

Exploring the Challenges of Engaging in Entrepreneurial Activities among Undergraduate Students: A Case Study in Malacca

Wan Aisyah Amni Binti Wan Mohamad Saferdin, Khalijah Binti Mohd Nor, Aida Nur Binti Mohd Kodri, Siti Nurul Akma Binti Ahmad, Rizuwan Bin Abu Karim *

Universiti Teknologi MARA (UiTM), Kampus Alor Gajah, Melaka
rizuwan305@uitm.edu.my

Muhammad Hafizi Bin Zamri

Universiti Teknologi MARA (UiTM), Kampus Puncak Perdana, Selangor

Zulkefli Muhamad Hanapiyah

Universiti Teknologi MARA (UiTM), Kampus Jasin, Melaka

** Corresponding Author*

Abstract

Purpose: In academic research, many studies are done to highlight issues faced during business start-ups, like limited resources among young entrepreneurs. However, very few studies were conducted to determine challenges faced undergraduate entrepreneurs. Students who have involves themselves in entrepreneurship at their universities have indeed gone through challenge along the way. Thus, the aim of this study is to explore the challenges of engaging in entrepreneurial activities among undergraduate students in Malacca.

Design/methodology/approach: The qualitative research method was used in this study. The information was gathered through semi-structured interviews. The interview session included 15 undergraduate students at a Malaysian public university in Malacca as a sample of study. The interview transcripts were analysed using thematic analysis (TA).

Findings: The results of this study have identified a number of challenges encountered by undergraduate students as they engage in entrepreneurship. Knowledge, financial, time, facility, location, competition and mentoring are challenges encountered by undergraduate's students while doing entrepreneurship activities.

Research limitations/implications: The limitation of this study is that the participants are only from Malaysia public university in Melaka only.

Practical implications: This finding is expected to contributes to economic growth and innovation within the region, as entrepreneurial ventures often lead to job creation and the development of new products and services.

Originality/value: This study serves as a guideline for educational institutions, government agencies, industry stakeholders to provide a sustainable mechanism and strategy for future entrepreneurial activities in higher education institutions.

Keywords: Undergraduate Student, Challenge, University, Entrepreneurship, Higher Learning Institution

Introduction

In Malaysia, the Ministry of Higher Education has mandated that all students in public Higher Education Institutions (HEIs) must study entrepreneurship subjects. This requirement is part of

the Higher Education Entrepreneurship Development Policy, which was introduced on April 13, 2010, by the Ministry of Education (MOE). The primary goal of implementing this policy is to create more comprehensive and well-structured entrepreneurship programs within HEIs. Specifically, the policy aims to produce graduates with strong entrepreneurial skills and mindset, as well as to increase the number of graduates who become entrepreneurs, thus playing a pivotal role in driving economic transformation in the country (Rahim et al., 2015)

In 2016, the Ministry of Higher Education (MOHE) introduced the Entrepreneurship Action Plan for Higher Education Institutions (2016-2020) with the objective of fostering entrepreneurship education and development within academic institutions. The primary aim was to cultivate entrepreneurial thinking and behaviours among all students and individuals aspiring to become graduate entrepreneurs (Sani, 2018). This initiative encompassed four key components, which included the promotion of impactful educational practices, the establishment of a framework for job creation, enhancements to the support system for student entrepreneurs, and the reinforcement of competencies among educators teaching entrepreneurship. Furthermore, the Malaysia government has launched the National Entrepreneurship Policy 2030 (NEP 2030). It aims to empower the culture of entrepreneurship among youth.

As per Rahim et al.'s findings in 2015, the entrepreneurship education in Malaysia appeared to be on a positive course. Within the university environment, students were actively encouraged to engage in classroom discussions and partake in various entrepreneurship-related activities, such as training programs, seminars, short courses, conferences, and entrepreneurial events. These initiatives were put in place with the anticipation that a higher number of graduates would choose the entrepreneurial path, and that their ventures would thrive. However (Hashim et al., 2022) stated that despite these encouraging observations, the actual number of graduates venturing into entrepreneurship remains relatively low. Furthermore, Ridzwan and Rahman (2017) mentioned only 20 percent of young entrepreneurs achieve success in entrepreneurship activity which indicated that success rate for young entrepreneurs in Malaysia is still low. In academic research, many studies are done to highlight issues faced during business start-ups, like limited resources among young entrepreneurs (Hulsink & Koek, 2014; Ridzwan et al., 2017). However, very few studies was conducted to determine challenges faced undergraduates entrepreneurs (Jayabalan et al., 2022). Many questions arise about the main obstacles that they encounter and how they resolve them in order to grow their business. Thus, in this study, researchers will explore the challenges of engaging in entrepreneurial activities among undergraduates students: A Case Study in Malacca.

Literature Review

Entrepreneurship can be defined as the course of identifying opportunities in the market place, perpetrating actions, and necessary resources to exploit the opportunities for long term personal gain (Uddin & Bose, 2012). According to Asamani and Mensah (2013), entrepreneurship is defined as “the process of creating something new with value by devoting necessary time and effort, assuming the accompanying financial, psychic, and social risk, and receiving the resulting rewards”.

Every business, regardless of the entrepreneur's background, encounters challenges. To venture into entrepreneurship, there are several barriers that young entrepreneurs should overcome (Bizri et al., 2012). Sandhu et al., (2010) believes these barriers are global as they exemplify

the challenges both in developed and developing countries. Munaiwa (2013) supports that the challenges facing young entrepreneurs are similar globally.

Lack of experience and technical knowledge stifle the spirit of entrepreneurship in many students as they fear competition from already established entrepreneurs (Watiri, 2012). Other research studies, such as Bizri et al. (2012), have also highlighted the challenges of limited market opportunities and stiff competition from established businesses as major impediments to student entrepreneurship. In certain contexts, student entrepreneurs find themselves in markets dominated by monopoly businesses, which makes it exceptionally challenging for them to expand their ventures, as discussed in Munaiwa (2013).

Furthermore, the absence of vital market information has adversely affected these young entrepreneurs, leaving them vulnerable to exploitation by more knowledgeable individuals who purchase their products at discounted rates, only to resell them at higher prices to end-users (Munaiwa, 2013).

Another significant hurdle faced by student entrepreneurs is the negative perception surrounding their products and services. There is a common perception that students offer lower-quality goods and services in the market, resulting in difficulties in attracting buyers (Munyanyi, 2013).

In Bindura Zimbabwe, Kabonga and Zvokumba (2021) observed that student entrepreneurs were facing several challenges such as limited capital to expand their business, time management since it conflicts with studies, lack of student mentoring, lack of support from established business people, lack of entrepreneurial skills and low numbers of customers.

A study by Moy, et. al. (2001) advocated that exogenous and endogenous factors are the main challenges or obstacles faced when starting and sustaining new ventures among students. Among them are: high labour cost, high interest rate, strict government regulation (exogenous factors) and lack of managerial experience, lack of technical knowledge, excessive risk (endogenous factors). These obstacles are found to be similar to that of the study by Ooi and Ahmad (2012) where they found that 153 Universiti Utara Malaysia's undergraduate students faced obstacle and challenge such as financial and operational problems seemingly impede their effort to involve in entrepreneur activities.

Entrepreneurs must prepare to face these difficulties head-on and keep an open mind (Noor & Ayob (2021). It has been determined that a number of challenges confronting entrepreneurs include a lack of funding to manage the business and lack of knowledge. However, research by Kozan et al. (2006) agreed that for many small business owners, "financing difficulties hindered technological improvement and resource aggregation." Young entrepreneurs are likewise faced with similar circumstances. According to a study by Lorrain and Laferté (2006), managing the business and finding financial resources are the two biggest obstacles that new entrepreneurs must overcome.

Jayabalan et al. (2020) was conducted an exploratory study on challenges of undergraduate's entrepreneurs: a case study in Malaysia. A qualitative method was used in their study. Ten undergraduates participated in the study, who were chosen purposively as they were actively involved in business sectors. The findings indicate there were five crucial challenges faced by

undergraduates in venturing into business: social rejection, facing criticism, financial constraints, dealing with stress and self-doubt, and facing age stereotypes.

Method

Participant

For this research, undergraduate's students at a Malaysian public university in Malacca were interviewed. These participants were considered particularly valuable sources of information on the study's subject matter due to their firsthand experience engaging in entrepreneurial activities (Creswell, 2011, Creswell, 2014). The selection of participants in this study was carried out using a snowball sampling technique. Snowball sampling is a non-probability sampling technique commonly used in qualitative research to identify and recruit participants, especially when the population of interest is hard to reach or less visible. This method is often employed when there is no comprehensive list or clear boundaries for the population being studied. Snowball sampling relies on referrals from initial participants to find additional participants, creating a "snowball" effect (Sekaran & Bougie, 2016)

Design

According to Oparaocha and Pokidko (2013), qualitative research is an appropriate method for capturing information that goes beyond numerical data, including the experiences of participants. Given that this study aims to investigate the challenges confronted by students in entrepreneurship education, it employed a semi-structured interview approach. This approach facilitates flexible and open-ended conversations between the researchers and participants, allowing for in-depth analysis of the issues and challenges faced by students enrolled in entrepreneurship programs (Oparaocha & Pokidko, 2013). Through this type of interview, the researchers were able to gather spoken information and also capture non-verbal cues that are present in face-to-face communication, as highlighted by Saunders et al. (2012). This technique enables various participants to offer their perspectives on the topic and emphasize details they consider significant (Charmaz, 2006). The researchers designed and utilized the following interview protocol during the semi-structured interviews.

Interview Protocol

Based on Oparaocha and Pokidko (2013), the researchers have structured their interview as follows:

Table 1: Interview Phase

No.	Phase	Purpose
1	Initial contact by phone or email	a) Making short introduction of the researchers. b) Introducing the identified participants to the research by informing them about research on entrepreneurship education program. c) Placing request to interview the identified participants.
2	Confirmation of interview (phone/email)	a) Making gentle reminder about the time for interview. b) Informing the participants about the content of the interview: best and worst times
3	First phase of the interview	a) Initiating the interview session by doing warm-up with the participants. — “ <i>Tell us a bit about yourself</i> ” question.

		<p>b) Gathering information on memorable events and incidents during their involvement in entrepreneur activity.</p> <p>c) Placing supportive questions to the participants - "<i>Why</i> and <i>How</i>"- for deeper reflection</p>
4	Break	a) Serving coffee or tea with snacks.
5	Second phase of the interview	a) Soliciting meaning on the information provided over the subject-in-question from the participant's current life- stage.
6	Wrap-up	<p>a) Gathering additional comments from the participants.</p> <p>b) Allowing each to elaborate any information they provided earlier.</p>

Data Analysis

The data in this study underwent analysis using thematic analysis (TA). As outlined by Braun and Clarke (2014), TA is an appropriate method for examining qualitative data with a practical focus, such as practices or policies. It serves as a valuable tool for systematically examining extensive datasets due to its well-structured guidelines, allowing for the extraction of core information from the collected data (Nowell et al., 2017).

The analysis of this study followed the six-stage process proposed by Braun and Clarke (cited in Howitt & Cramer, 2017). Initially, researchers familiarized themselves with the data by repeatedly reviewing the transcriptions of the ten interviews. This iterative process aimed to identify recurring patterns or information that surfaced consistently across multiple reviews.

Following this, segments of data from the ten transcriptions were initially assigned codes to condense key elements of the texts. Subsequently, codes with shared meanings were grouped together to form overarching themes. Researchers repeated this process to ensure that coding similarities were coherent and transparent.

The identified themes then underwent further refinement and repetitive inspection to ensure a close alignment between each piece of data and the respective themes. Subsequently, both themes and sub-themes were identified, labelled, and subjected to another round of scrutiny before being included in the final report.

The finalized themes are presented in the findings section of this study.

Discussion

Respondents' Profile

Table 1 depicted respondents' profile in this study. There are 15 undergraduate students participated in this study consisting 10 (66.67%) female and 5 (33.3%) male. These respondents were enrolled in diploma (33.3%) and degree (66.67) programs. In term of years of establishment engaging in entrepreneurs' activities, it ranges from 1 to 2 years (73.3%), 3-4 years (20%) and 5-6 years (6.7%). The respondents were engaged in various entrepreneurship activities, including selling personal accessories (20%), cloth (13.33%), food only (33.3%) and food and beverages only (33.3%)

Table 2: Respondents' Profile

Gender	Figure & Percentage
Male	5 (33.3%)
Female	10 (66.7%)
Education Level	
Diploma	5 (33.3%)
Degree	10 (66.7%)
Years of Establishment	
1-2 Years	11 (73.3%)
3-4 Years	3 (20.0%)
5-6 Years	1 (6.7%)
Type of Business	
Personal Accessories Only	3 (20.0%)
Cloth Only	2 (13.4%)
Food Only	5 (33.3%)
Food and Beverages Only	5 (33.3%)

Challenges in Entrepreneurship

The results of this study have identified a number of challenges encountered by undergraduate students as they engage in entrepreneurship. Knowledge, financial, time, facility, location, competition and mentoring are challenges encountered by undergraduate's students while doing entrepreneurship activities.

Regarding the first challenges faced by undergraduate students, the participant's stated that they lack of exposure to practical application of entrepreneurial concepts during their academic coursework. This deficiency can result in a lack practical experience in running a business. The participants may have theoretical knowledge but haven't had the opportunity to apply this knowledge in real-world scenarios. This lack of hands-on experience can make it challenging to navigate the complexities of entrepreneurship. Hence, addressing the lack of knowledge in entrepreneurial activities among undergraduate students can involve incorporating entrepreneurship education into the curriculum, offering workshops and seminars, providing access to mentorship and advisory networks, and creating opportunities for experiential learning through internships or start-up incubation programs. By bridging these knowledge gaps, students can become better equipped to pursue entrepreneurial endeavours and contribute to innovation and economic development.

Secondly, the lack of financial resources faced by undergraduate students when starting or running a business can be a significant challenge. When facing with the limited start-up capital, participants has said that undergraduate students have limited personal savings or access to funds, making it difficult to cover initial start-up costs such as product development, website development, and marketing. Thus, to address these challenges, universities and institutions can provide support and resources to help students overcome their lack of financial resources. This can include offering entrepreneurship grants, access to low-interest loans or microloans and mentoring programs

Thirdly, the lack of time to conduct business among undergraduate students is a common challenge the participants face when trying to start or run a business while juggling their academic commitments and other responsibilities. Almost all participants have told that they

struggled with academic workload during their involvement in entrepreneurship activities. Thus, the universities can support students in balancing their academic pursuits with their entrepreneurial ambitions such as flexible course scheduling, mentoring and guidance as well as promoting work life balance. It will allow them to make the most of their time and talents.

The fourth challenge is dealing with facility. One of the issues that most participants encountered is lack of facility provided by the university. Absence of basic facility such as suitable workspace for their business operation, limited access to essential technology and software tools and inadequate storage may present significant challenges for these entrepreneurial students. Perhaps, by providing these facilities and support services, universities can foster a conducive environment for student entrepreneurship, encourage innovation, and help students overcome the practical challenges they face when balancing academic and business pursuits.

Another challenge encountered by undergraduate students in entrepreneurial activities is location. The participants stated that the location allocated by the university to undergraduate students to conduct business activities was limited access to the target market. Being situated in an area with low foot traffic or limited access to their desired market can hinder sales and growth. Hence, choosing the right location and addressing location-specific challenges requires careful consideration and planning. Students should weigh the advantages and disadvantages of different locations and adapt their business strategies accordingly to maximize their chances of success.

Competition is another challenge that undergraduate students often encounter when starting and running their businesses. Participants stated that they need to compete against established businesses with experience, resources, and brand recognition. It can be daunting for student entrepreneurs.

The final challenge is lack of entrepreneurship mentoring programs. The participants described they miss out on valuable learning experiences and insights that mentors can provide. This is because mentors often share practical knowledge, real-world examples, and advice that cannot be easily gained from textbooks or coursework alone. The participants also required Mentorship programs because it can provide students with access to a broader network of industry professionals, investors, and fellow entrepreneurs. Without mentorship, students may have fewer opportunities to expand their network and make important connections.

Conclusion

In conclusion, the case study conducted in Malacca, Malaysia, sheds light on the multifaceted challenges faced by undergraduate students when engaging in entrepreneurial activities. Addressing the above mentioned challenges requires a collaborative effort involving educational institutions, government agencies, industry stakeholders, and student entrepreneurs themselves. Strategies such as providing financial support, creating mentorship programs, offering flexible academic schedules, and establishing on-campus facilities can alleviate some of the obstacles faced by undergraduate students engaged in entrepreneurial activities. Encouraging entrepreneurship not only benefits individual students but also contributes to economic growth and innovation within the region, as entrepreneurial ventures often lead to job creation and the development of new products and services. Therefore, addressing these challenges is not only an investment in the future success of students but also in the broader economic and social well-being of the community.

Acknowledgement

This research wishes to acknowledge the University Teknologi MARA (UiTM) Melaka for the fund granted through the TEJA Internal Grant 2023-GDT2023/1-6

References

- Asamani, L., & Mensah, A. O. (2013). Entrepreneurial inclination among Ghanaian university students: the case of university of Cape Coast, Ghana. *European Journal of Business and Management*, 5(19), 113-125.
- Bizri, RM, Kojok, A, Mokahal, ADM and Bakri, M (2012), Barriers to entrepreneurial endeavours in a developing economy, *World Journal of Social Sciences*, 2(6), 79–100.
- Braun, V., & Clarke, V. (2014). What can —thematic analysisl offer health and wellbeing researchers? *International Journal of Qualitative Studies on Health and Well-being*, 9(1). <https://doi.org/10.3402/qhw.v9.26152>
- Charmaz, K. (2006). *Constructing grounded theory: A practical guide through qualitative analysis*. Sage Publications.
- Creswell, J. (2014). *Research Design: Qualitative, Quantitative, and Mixed Methods Approaches* (4th ed.) SAGE Publications.
- Creswell, J. W. (2011). *Educational research: Planning, conducting, and evaluating quantitative*. Prentice Hall.
- Hashim, N. A., Sidek, F., & Nor, S. M. (2022). Fostering Millennial Entrepreneurship Students—Issues and Challenges. *Indonesian Journal of Business and Entrepreneurship (IJBE)*, 8(1), 1-1.
- Howitt, D., & Cramer, D. (2017). *Research methods in psychology* (5th ed.). Pearson Education Ltd.
- Hulsink, W., & Koek, D. (2014). The young, the fast and the furious: A study about the triggers and impediments of youth entrepreneurship. *International Journal of Entrepreneurship and Innovation Management*, 18(2–3), 182–209.
- Jayabalan, N., Nair, S., Kadiresan, V., Nadarajan, D., & Selvanathan, M. (2020). An Exploratory Study on Challenges of Undergraduates Entrepreneurs: A Case Study in Malaysia. *International Journal of Academic Research in Business and Social Sciences*, 10(11), 1507-1516.
- Kabonga, I., & Zvokuomba, K. (2021). Entrepreneurship among university students in Bindura, Zimbabwe. *Cogent Social Sciences*, 7(1), 2004674.
- Kozan, M. K., Öksoy, D., & Özsoy, O. (2006). Growth plans of small businesses in Turkey: Individual and environmental influences. *Journal of Small Business Management*, 44(1), 114-129.
- Lorrain, J., & Laferte, S. (2006). Support needs of the young entrepreneur. *Journal of Small Business and Entrepreneurship*, 19 (1), 37-48.
- Moy, J., Luk, V., Sheehan, B., & Sammapan, N. (2001). A comparative study on the perceptions of university business students in Hong Kong and Thailand: Why do they become entrepreneurs. *BRC Working papers*, <http://net2.hkbu.edu.hk/~ied/publications/wp/WP200102.pdf>
- Munaiwa, K. M. (2013). The unique challenges of youth entrepreneurs in Zimbabwe: Is access to credit enough? *Presented at Makerere University, Business and Entrepreneurship Conference*, 24 May 2013, Kampala, Uganda.

- Munyanyi, W. (2013). Bottlenecks to successful rural youth entrepreneurship in Zimbabwe. *International Journal of Education and Research*, 1(11), 1–10.
- Nowell, L. S., Norris, J. M., White, D. E., & Moules, N. J. (2017). Thematic analysis: Striving to meet the trustworthiness criteria. *International Journal of Qualitative Methods*. <https://doi.org/10.1177/1609406917733847>
- Noor, Y. M., & Ayob, A. H. (2021). The Challenges and Strategies in Sustaining a Business Among Young Entrepreneurs in Malaysia. *Academy of Entrepreneurship Journal*, 27(6), 1-12.
- Ooi, Y. K., & Ahmad, S. (2012). A study among university students in business start-ups in Malaysia: Motivations and obstacles to become entrepreneurs. *International Journal of Business and Social Science (IJBS)*, 3(19), 181-192.
- Oparaocha, G.O., & Pokidko, D. (2013). Exploring the impact of higher entrepreneurship education: Critical experiences as triggers or deterrents for career perceptions of graduates.
- Rahim HL, Abdul Kadir MAB, Zainal Abidin Z, Junid J, Kamaruddin L, Mohd Lajin F, Buyong SZ, Ahmad Bakri A. 2015. Entrepreneurship education in Malaysia: A critical review. *Journal of Technology Management and Business* 2(2):1–11.
- Ridzwan, R., Muhammad, N.M.N., & Rahman, A.A.A. (2017). Issues and Challenges among Young Entrepreneurs in Malaysia. *IOSR Journal of Business and Management*, 19(03), 80–84.
- Sandhu, M. S., Sidique, S. E., & Riaz, S. (2010). Entrepreneurship barriers and entrepreneurial inclination among Malaysian postgraduate students. *International Journal of Entrepreneurial Behaviour and Research*, 17(4), 428–449. <https://doi.org/10.1108/13552551111139656>
- Sani, R. (2018). Entrepreneurial ecosystems at the university. *New Straits Times*, 195-206.
- Saunders, M., Lewis, P., & Thronhill, A. (2012). *Research methods for business students* (4th ed.). Pearson Education Ltd.
- Sekaran U, Bougie R. 2016. *Research Methods: A Skill Building Approach*. Ed. ke-7. New Jersey: Wiley.
- Uddin, M. R., & Bose, T. K., (2012). Determinants of entrepreneurial intention of business students in Bangladesh. *International Journal of Business and Management*, 7(24), 128.
- Watiri, M. S. (2012). Factors that influence student participation in entrepreneurship among university students; the case of Strathmore University undergraduate students. *Entrepreneurial Business and Economics Review*, 3(1), 44-46.