



3rd Global Conference on Business and Social Science-2015, GCBSS-2015, 16-17 December
2015, Kuala Lumpur, Malaysia

The Influence of Psychosocial Factors on Entrepreneurial Quality among Graduate Entrepreneurs.

Shamsul Huda Binti Abd Rani *

College of Business, Universiti Utara Malaysia, 06010, Sintok, Kedah Darul Aman, Malaysia.

Abstract

This study investigates the influence of psychosocial factors (social support, work experience and mentoring) on entrepreneurial quality among graduate entrepreneurs. In order to gain sustainable growth, entrepreneurial quality is viewed as a crucial factor which affects the business potential such as in overcoming barriers as well as increasing the business survival (Darroch & Clover 2005). PLS analysis shows that in terms of the relationship between construct, the findings revealed that the psychosocial factors of social support and mentoring influenced the development of entrepreneurial quality among graduate entrepreneurs. Therefore, several ways are suggested in fostering entrepreneurial quality among graduate entrepreneurs

© 2016 The Authors. Published by Elsevier Ltd. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of the Organizing Committee of the 3rd GCBSS-2015

Keywords: Graduate entrepreneurs, entrepreneurial quality, psychosocial factors, social support, work experience, mentoring.

1. Introduction

Entrepreneurial quality has been identified as the reason for most of business failure in Previous studies discovered that most of business failures were due to the lack of entrepreneurial quality (Raduan, Kumar & Yen 2006). This explains why entrepreneurial quality has become the central investigation in entrepreneurship studies (Kuip & Verheul 2003; Litunen 2000). Entrepreneurial quality as part of the quality of human capital development has become the critical element and the basis for the nation development (Norashidah 2008). The Prime Minister of Malaysia, Dato' Seri Najib Tun Razak believes the graduates must be at the forefront of the Economic New Model (ENM))order for

* Corresponding author. Tel.: +6-013-4804142
E-mail address: shuda@uum.edu.my

Malaysia to become a developed nation in 2020. Under that proposition, Ministry of Higher Education is geared towards producing quality graduate entrepreneurs through various programs and activities.

2. Literature review

2.1 Entrepreneurial quality

Entrepreneur is defined as individual with unique values, attitudes and needs which drive and differentiate this individual from others (Koh 1996). It is believed that certain quality is needed to take up the role as entrepreneur; therefore attention is given to research on entrepreneurial quality (Littunen 2000). The process of entrepreneurship will not be materialised if the entrepreneurial quality, both personality and behavioural attributes, are not present (Hill, Gowan & Drummond 1999). Research on entrepreneurial quality has become an interest in the field of entrepreneurship. Previous researchers defined entrepreneurial quality in several ways. In defining the concept of entrepreneurial quality, the previous researchers looked at entrepreneurial quality from various perspectives. The GEM report shows that the level of business failure is higher among graduates in comparison to non-graduate entrepreneurs. Based on statistics, the levels of business survival and failure are closely related to the entrepreneurial quality possessed by the graduate entrepreneurs. The level of business failure for graduate entrepreneurs is 2.3% whereas the level of business failure for non-graduate entrepreneur is 1.7% (Kwong, Evans & Brooksbank 2006). The issue of entrepreneurial quality possessed by graduate entrepreneurs becomes the main reason of the higher business failure rate among graduate entrepreneurs than non-graduate entrepreneurs (Kwong et.al 2006). Other than that, graduate entrepreneurs also face performance issue by which their economic contribution appears modest (Kwong et. al 2006). Therefore, based on the report, a study focusing on entrepreneurial quality among graduate entrepreneurs should be conducted to further investigate the issue of entrepreneurial quality in graduate entrepreneurs to eventually explain this issue and provide more related information.

2.2 Graduate entrepreneur

Entrepreneurship education is one of the ways to promote entrepreneurship to young people (Utusan Malaysia 2009). Many efforts, especially for graduates, are done in order to encourage and develop entrepreneurship. Higher education sector in Malaysia plays the most critical role in nation transformation in contributing to develop quality human capital. In fact, Higher Education Entrepreneurial Development Policy has been established in developing a more holistic entrepreneurship development in local higher education institutions in producing quality human capital with entrepreneurial qualities to achieve the national transformation gearing towards higher income economy in the year 2020 (Dasar Pembangunan Keusahawanan IPT 2010). To date the government of Malaysia has taken various efforts in producing more graduates to be future entrepreneurs. This is done by offering well-planned formal and informal entrepreneurial programs for graduates (Mohamed Khalid 2011).

2.3 Psychosocial factors

Psychosocial factor is presented as an integration of psychology and social factors. Several research have been conducted on the psychosocial factors which have been proven to have a relationship with individual quality (Alam et.al 2011 and Eshbaugh 2010). Kram and Isabella (1985) claimed that psychosocial factors can influence individual at a personal level by building self worth both inside and outside organization. According to Berk (2007), psychosocial factors focus on how society shapes and influences a person's personal development and the quest for identity. As this study looks at graduate entrepreneurs, several psychosocial factors related to graduates are identified as the antecedents of entrepreneurial quality.

2.4 Work experience

Work experience has been identified as an essential mean in acquiring attitudes and abilities. Work experience also can help a person to provide a unique knowledge and reputation to the firm (Barreira 2004). In entrepreneur context,

Download English Version:

<https://daneshyari.com/en/article/1108070>

Download Persian Version:

<https://daneshyari.com/article/1108070>

[Daneshyari.com](https://daneshyari.com)