs to survive and success of the business (Kaur and Bains, 2013).

Utmost, enterprise creation is one of the important parts to propel further economic development. The enterprise creation leads to the increased of local firms and again it is important for the local economy as it expands the number of suppliers of goods and services. For Malaysian economy, enterprise creation facilitates government's aspiration to empower local small and medium enterprises (SMEs). SMEs act as a way for fresh graduates to run a business as their choices after studies. This is because we know that SMEs enterprise is easier to start up either than another type of business. Enterprise creation in small businesses has given a lot of advantages such as developing a personal relationship. Therefore, positive and healthy relationships are able to build between employees and communities.

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Enterprise creation can develop this positive relationship through communication skills so that they can engage and co-operate with each other. Besides, enterprise creation in small business also gives them an independence attitude. This is because the entrepreneur will manage their own business alone so they will be carried a lot of responsibility to achieve success in future. The interaction between persons is important to build a strong relationship with businesses. Meanwhile, a medium enterprise is as a firm which employs between 50 to 199 employees in a single company (Jamil and Mohamed, 2011). In an opinion, SMEs is a business which the management is independent, usually, the owner will be the manager, the capital is offered and the ownership is by one or in a small group (Brunninge *et al.*, 2007).

## 2. Literature Review

Enterprise creation is planning, organizing, and establishing new organizations (Gartner, 1983). Enterprise creation is the key issue in entrepreneurship. The phenomenon involves interaction between the environment and individuals. Entrepreneurship as an organizational level phenomenon that focuses on innovation, risk-taking and proactiveness (Miller, 1983). In the beginning, it also focuses on the willingness of entrepreneurs to involve in calculated business risks (Brockhaus, 1980). The process of enterprise creation begins when the individual develops intent. In addition, individual's intent to create a venture precedes the search for and discovery of new venture opportunities (Krueger, 1993).

In Malaysia also reported that lack of funds is a barrier that faced by small and medium-sized companies (SMEs) (Edward and Chooi, 2007). It is unavoidable for an entrepreneur to meet the problem in accessing funds for business start-up (Cressy, 2002). Next is lack of social networking is also a barrier that faced by entrepreneurs based on the networking theory (Taormina and Kin-Mei Lao, 2007). Besides, when directly asked in interviews, potential entrepreneurs said that raising capital is their main problem to start up (Blanchflower and Oswald, 1998). Other barriers that involved in enterprise creation are lack of government assistance, lack of funds, infrastructure issues, lack of training, poor contract and property laws and corruption (Singh *et al.*, 2011).

As a conclusion, undergraduate students are young and may not have more experience and are revealing to take the risk. So that, there is a need to make more research on postgraduate students and this research can provide further insights and information on barriers that faced by them.

### 2.1. Factor of Personalities

The relationship between personality traits and enterprise creations have been addressed in entrepreneurship theory and research frequently (Verheul *et al.*, 2012). However, there are some studies which concluded that there is no such relationship. To provide evidence to this theory, Collins, Hanges and Locke have done meta-analyses recently to prove the predictive validity of impact of personality traits to enterprise creation (Collins *et al.*, 2004). Personality is defined as characteristics to manifest a certain type of response to various circumstances (Caprara and Cervone, 2000). According to Fritsch and Rusakova, personality can be conceptualized into characteristics (Fritsch and Rusakova, 2010). Personality traits are predictors or determinants of entrepreneurial behaviour (Caliendo *et al.*, 2014). These traits consist of several determinants such as achievement motivation, locus of control, and risk propensity.

According to David McClelland, achievement motivation has a significant influence on economic development and progress (McClelland., 1961). One of the most predominant predictors of enterprise creation will be achievement motivation (Begley and Boyd, 1987). Achievement motivation is those who are motivated by achievement where they are willing to work hard and push themselves to their limit of ability. Locus of control consists of proactiveness, action orientation, transformational leadership, high information-processing abilities (Wijbenga and van Witteloostuijn, 2007). Studies have shown that entrepreneurs tend to have strong internal locus control to deal with pressure in the working environment (Frank *et al.*, 2007). Those who believe they have the ability of control and understand the outcome of events are said to have the internal locus of control. They believe they can bring impact to the outcomes of their lives (Inegbenebor, 2007). Risk propensity has been known as a person's propensity to take or avoid risk. Risk taking is crucial in entrepreneurship because the entrepreneur is a person who is willing to take the uncertainty challenge (Tang and Tang, 2007). Few studies had indicated that entrepreneurs are willing to take a moderate risk in their business decisions by comparing with an extremely uncertain condition (Gurel *et al.*, 2010).

### 2.2. Factor of Family Background

A lot of studies have explained how the family background influences an entrepreneur to self-employed. Some researchers said there are several factors regarding the influence of the family on entrepreneurial behaviour. It can be explained how their parents trained them at home to develop children who have the high need for achievement, supportive, yet challenging environment and motivation (McClelland., 1965). Research shows that two personal characteristics influence children to entrepreneurial intention (Boissin *et al.*, 2009). There are gender and the entrepreneurial experience of the parents as the aspiring entrepreneurs. The influences of close family, close friends and role models are the main factor analysis of the influences individuals on start-up intentions. The theory of social norms has found that individuals are more easy to adopt and observed their behaviour of family, close friends and mentor. There are concerns on behaviour give a valued for them (Krueger *et al.*, 2000). Two aspects are most important to start-up business is the presence of entrepreneurial parents and gender (Boissin *et al.*, 2011).

Entrepreneurial intent and behaviour within one or a few different cultures may be affected by family or role models or parental experience (Van Auken *et al.*, 2006). The study examines that the presence of entrepreneurial gives impact to children in aspects transformation from intentions to actions (Henley, 2007). The research shows that result is a positive relationship between family models and the emergence of entrepreneurs. They have proven through parent's personal activities can influence children to in career decision and they prefer to work with their parents. In addition, children who get a social support from their family also have the intention to become an entrepreneur and start a business as a career decision. However, pressure from family, friends and people surrounding also influence children to start a business (Ajzen, 2001).

Studies also have explained a positive view of their family's business experienced may influence the individual to start a business as both desirable and feasible (Mohamed *et al.*, 2012). A family business is one of important factor need to give more concern in enhancing the development of entrepreneurship among family members (Mohamed *et al.*, 2012). Through this study, researchers found that who have intimacy with someone acquired with entrepreneurial experience are more likely to be self-employed. From that, parents can become as role models (Delmar and Davidsson, 2000) and transfer of entrepreneurial skills, level confidence to the children eventually to take over the firm (Westhead, 2003).

### 2.3. Factor of Culture

Culture is related to the characteristics and knowledge of a group of people. It is related by language, religion and social habits. Culture refers to the group as norms, beliefs, understanding and the value which the teams of organization think is the best matters that can influence in an organization (Daft, 2006). Culture will increase when clear organizational goals by all in the organization teams. Culture is a design to the external environment of expectations for learning by a group which can think, feel and perceive in an organization (Schein, 2010). Organization development can be developed through formal and informal processes by culture methods (Phanphae, 2011). The culture-level value of arrangement has shown to relate to a number of nation-level indicators, such as socioeconomic growth, gender equality, social and moral attitudes, justice views, and optimism (Vauclair *et al.*, 2011).

In the aspect of traditional designs of leadership and business management, in Malaysia, the cultural have a mix with ethnic and religious groups which creates a situation that seems to be involved (Lo *et al.*, 2010). The best well-known religions in Malaysia are Buddhism and Islam so that the models have helped to form Malaysian (Tajaddini and Mujtaba, 2009). In Malaysia, the main reasons for communication in the business situation are the trust and developing relationships (Tajaddini and Mujtaba, 2009). The businesses environment in Malaysia is related to the cultural value which is tolerance, harmony, saving face and courtesy (Tajaddini and Mujtaba, 2009). As a conclusion, culture is very important as a part of enterprise creation especially for the organization and personal. The understanding and influence of these cultures are needed to conduct organizational activities to ensure will receive the maximum impact on employee's performance. Thus, it will determine the success of an organization in a country.

### 2.4. Factor of Financial Resources

Financial resources are one of the determinants in influencing the enterprise creation of the graduates. According to the Jalali *et al.* (2004), 78 per cent of youth age between 15 to 24 years old strongly agree of the perception that the inadequate of financial resources is an obstacle to the enterprise creation. In South Africa, Maas and Herrington (2006) defined that limited financial support is the second major contributor to the low total entrepreneurship activity rate. Fatoki and Chindoga (2011) indicated that lack of financial ability for start-up process is a restriction to youth entrepreneurship. Moreover, Pretorius and Shaw (2004) reported the majority of entrepreneurial ventures was suffered from a shortage of financial resources and bring to the result of failure. In Nigeria, Awogbenle and Iwuamadi (2010) found out the insufficiently fund accessible as a major barrier to youth entrepreneurship. Based on the results collected from the researchers in different countries reflect the importance of financial resources to the new enterprises' creation.

In Malaysia, SMEs usually undertake challenges in accessing finance with lack of collateral and insufficient appropriate documents to support loan application (Haron *et al.*, 2013). SMEs are much harder than larger organizations to acquire financing from financial institutions (Haron *et al.*, 2013). SMEs name difficulties in access to finance, especially for start-up enterprise, deficient skill and knowledge, the absence of government program to develop the entrepreneurship (Kanchana *et al.*, 2013). The risk capital societies usually support communities and are not used to invest the small enterprises (Martins, 2004). The recent literature indicated the small and medium enterprises often face the problem of access to funds for business start-up and business investment. This reflects the fresh graduates from UMK who intended to create his or her own business will face the difficulties in obtaining financing from the financial institution to start the new venture.

According to Uddin *et al.* (2015), this study found out the 10 keys constraints to start-up finance. Uddin *et al.* (2015) make a survey to show the ranking in percentage about the 10 keys constraints to start-up finance among the young entrepreneurs. The highest percentage about 67 per cent of young entrepreneur agree that lack of personal savings and resources is a key constraint to start-up finance (Uddin *et al.*, 2015). Most of the young people are significantly vulnerable to financial shocks as they are lack of personal savings and resources (Dolphin, 2012). The high student-debt burdens impact the educators to make major life decisions and career option (Assistance, 2013). The graduates from UMK have to pay off their education loan debt such as PTPTN and face the high living cost in daily life. Hence, they are hard to accumulate a budget as start-up finance for new enterprise creation.

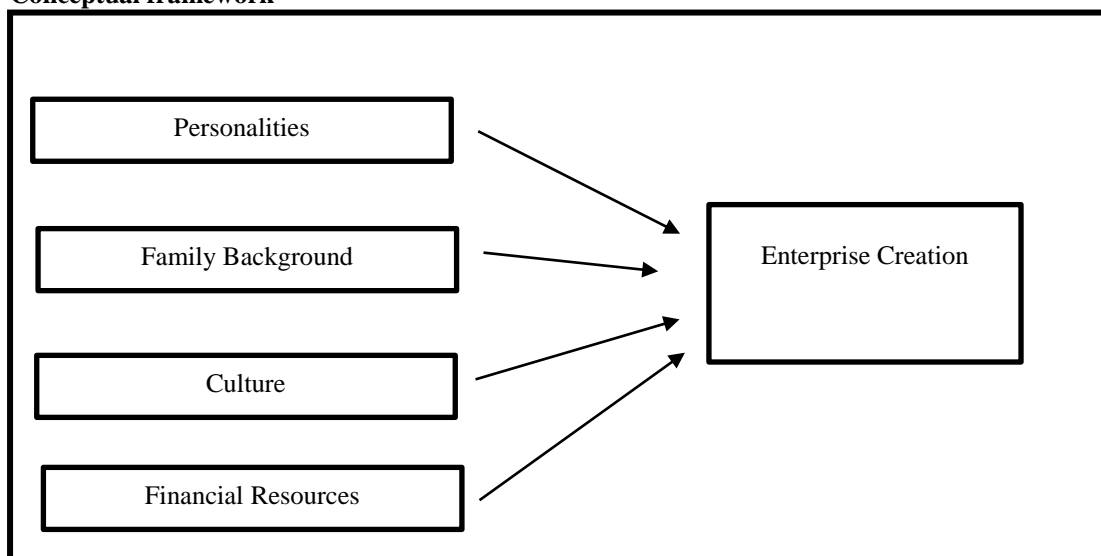
Furthermore, they are limited business experiences and skills (53 per cent), and this makes them in inadequate of securities and credibility (58 per cent) for debt financing (Uddin *et al.*, 2015). The young entrepreneurs often seen as non-creditworthy by conventional banks and required sufficient collateral to secure the loan (Uddin *et al.*, 2015). They face difficulties in meeting strict credit-scoring methodologies and regulations (43 per cent) and gave up the option of creating new enterprise due to the complex documentation procedures (35 per cent). They did not want to be restricted at the beginning with loan and high bank interests and fees. Next, the time needed for funding application involves a range of 30 days to 90 days was seen as a long waiting period (31 per cent) for a potential young entrepreneur (Uddin *et al.*, 2015). Due to lack of knowledge and information, young people are less awareness (22 per cent) about several types of fund and support programmes (Uddin *et al.*, 2015). They do not understand the benefits, possibilities, and drawbacks of different forms of fund offering.

According to Uddin *et al.* (2015), the study recorded the percentage of the following keys constraints that agree by the young people was low, the unfavorable firm characteristics and industry (16 percent), followed closely by legal status of enterprise (15 percent), while the least was inadequate of microlending with only 9 percent of young entrepreneur agree.

### 3. Methodology

This study aims to identify factors that influence enterprise creation among graduates of a public university in Malaysia – Universiti Malaysia Kelantan (UMK). This basic research uses quantitative data. According to Graneheim and Lundman (2004), quantitative research can be defined as the traditional approach to research that has its foundations in the philosophical paradigm for inquiry known as positivism. Determining sample size and dealing with non-response bias is essential within using a quantitative survey design. Using quantitative methods is their ability to use smaller groups of people to make conclusions about larger groups.

#### Conceptual framework



#### 3.1. Research Hypotheses

##### Hypothesis 1

H0: There is no relationship between personalities and enterprise creation among the university's graduates.

H1: There is a relationship between personalities and enterprise creation among the university's graduates.

##### Hypothesis 2

H0: There is no relationship between family background and enterprise creation among the university's graduates.

H2: There is a relationship between family background and enterprise creation among the university's graduates.

##### Hypothesis 3

H0: There is no relationship between culture and enterprise creation among the university's graduates.

H3: There is a relationship between culture and enterprise creation among the university's graduates.

##### Hypothesis 4

H0: There is no relationship between financial resources and enterprise creation among the university's graduates.

H4: There is a relationship between financial resources and enterprise creation among the university's graduates.

#### 3.2. Findings

The researchers utilised questionnaire method to gather the required data collection. The questionnaire was distributed to the target population which is graduates of UMK. The main reason because questionnaires are usually faster, accurate data and more privacy (Jones *et al.*, 2008). The respondents were also anonymous so that they did not have to concern about their private information uncovered. The ways that the researchers collected information from a large number of respondents among UMK graduates was deemed effective. The respondents required to complete the entire question in a time given. Closed-ended questions were established in the questionnaire. Besides,



that the respondents were also be given an option for providing additional answers or even comments. Statistical Package for the Social Sciences (SPSS) has been used to run correlation analysis from the collected data. SPSS can be simply defined as a general software package for statistical data analysis used in educational research (Muijs, 2010). SPSS has commonly used the software in illustrating the relationship between independent variables and dependent variable in several methods. It might not be the best software package, however, it is by far the most familiar statistical data analysis software.

### 3.2.1. Reliability Analysis

In reliability analysis, 30 respondents who were graduated from UMK has been randomly selected for reliability testing. The main purpose of reliability analysis is to measure the stability of the data that has been collected from the respondents. Besides that, it uses to help the researchers to estimate the reliability of the components for their study. As higher the reliability of the items, the more certainty the study could proceed. Reliability analysis will be determined through Cronbach's alpha which is used to measure the degree of internal consistency in order to generate a trustworthy result (Tavakol and Dennick, 2011). The range of alpha coefficient value is between 0 and 1 as listed in Table 1. All value of alpha coefficient should be exceeded the values of 0.70 has been suggested (Hair *et al.*, 2006). Moreover, the scale for the items will be considered as reliable, where the value is closer to 1.

**Table-1.** Rules of Thumb about Cronbach's Alpha Coefficient Sizes

Alpha Coefficient Range	Strength of Association
Below 0.6	Poor
0.6 to 0.7	Moderate
0.7 to 0.8	Good
0.8 to 0.9	Very Good
Above 0.9	Excellent

Source: From Analysis Carried Out By Authors

The result values of reliability test for dependent variable and independent variables were listed in Table 2. According to Hair *et al.* (2006), the results of Cronbach's alpha value exceeded 0.6 and thus the variables' result has been accepted. The analysed results for independent variables are personalities, family background, culture, and financial resources, while the dependent variable is enterprise creation. According to the reliability statistic in Table 2, the researchers determined that the coefficient Alpha for the reliability of dependent variable and independent variables is 0.853, which showed the stability of the overall variables is very good. Thus, this represents the 37 items of all variable are consistency and reliable over time.

For dependent variable, there are 7 questions were formed by using 5 points Likert Scale. From Table 2, the enterprise creation variable was showed the Cronbach's alpha value is 0.721. This Cronbach's alpha result was considered as well based on Table 2 Rules of Thumb about Cronbach's Alpha Coefficient Sizes. Thus, the result of reliability analysis for enterprise creation variable is reliable for further measurement. For the first independent variable, there are 7 questions were formed by using 5 points Likert Scale. From Table 2, the personalities variable was showed the Cronbach's alpha value is 0.805. This Cronbach's alpha result was considered as very good based on Table 2 Rules of Thumb about Cronbach's Alpha Coefficient Sizes. Hence, the result of reliability analysis for personalities variable is reliable for further measurement.

**Table-2.** Reliability Statistic for the Variable

Variable	Number of items	Cronbach's Alpha
Enterprise Creation (DV)	7	0.721
Personalities (IV <sub>1</sub> )	7	0.805
Family Background (IV <sub>2</sub> )	7	0.802
Culture (IV <sub>3</sub> )	8	0.775
Financial Resources (IV <sub>4</sub> )	8	0.703
All Variables	37	0.853

Furthermore, second independent variable consists of 7 questions and they were formed by using 5 points Likert Scale in this section. From Table 2, the family background variable was showed the Cronbach's alpha value is 0.802. This Cronbach's alpha result was considered as very good based on Table 2 Rules of Thumb about Cronbach's Alpha Coefficient Sizes. Hence, the result of reliability analysis for family background variable is acceptable for further measurement. For the third independent variable, there are 8 questions were formed by using 5 points Likert Scale. From Table 2, the culture variable was showed the Cronbach's alpha value is 0.775. This Cronbach's alpha result was considered as well based on Table 2 Rules of Thumb about Cronbach's Alpha Coefficient Sizes. Hence, the result of reliability analysis for culture variable is acceptable for further measurement.

Lastly, fourth independent variable consists of 7 questions and they were formed by using 5 points Likert Scale in this section. From Table 2, the financial resources variable was showed the Cronbach's alpha value is 0.703. This Cronbach's alpha result was considered as well based on Table 2 Rules of Thumb about Cronbach's Alpha

Coefficient Sizes. Hence, the result of reliability analysis for financial resources variable is reliable for further measurement.

### 3.2.2. Pearson Correlation

Correlation test can be defined as a test which measures the relationship between independent variables and dependent variable. In this research, the dependent variable was enterprise creation which known as Y and independent variables were personalities, family background, culture and financial resources which known as X. The objective of this test is whether the correlation is statically significant. Furthermore, it is used to identify the hypothesis should be accepted or rejected. Accordingly the significance level is 0.05, which mean 95 per cent of confidence level. If the relationship is significant, then the researcher must resolve on the level of acceptance. The table below showed the Rules of Thumb about Correlation Coefficient Size.

**Table-3.** Rules of Thumb about Correlation Coefficient Size

Pearson Coefficient Value (r)	Description
0.91 to 1.0 / -0.91 to -1.0	Very strong
0.71 to 0.90 / -0.71 to -0.90	High
0.41 to 0.70 / -0.41 to -0.70	Moderate
0.21 to 0.40 / -0.21 to -0.40	Weak
0.01 to 0.20 / -0.01 to -0.20	Very weak

Source: From Analysis Carried Out By Authors

Table 3 summarizes that the Rules of Thumb about Correlation Coefficient Size to characterize the strength of the Correlation between variables based on the size of the Correlation Coefficient. The Correlation Coefficient or known as r, range from 1.0 to -0.1. For instance, the value of r is 1.0, there is the perfect positive relationship. If the value is -0.1, there is the perfect negative relationship. However, there is no relationship between the variable will be indicated when the value of r is 0.

**Table-4.** Summary of Pearson Correlation

		MEAN_DV	MEAN_PER	MEAN_FB	MEAN_CUL	MEAN_FLR
MEAN_DV	Pearson Correlation	1	.391**	.311**	.441**	.068
	Sig. (2-tailed)		.000	.000	.000	.212
	N	337	337	337	337	337
MEAN_PER	Pearson Correlation	.391**	1	.367**	.618**	.168**
	Sig. (2-tailed)	.000		.000	.000	.002
	N	337	337	337	337	337
MEAN_FB	Pearson Correlation	.311**	.367**	1	.466**	.296**
	Sig. (2-tailed)	.000	.000		.000	.000
	N	337	337	337	337	337
MEAN_CUL	Pearson Correlation	.441**	.618**	.466**	1	.236**
	Sig. (2-tailed)	.000	.000	.000		.000
	N	337	337	337	337	337
MEAN_FLR	Pearson Correlation	.068	.168**	.296**	.236**	1
	Sig. (2-tailed)	.212	.002	.000	.000	
	N	337	337	337	337	337

### 3.3. Personalities

From the result shown in Table 4, it is found that the personalities (iv 1) have a weak significant positive with enterprise creation. This implies that personalities (0.391) have weak effects on enterprise creation among graduates of UMK. There was a significant correlation between personalities and enterprise creation ( $P < 0.05$ ). In addition, the weak relationship exists between personalities and enterprise creation, the significant relationship had also satisfied hypothesis  $H_1$ , therefore  $H_1$  is supported.

$H_1$  There is a significant and positive relationship between personalities towards enterprise creation.

### 3.4. Family Background

From the findings, it is found that the family background (the second independent variable) has a weak significant positive with enterprise creation (the dependent variable). This implies that family background (0.311) have weak effects on enterprise creation among graduates of the university. There was a significant correlation between family background and enterprise creation ( $P < 0.05$ ). In addition, the weak relationship exists between family background and enterprise creation, the significant relationship had also satisfied hypothesis  $H_2$ , therefore  $H_2$  is supported.

$H_2$  There is a significant and positive relationship between family background towards enterprise creation.

### 3.5. Culture

This research suggests that the culture (the third variable) has a moderate significant positive with enterprise creation (dv). This implies that culture (0.441) have moderate effects on enterprise creation among graduates of the university. There was a significant correlation between culture and enterprise creation ( $P < 0.05$ ). In addition, the moderate relationship exists between culture and enterprise creation, the significant relationship had also satisfied hypothesis  $H_3$ , therefore  $H_3$  is supported.

$H_3$  There is a significant and positive relationship between culture towards enterprise creation.

### 3.6. Financial Resources

This study suggests that the financial resources (the fourth variable) have a very weak significant positive with enterprise creation (dv). This implies that financial resources (0.068) have very weak effects on enterprise creation among graduates of the university. There was a significant correlation between financial resources and enterprise creation ( $P < 0.05$ ). In addition, the very weak relationship exists between financial resources and enterprise creation, the significant relationship had also satisfied hypothesis  $H_4$ , and therefore  $H_4$  is supported.

$H_4$  There is a significant and positive relationship between financial resources towards enterprise creation.

## 4. Discussion

The aim of this study has been to determine the factors influencing enterprise creation among a university's graduates (i.e. Universiti Malaysia Kelantan). For this purpose, it examines the relationship between the determinant factors and the enterprise creation among the university's graduates. The result shows most of the respondents are between 26 to 29 years. Since most of the respondents are aged between 26 to 29 years old, this does not mean that the entrepreneurship graduates had no intention to become an entrepreneur as they are still considered as fresh graduates that graduated for two to four years, they are identifying opportunities and accumulating wealth for new venture establishment. According to [Abdullah et al. \(2008\)](#), the finding supports the notion that the Malaysian graduates from entrepreneurship universities do not transit into self-employment practice five years after graduation in order to exploit business opportunities. According to [Stomeyer \(2007\)](#), well-trained entrepreneurs take minimum five years period to transform themselves into active entrepreneurs. Besides that, the findings also complement a study by [Szerb and Imreh \(2007\)](#) that indicated those graduates able to understand their occupation preferences to transit into an entrepreneurial position or work for others as an employee after five years graduation. It also corroborates with a study by [Levesque and Minniti \(2006\)](#) that showed the higher the probability of an individual to become an entrepreneur while they reach a certain age between 35 to 44 years old and decreases thereafter, this reflected there was linked between the previous study and the expectation of the researchers.

Enterprise creation could influence the career option of the graduates after they completed their study in UMK. Undeniably, some potential employers prefer to employ qualified candidates by offering attractive job positions in order to lower the training costs at job entry. Thus, the potential employer may influence the decision of graduates when choosing either to be a job creator or a job seeker. In contrast, the researchers expected that graduates who have taken entrepreneurship education are more ambitious to become an entrepreneur ([Mukhtar et al., 2017](#)). Through the improvement of entrepreneurship mindset of the graduates that fostered by the university, this increases their creativity and self-confidence in enterprise creation. In addition, our government is strongly supporting the young entrepreneurs by providing funds, facilities and counsellor programs in order to help these entrepreneurs to succeed in their business and improve the national economic development. Hence, the encouragement by government and university increase the enterprise creation possibility of entrepreneurship graduates. According to [Boyd et al. \(2015\)](#), this study determined personalities, family background, culture, and financial resources have been contributed to enterprise creation.

Personalities variable was the first factor influenced the enterprise creation among graduates. Based on the findings, they were in an agreement with the statements of the questionnaire such as high confidence, risk taker, never give up and conscientiousness. This reflects their personality traits can be developed by inborn fostering, socialization and education ([Nga and Shamuganathan, 2010](#)). The entrepreneurship programs of UMK are emphasized through a course to help graduates work in interdisciplinary teams to develop their business ideas by implement business concepts while they were a student. This develops the graduates' personalities to be more innovative, creative and risk-taking which behave like an entrepreneur. From the study, researchers have indicated that graduates among UMK were most confident in creating a business. According to [Ismail et al. \(2009\)](#), the authors showed there is a positive relationship between personalities and enterprise creation as the personality of an individual has influenced the intention to involve in entrepreneurship programs. Thus, the personality is an important factor in influencing a graduate to become a successful entrepreneur.

Family background was the second independent variable influenced the enterprise creation among graduates. According to the data view, most of the graduates agreed to the statements of family background section. This demonstrated a graduate who was early exposure to entrepreneurship and experience in the family business involvement would have an impact on their attitude and intention towards entrepreneurship. [Mustapha and Selvaraju \(2015\)](#) hypothesized that the involvement in family business has a positive impact on graduates' entrepreneurial inclination. Conversely, not every graduate of UMK came from a business family. The encouragement and approval from family would pursue a graduate to start an entrepreneurial career. [Shittu and Dosunmu \(2014\)](#) state that family background has a significant impact on the entrepreneurial intention of graduates, this showed the enterprise creation has been directly affected. Based on the explanation of [Shittu and Dosunmu \(2014\)](#), the way of communication

patterns of the parents and grandparents who have adequate business experiences are capable of promoting strong entrepreneurship preference to their grandchildren.

The culture was one of the influential factors to the enterprise creation among graduates. Majority of the respondents having a moderate understanding of cultural and agreed that the national culture could shape the entrepreneurial intention of graduates. The researchers concluded that cultures which encourage the entrepreneurship values like high autonomy, self-efficacy, risk-taking, and achievement will result in a high firm-formation rate in comparison with the cultures that never emphasize these values. Based on the study of Souitaris *et al.* (2007), the cultural background could affect a person who involves in a positive networking environment to become an entrepreneur. Meanwhile, cultural background of the country could influence the behaviour of graduate to act as an entrepreneur to participate in entrepreneurial activities that focus on particular aspects of entrepreneurship (Books, 2012). Therefore, the values that have been learned by the graduates from the entrepreneurial programs and activities will affect the formation of a business to show whether to be the formal or informal structure in the country (Books, 2012).

Financial resources were the final crucial factor that influenced the enterprise creation among graduates. According to the analysed result, there was a lot of the graduates agreed that the insufficient funds, lack of financial knowledge and information were the main challenges for starting a business. Most of the graduates consented that they prefer to get financial support from family instead of taking a risk to borrow loan from financial institutions for business start-up. This showed the stringent conditions attached to loan diminished the entrepreneurial intention of graduates who do not have financial support by family. According to Ndigah *et al.* (2015), the study demonstrated that the relationship between financial resources and enterprise creation was a strong positive relationship. The study of Uddin *et al.* (2015) showed the highest percentage of constraint that agreed by young entrepreneurs was lack of personal savings and resources to start up business, and this was matched with the finding of this study that demonstrated the mean value with 3.49 for the item which represented a high interpretation and positive trend.

## 5. Conclusion

In conclusion, economies in Malaysia nowadays growing rapidly and now becoming the centre of new business opportunities. International investors also want to visit Malaysia and invest their money and a joint venture with the existing company. Personality's traits in graduates of UMK develop them to become more innovative, creative and risk-taking. The researcher also found without high-level confidence and never give up easily, graduates can't become as well as entrepreneur graduates. The graduates should follow Big Five Factors to enhance their team spirit and responsibility to start-up enterprise creation. Meanwhile, family background gives big impact to graduates venture into business. Graduates need social support from their family such as sharing their experience, entrepreneurial intention, initiate financial support and their skill how to manage a business in a good way. Even graduates not from the family business but if their family support them, they will have high intention to enterprise creation. Culture also encouraged them to involve in entrepreneurship. Majority of them understand and agreed culture are the important factors that need to consider before they venture into business. As we know, in Malaysia culture is the main impact to approach business. The graduates need to do analysis and identify culture in Malaysia to fulfil what they want so graduates can meet success. Financial support is the important factors need to be considering among graduates. The graduates need to have sufficient money, knowledge about financial, how to maintain their profit and challenges in business. Based on data obtained, most of them got financial support from family and making a loan from financial institutions. But it's hard for them to make a loan from the bank. This factor showed a very weak positive relationship. A government need to do something to help graduates for encouraged them in enterprise creation. In the end, it will increase their awareness of entrepreneurial intention.

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