

Entrepreneurship and Enterprise : The Influence of Work Experience on Enterprising Tendency - An Empirical Evidence

MOHD. SALLEH HJ. DIN
Graduate School,
Universiti Utara Malaysia,
Sintok 06010 Jitra,
Kedah, Malaysia.

ABSTRAK

Penyelidikan ini meninjau pengaruh jenis pengalaman bekerja ke atas kecenderungan keusahawanan di kalangan pelajar perniagaan di peringkat pengajian tinggi. Hasil penyelidikan ini menunjukkan bahawa kebanyakan pelajar tidak mempunyai pengalaman bekerja secara tetap selepas pendidikan peringkat sekolah menengah. Mereka yang mempunyai banyak pengalaman bekerja secara tetap mempunyai lebih kecenderungan keusahawanan daripada mereka yang mempunyai sedikit pengalaman. Walau bagaimanapun, hasil penyelidikan ini menunjukkan bahawa tiada hubungan di antara pelajar yang berkecenderungan keusahawanan dengan mempunyai pekerjaan tetap di dalam sektor profesional dan awam. Di sebaliknya pula, hasil penyelidikan ini menunjukkan bahawa mereka yang mempunyai pekerjaan tetap di dalam perniagaan kecil dan besar lebih berkecenderungan keusahawanan dari mereka yang tidak mempunyai pengalaman berkenaan. Penemuan ini menunjukkan pentingnya beberapa jenis pengalaman bekerja, seperti bekerja dalam perniagaan kecil dan besar, dan patut diutamakan dalam program pembangunan keusahawanan.

ABSTRACT

This research explores the influence of different types of work experience on business students' entrepreneurial tendency in higher education. The research reveals that the majority of the students had not had any permanent full-time job experience after their secondary education. Those who had experience of a greater number of permanent full-time jobs were found to be more enterprising than those who had a lesser number. However, the result indicates that there was no association between students' enterprising tendency and having had permanent full-time jobs in small and large private professional practices and public sector organisations. On the other hand, the results reveal that those who had had permanent full-time jobs in small business organisations are likely to be more enterprising than those who had not. These findings suggest the importance of certain types of work experience, such as working in small and large business organisations, which should be highlighted in enterprise and entrepreneurship development programmes.

INTRODUCTION

Entrepreneurship and enterprise have been recognised as crucial to the national development of developed, as well as, developing countries like Malaysia (Malaysia, 1991). Timmons (1989) suggests that "there is increasing evidence that successful entrepreneurs emerge from a combination of work experience, study and the development of appropriate skills", while Cannon (1991) contends that enterprise can be learnt and harnessed. There is, however, very little research done on the influence of different

types of work experience on students' entrepreneurial tendency. Hence, the purpose of this research is to explore the influence of different types of work experience on business students' entrepreneurial tendency.

THEORETICAL BACKGROUND

The knowledge and research findings available in entrepreneurship and enterprise are still in the early stages (Kuratko and Hodgetts, 1989). Nevertheless, the approaches to an understanding of the concept of entrepreneurship may be

categorized into several major schools of thought. The first is the environmental school of thought which suggests that external factors influence the emergence of entrepreneurship. For example, Cochran (1949) highlights the importance of cultural themes and sanctions in encouraging entrepreneurship. In addition, this particular school of thought suggests the importance of work experience in influencing entrepreneurship.

The second is the displacement school of thought, whereby individuals will not likely undertake a venture unless they are prevented from pursuing other things. Ronstadt (1984) suggests three forms of displacement, namely: political displacement, cultural displacement and economic displacement. The second school of thought does not appear to disregard the importance of previous work experience on the emergence of entrepreneurs. The third school of thought in entrepreneurship is the entrepreneurial trait school of thought which suggests that there are key common traits of successful entrepreneurs (Sexton and Bowman, 1986).

The Entrepreneur and Enterprising Characteristics

There are various definitions of entrepreneur in the literature. For the purpose of this research and following from the work of McClelland (1961), entrepreneur is defined in terms of someone who displays a distinctive set of enterprising attributes. Reviewing the literature on the characteristics of entrepreneurs and enterprising individuals, Caird (1990a, 1990b) appears to support the view of Gibb (1987), Scott (1988) and Cannon (1991) that entrepreneurs and enterprising individuals share some common characteristics. While Hj. Din and Gibb (1991) suggest that working alongside entrepreneurs may enhance an individual's enterprising characteristics, Cannon (1991) goes on to suggest that these characteristics can be developed. However, Hj. Din and Gibb (1991) argue that in developing students' enterprising characteristics higher education needs to pursue an "enterprise approach" to entrepreneurship education. What are the types of work experience that influence students' enterprising characteristics? This is the key research question in this study.

Hypotheses

The research question can be translated into the following null hypotheses:

H1: There is no association between enterprising tendency and the number of permanent jobs experienced.

H2: There is no association between enterprising tendency and having permanent job experience in public sector organisations.

H3: There is no association between enterprising tendency and having permanent job experience in large business organisations.

H4: There is no association between enterprising tendency and having permanent job experience in voluntary organisations.

H5: There is no association between enterprising tendency and having permanent job experience in large private professional practice.

H6: There is no association between enterprising tendency and having permanent job experience in small private professional practice.

H7: There is no association between enterprising tendency and having permanent job experience in small business organisations.

METHODS

The Sample

Through random sampling, a sample of 393 students was selected from a total of 1570 business school students in three higher educational institutions in Malaysia in 1991. These institutions conduct business programmes and are supported by a centre for entrepreneurship or small business development.

The Measure

Information on student backgrounds was collected by questionnaires. Information on a measure of enterprising tendency had to be collected via a special test instrument. The test instrument selected was the General Enterprising Tendency (GET) Test which was developed by Durham University Business School and had been validated with a number of different

groups of persons (Caird, 1988). The test instrument was also tested for its validity and reliability in Malaysia (Hj. Din, 1992). Moreover, the test instrument had been used in research for entrepreneurship and small business in Ireland (Cromie and O'Donaghue, 1992) and had been noted as useful for "distinguishing between entrepreneurial attributes of three groups of individuals: entrepreneurs, managers and undergraduates" (p. 71).

The definitions of small business and small private professional practice were problematic because of the criteria or criterion used in measuring smallness. The criteria used may include employment size, paid-up capital, fixed assets, the involvement of owner manager or the professional, or combinations of any of them and may vary from one industry to another (Chee, 1986). Even measured by employment size, there seems to be no agreement on the number of employees a business or private professional practice must have in order to be categorised as small. For the purpose of this study, small businesses are those with less than 100 employees. With regard to the definition of small private professional practice, discussions with a number of private professional practices in accounting and legal professions in Malaysia resulted in an agreement on an appropriate definition of small private professional practice. For the purpose of this paper, small professional practice is defined as a professional organisation with less than 20 employees.

The Analytical Techniques

The enterprising tendency was categorised as either high or low according to their GET Test score. The Spearman Correlation Coefficient between students' enterprising tendency and the number of permanent jobs experienced was employed in testing the first hypothesis. The Chi-Square test was then utilised to test the other hypotheses.

RESULTS AND DISCUSSIONS

A majority (52.7 per cent, N=207) of students had not had any permanent job experience after their secondary education (TABLE 1). Permanent job experience means having a full-time job. The table also shows that approximately three out of ten (29.3 per cent, N=115) students had had one permanent job; 11.7 per cent (N=46) had had two permanent jobs; and 6.4 per cent (N=25) had had three or more permanent jobs after their secondary education.

Findings suggest that those who had experience of a greater number of permanent jobs were more enterprising than those who had a lesser number. To test the first hypothesis the Spearman Rank Correlation Coefficient was employed and the Spearman Correlation Coefficient of 0.3750 ($P=0.000$) suggested that there was a positive relationship between students' enterprising tendency and their number of permanent jobs.

TABLE 1. Students and Their Number of Permanent Jobs Since Secondary Education

Number of Jobs	Frequency	Percent	Cumulative Percentage
0	207	52.7	52.7
1	115	29.3	81.9
2	46	11.7	93.6
3	16	4.1	97.7
4	3	0.8	98.5
5	6	1.5	100.00
Total	393	100.0	
Spearman Rank Correlation Coefficient		Significance	
0.3750		0.000	

TABLE 2 . The Relationship Between Students Enterprising Behaviour and Having Permanent Job Experience in Various Types of Organization.

Experience in :	Low Enterprising Tendency	High Enterprising Tendency	Row Total	Chi-square	D.F	Significance
a) Public Sector :						
No	201 59.6%	136 40.4%	337 85.8%	0.91935	1	0.3376
Yes	29 51.8%	27 48.2%	56 14.2%			
b) Large Business :						
No	215 60.7%	139 39.3%	254 90.1%	6.29132	1	0.0121*
Yes	15 38.5%	24 61.5%	39 9.9%			
c) Voluntary Organization :						
No	229 58.9%	160 41.1%	389 99.0%			
Yes	1 25.0%	3 75.0%	4 1.0%			
d) Large Professional Practice :						
No	219 59.2%	151 40.8%	370 94.1%	0.73130	1	0.3925
Yes	11 47.8%	12 52.2%	23 5.9%			
e) Small Professional Practice :						
No	222 59.5%	151 40.5%	373 94.9%	2.22913	1	0.1354
Yes	8 40.0%	12 60.0%	20 5.1%			
f) Small Business :						
No	216 68.1%	101 31.9%	317 80.7%	60.3956	1	0.0000 *
Yes	14 18.4%	62 81.6%	76 19.3%			

*P < 0.05

Although it had been found earlier that an individual who had experienced a permanent job was likely to be more enterprising, however having permanent job experience in the public sector was not found to be related to students' enterprising tendency. Of those who had permanent job experience in public sector organisation, 48.2 per cent (N=27) were highly enterprising (TABLE 2). On the other hand, of those who did not have such experience, 40.4 per cent (N=136) were also highly enterprising. The Chi-square value of 0.91935 ($P=0.3376$), which was less than the critical value at the 0.05 significance level and 1 degree of freedom, suggests that there was no association between students' enterprising tendency and having had a permanent job experience in public sector organisations.

Apparently, students' enterprising tendency was associated with having had permanent job exposure in large business organisations. Of those who had permanent job experience in large business organisations, 61.5 per cent (N=24) were highly enterprising (TABLE 2). On the other hand, of those who did not have the experience, 39.3 per cent (N=139) were also highly enterprising. The Chi-square value of 6.29132 ($P=0.0121$) between the two variables, was greater than the critical value at the 0.05 significance level and 1 degree of freedom. Thus, it can be concluded that there was an association between students' enterprising tendency and having had permanent job experience in the large business organisations.

Although there were students who had had permanent jobs in voluntary organisations, the number (N=4) was, too small for a meaningful statistical interpretation of the result (TABLE 2). Nonetheless, it was noted that of the four students who had permanent job experience in voluntary organisations, three were highly enterprising. On the other hand, of those who did not have experience in voluntary organisations, 41.1 per cent (N=160) were also highly enterprising. Although the majority of those who had working experience in voluntary organisations were highly enterprising, the number of those who had such experience is too small to infer (statistically) that those who had such experience were likely to be highly enterprising.

With regard to the fifth hypothesis, the

findings suggest that the null hypothesis cannot be discounted. Of those who had had permanent jobs in large private professional practices, 52.2 per cent (N=12) were highly enterprising (TABLE 2). Conversely, of those who did not have such experience, 40.8 per cent (N=151) were highly enterprising. The Chi-square test produced the Chi-square value of 0.73130 ($P=0.3925$), which was less than the critical value at the 0.05 significance level and 1 degree of freedom. Hence, the result indicates that there was no association between students' enterprising tendency and having had permanent jobs in a large private professional practice.

Although the majority of students who had permanent job experience in small private professional practices were highly enterprising, the result suggests that there was no association between having had permanent job experience in small private professional practice and an individual's enterprising tendency. TABLE 2 shows that 60.0 per cent (N=12) of the students who had permanent job experience in a large private professional practice were highly enterprising. Whereas, of those who did not have such experience, only 40.5 per cent (N=151) were highly enterprising. To test the sixth hypothesis that there was no association between students' enterprising tendency and having permanent job experience in small private professional practice, the Chi-square value of 2.22913 ($P=0.1354$) was less than the critical value at the 0.05 significance level and 1 degree of freedom. The test result suggests that there was no association between students' enterprising tendency and having had a permanent job in a small private professional practice.

Those who have had permanent jobs in small business organisations are likely to be more highly enterprising than those who have not. With regards to the last hypothesis, the cross-tabulation table (TABLE 2) shows that 81.6 per cent (N=62) of those who had a permanent job in a small business were highly enterprising. As a matter of fact, of those who did not have such experience, only 31.9 per cent (N=101) were highly enterprising. The Chi-square results revealed that, at 0.05 level of significance and 1 degree of freedom, the Chi-square value of 60.3956 ($P=0.0000$) was greater than the critical value. Thus, it can be

concluded that there was an association between students' enterprising tendency and having permanent job experience in small business.

CONCLUSIONS

Although direct relationship between the number of permanent jobs experienced and students' enterprising tendency is not necessarily causal, the research suggests the importance of much permanent work experience to his or her enterprising tendency. However, not all types of work experience appear to have the same influence on students' enterprising tendency. The research lends support to the possibility of developing enterprising characteristics via work experience in both small and large business organisations. However, the findings do not indicate an association between students' high enterprising tendency to his or her permanent work experience in public sector organisations, small private professional practice and large private professional practice.

Implications

There are some major implications arising from this exploratory research.

The importance of certain types of work experience, such as working in small business organisations, should be highlighted in enterprise and entrepreneurship development programmes. In addition, the amount of exposure via a number of different organisations seems to have an influence on the development of enterprising characteristics. It therefore, suggests that the experience derived from a number of different small and large business organisations appears to be more useful in the development of enterprising characteristics than having an experience in one organisation.

REFERENCES

- Caird, S. (1988). Report on the Development and Validation of a Measure of General Enterprising Tendency (DUBS Occasional Paper).
- Caird, S. (1990a). What Does It Mean to be Enterprising, *British Journal of Management*, 1.
- Caird, S. (1990b). Enterprise Competencies: An Agenda for Research, *Journal of European Industrial Training*, 14 (7).
- Cannon, T. (1991). *Enterprise: Creation, Development and Growth*, Oxford: Heinemann.
- Chee, P.L. (1986). *Small Industry in Malaysia*, Kuala Lumpur : Berita Publishing.
- Cochran, T.C. (1949). *Role and Sanction in Entrepreneurial History*, in Harvard University Research Center in Entrepreneurial History, Change and the Entrepreneur (Cambridge, Mass : Harvard University).
- Cromie, S. & O'Donoghue, J. (1992). Research Note: Assessing Entrepreneurial Inclinations, *International Small Business Journal*, 10 (2).
- Durham University Business School . (1988). General Enterprising Tendency (GET) Test.
- Gibb, A.A. (1987). Enterprise Culture: Its Meaning and Implications for Education and Training, *Journal of European Industrial Training*, 11 (2).
- Hj. Din. M.S. (1992). The Development of Entrepreneurship and Enterprise in Higher Education in Malaysia, PhD. Thesis, University of Durham.
- Hj. Din. M.S. & Gibb, A.A. (1991). Universities, Small Businesses and Entrepreneurship Education, *Small Enterprise Development - An International Journal*, 1(4).
- Kuratko, D.F. & Hodgetts, R.M. (1989). *Entrepreneurship: A Contemporary Approach*, New York : The Dryden Press.
- LeVine . (1966). *Dreams and Deeds: Achievement Motivation in Nigeria*, Chicago : Chicago Univ. Press.
- McClelland, D. C. (1961). *The Achieving Society*, Princeton, N.J ; Von Nostrand.

- Ronstadt, R. (1984). *Entrepreneurship*, Dover, MA: Lord Publishing.
- Scott, M.G. (1988). Changing the Culture of Higher Education, Paper Presented to The Industrial Society Conference "Enterprise in Higher Education", London, March.
- Sexton, D.L. & Bowman, N.B. (1986). Validation of a Personality Index: Comparative Psychological Characteristics Analysis of Female Entrepreneurs, Managers, Entrepreneurship Students and Business Studies, in Ronstadt, R. et al, (eds), *Frontiers of Entrepreneurship Research*, 1986 (Wellesly, Mass : Babson College).
- Timmons, J.A. (1989). *The Entrepreneurial Mind*, Andover, Mass: Brickhouse Publishing Company.