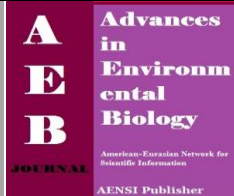




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## Students' Perception of Working For Small and Medium Enterprises (SMEs)

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### ABSTRACT

This paper aims to study perceptions of students in Universiti Malaysia Perlis (UniMAP) from School of Business Innovation and Technopreneurship (PPIPT), of working for Small and Medium Enterprises (SMEs) towards various job factors. The sample of 100 was drawn from first year to third year students in PPIPT. The results indicated that students' perception of working for SMEs is depends on the job factors. Among 4 job factors tested in this study, students agreed that, if working with SMEs, they would have an authority and good working conditions. However, it is found that managerial relationship and marketability have no significant relationship with the students' perception of working for SMEs. Nevertheless, students' perception varied by genders, age, race and religion.

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## INTRODUCTION

Understanding student perceptions of future employment opportunities is important to educators and recruiters. Knowledge of the student perceptions can be used to guide instruction, advice, recruiting tactics [62]. The rapid growths of Small and Medium Enterprises (SMEs) are increasing the demand for business talent. One potentially important source of talent is recent college graduates. However, SMEs face challenges attracting the best and the brightest due to the negative stereotype SMEs; wages in SMEs are consistently lower than in larger firms. Managers at business with more than 100 workers earn 27% more than managers at business with fewer than 25 workers, while entry level workers at business with more than 100 workers earn 17% more than business with fewer than 25 workers. The wage gap also increases as worker age [3].

To effectively attract students for serving in the SMEs, the entrepreneurs need to understand the perceptions and career expectations that students have. In a rational world, SMEs would recognise the returns to education and training and recruit graduates at the same rate as large firms [26]. SMEs are less aware of the benefits of employing graduates or the methods to be used to recruit and employ them.

As SMEs are competing with larger firms for the services of graduates, they need to be able to adopt a competitive position. Williamson and Lynch-Wood, [66] suggests that SMEs need to adopt a dual strategy of distinctiveness and isomorphism if they are to achieve the best recruitment outcomes. However, among the constraints that SMEs operate under may be institutional and structural disadvantage which limits their ability to compete on an equal footing with larger business.

This study attempt to seek to better understand what students thought towards employment in SMEs. It particularly focusses on identifying the issues in graduate interest to work in SMEs and sought to document the job factors that can stimulate the students' interest towards job offered by SMEs.

Small businesses have been identified in both the policy and academic literature as having important roles in providing employment and in driving improvements in innovation and productivity [41]. However, they are seen as operating under a number of constraints such as a lack of skills generally and shortages of the specific skills necessary for advancing technological and market penetration [37]. At the same time, it is very hard to find graduate with entrepreneurial spirit and the nature of the work that graduates do has been changing [43].

Recent graduates prefer job offered by Multi-National Companies (MNCs) and consider SMEs as their second choice [56]. Thus, it is important to know what the key factors that contributed to this situation are. By knowing what students preferences in seeking job opportunities, we can develop a way on how to induce these students to attract them to involve in SMEs sector.

A survey by Trade Union Congress (TUC) in year 2011 found that employees in SMEs are the most satisfied at work. They were also found to be the most committed and loyal to their organisations and also felt most engaged by their employer and had the most freedom to choose their working patterns. 95% of employees in the United Kingdom (UK) now work in business with less than 100 staffs in which refer to SMEs [59].

Therefore, as an SME owner, it is very important to know the key driven that attract the business students to join their business after graduates. The perceptions of students towards these job preferences could be changed if the SMEs know how to induce them to serve in this sector. Based on these grounds the current study is conducted to address the following research questions:

1. What are the job factors that influence students' perception of working for SMEs?
2. What is the relationship between job factor and students' perception of working for SMEs?
3. How does the job factor affect students' perception of working for SMEs?

This study attempts to answer the research questions through the development of a research framework after investigating prior literatures in this context.

#### Literature review:

##### Graduates' Perception:

Naturally we directly perceive the world as it is. The way that things look, feel, smell, taste, and sound are the way that they are. As for example, peoples see colours because the world is coloured, but what make an individual differ from others are the colour's experience. The experiences merely represent the surface properties of objects. Representative realism is referred as people do not perceive objects directly because each experiences had by people is different from others. The perception itself refers to the process of selecting, organizing and interpreting information in order to give personal meaning. The information is referring to the experience gain from the past.

Research conducted by Moy and Lee [38] suggests that students are likely to seek out employment opportunities within large organizations first, and often view small businesses as a second choice. While for Teo and Poon [56], they state that undergraduates in Singapore feel that multinational corporations are able to offer better pay, working conditions, marketability and job security than small business.

Harris *et al.* [25] found that accounting, marketing and finance students preferred future employment with MNCs and management students preferred careers with SMEs. In addition, the employment preferences of males and females differed, with more females favouring MNCs and males preferring SMEs. It obviously indicated that students' perceptions are varying among others and it may depend on their genders and course of study they were in.

##### Malaysia's graduate in labour market:

The increasing number of graduates in Malaysia clearly defined the development of the peoples in which the education's importance raises up by time. In United Kingdom (UK), the graduate labour market continues to attract research interest. Data from Department for Education and Employment (DfEE), suggest that the graduate labour market doubled over the ten years from 1986 to 1996 [17]. Tamkin [54] stated that despite the huge growth in the actual number of graduate both the number and proportions of graduates obtaining permanent employment has increased each year since 1993.



Fig. 1: Malaysia's graduate registrants by gender.

Figure 1 shows the data of graduates from year 2008 to 2011 that represent the total amount of graduates released in Malaysia. It is clearly show that the number increase by time and means that the needs of graduates in labour market can be fulfil. Current market needs more competent graduates to involve in local business organizations as the business needs to develop in order to compete and survive in their market industries.

However, Jameson and Holden [33] stated that managers had complaints about the lack of skills in the graduate labour market. The more robust studies pointed to observes lack of initiative, weak interpersonal skills, low levels of business awareness and poor team working skills [28].

Labour market needs those competent graduates to serve in their industries. Graduates with knowledge, skillful, and experience are the most focus in managers' interest in recruiting the new employees.

#### *Small and Medium Enterprises (SMEs):*

Cooke and Wills [14] state that micro, small and medium-sized enterprises (SMEs) are the engine of the European economy and are an essential source of jobs, create entrepreneurial spirit and innovation in the European Union (EU). Thus it is crucial for fostering competitiveness and employment. The new SMEs definition as defined by Verheugen [61] represents a major step towards an improved business environment for SMEs and aims at promoting entrepreneurship, investments and growth. This definition has been elaborated after broad consultations with the stakeholders involved which proves that listening to SMEs is a key towards the successful implementation of the Lisbon goals [61].

SMEs play a central role in the European economy and the major source of entrepreneurial skills, innovation and employment. In the enlarged European Union (EU) of 25 countries, some 23 million SMEs provide around 75 million jobs and represent of all enterprises. Therefore, support for SMEs is one of the EU Commission's priorities for economic growth, job creation and social cohesion. The main factors determining whether a company is an SME are:

**Table 1:** Size of companies in European Union for individual firms only.

Company category	Employees	Turnover (€)
Medium-sized	< 250	≤ 50 million
Small	< 50	≤ 10 million
Micro	< 10	≤ 2 million

The Office of Advocacy, a Department of the Small Business Administration (SBA) defines SMEs as a firm with fewer than 500 employees. Firms wishing to be designated small business for government programs such as contracting must meet size standards specified by the United States (US) SBA Office of Size Standards. More than half of all Americans work for these firms. SMEs have generated 60 to 80% of net new jobs annually over the last decade. However, wages at SMEs are lower than that at larger firms, and the incidence of on-the-job injuries and fatalities is higher at SMEs than at their larger counterparts [3]. In US, the extent and significance of SMEs is to some extent reflected are:

1. Represent 99.7% of all employer firms.
2. Employ half of all private sector employees.
3. Pay more than 45% of total U.U. private payroll.
4. Have generated 60 to 80% of net new jobs annually over the last decade.
5. Create more than 50% of non-farm private GDP.

#### *The SMEs in Malaysia:*

Malaysian SMEs are vital component of the country's economic development. According to SMIDEC [52], SMEs accounted for 93.8% of companies in the manufacturing sector. Be the backbone of industrial development, SMEs contribute 27.3% of total manufacturing output, 2508% to value added production, own 27.6% of fixed assets, and employ 38.9% of the country's workforce.

Basically the definition of SMEs does not exist because each country defines differently according to its economic conditions. In Hong Kong, SMEs includes those companies in below fifty employees in case of manufacturing organisations, and below fifty in the rest of sectors [58]. While in UK and Germany, organizations that have 10 to 99 employees are called small sized enterprises and having 100 to 499 employees are called Medium sized enterprises [36].

In Malaysia, an enterprise is considered an SME in each of the respective sectors based on the Annual Sales Turnover (AST) or the number of total full time employees. Table 2 shows the criteria prescribed by the government.

SMEs in Malaysia are expected to be worth RM 120 billion or equal to 50% of total production in the manufacturing sector by 2020. Despite this statistic, Malaysian SMEs share of total exports is approximately 20% lower than many other countries such as Philippines, Hong Kong, Taiwan and even the US [51].

**Table 2:** Criteria of SMEs prescribed by SME Corporation.

Type of Industries	Micro-enterprise	Small enterprise	Medium enterprise
Manufacturing and Agro-based	AST less than RM 250,000 or full time employees less than 5	AST between RM 250,000 and less than RM 10 million or full time employees between 5 and 50.	AST between RM 10 million and RM 25 million or full time employees between 51 and 150.
Services, Primary Agriculture and Information & Communication Technology (ICT)	AST less than RM 200,000 or full time employees less than 5	AST between RM 200,000 and less than RM 1 million or full time employees between 5 and 19.	AST between RM 1 million and RM 5 million or full time employees between 20 and 50.

In the European Union (EU), SMEs continue to be the backbone of the economy, providing employment for almost 90 million Europeans. Unfortunately, the global financial crisis in 2009 till 2010 had created job losses of estimated 3.25 million jobs among SMEs. Therefore, EU came out with new European Cluster Excellence Scoreboard to drive cluster development and specific framework conditions that are conducive to support world class cluster in Europe. In September 2010, EU called on the European cluster to also work with universities and highly innovative SMEs which would provide an excellent business environment.

The latest statistic indicates that SMEs constitute 99.2% of the total business establishments, and contribute about 32% of Gross Domestic Product (GDP) and 59% of total employment [52].

Department of Statistic Malaysia (2010) stated that the value added growth of SMEs has consistently outperformed since 2004. The value added reaches its peak in 2007 at 10%, followed by 6.4% in 2008, and continued to decrease to 0.4% in 2009 as trailed by the global financial crisis.

#### *Factors that influence job preferences:*

Ritchie and Brindley [44] concluded that SMEs organization need to be aware of the new generations that seem to be different than the preceding generation. It is essential to understand the needs of potential labour force to retain them in organisation.

Since 2003, contribution of SMEs to total employment has been increasing as a result of the steady increase in employment by SMEs compared with that the share of employment by SMEs increased close to 60% (Department of Statistic Malaysia, 2010). The strong employment growth of SMEs began in 2007 at 8.3%, when the value added growth of SMEs was at its peak [50].

Basically there are many factors that affect the job preference decision. The main factors are the job dimension. Behling *et al.* [6] stated that job seekers weigh the advantages and disadvantages of the dimension like wages and working conditions. Powell [42] prefer to divide the job dimensions into three main groups and they are; the job itself, the salary and the environment of work.

Phillips *et al.* [40] state that job securities, fringe benefits, pay training programs and opportunity for advancement as the main factors in job preference decision. Teo and Poon [56] found that job dimensions include pay, fringe benefits, working conditions, long-term career prospects, job security, marketability, managerial relationships, authority, responsibility, and involvement in decision making.

Scott and Twomey [48] had done a research about the graduates' perception and they found that multinational corporations (MNCs) have higher levels of job security, salary, rewards, training and prospects for promotion than SMEs. From what the Teo and Poon [56] stated, it showed that most of the factors in career dimension decision were hold by the MNCs.

However, Ahmadi and Helms [1] and Bygrave [11] concluded that SMEs offer greater opportunities to get higher responsibility and decision making involvement to improve managerial relationships. Hence, Tanvir *et al.* [55] conclude that graduates' job preference decision could be studied by splitting different job dimensions into two broad categories which are compensation and management practices.

#### *Pay:*

Moy and Lee [38] refer pay as the payment to an employee for his services, especially remuneration on an hourly, daily, or weekly basis or by the piece in which bonuses and incentives are also included in it. Behling *et al.* [6] explained that job seekers weigh the advantages and disadvantages of the attributes like pay by using a model that he built. Tanvir *et al.* [55] stated that pay is one of the main attribute influencing career choice as majority of graduates have to pay back the amount invested on them, the attribute pay could be discussed in terms of economic position of graduate.

Rynes *et al.* [47] and Judge *et al.* [35] found that money and pay are not the only extrinsic awards an employee may receive from a job, although, according to past research, salary is one of the most important factors in a person's decision to accept or reject a job offer. Rynes *et al.* [47] said that managers should consider both financial and nonfinancial tools in attracting, motivating, and retaining employees because the importance of monetary rewards is depends on the situational variables such as pay variability and individual variables such as performance level.

*Fringe Benefits:*

Benefits such as medical, dental, and or disability insurance, vacation, paid sick leave, pension etc. provided to the employees by the employer in addition to salary is referred as fringe benefits [38]. Fringe benefits are established as significant positive determinants of job satisfaction by using pooled cross-section of five National Longitudinal Survey of Youth (NLSY) waves [7]. Basically, these benefits are often not subject to taxation and are therefore inexpensive to gain through an employer than through the market [2]. Fringe benefits can act as substitutes for wages and it is realized that employers decreased wages once several benefits had been offered to employees after few years [5].

Woodbury [67] found that workers are willing to give up wages in exchange for more benefits because they also view benefits and wages as substitutes. In addition, this substitution can increase job satisfaction and save the worker from increased tax burden when there is less taxed fringe benefits.

*Working Conditions:*

Moy and Lee [38] define working conditions as the job environment of the workers such as working hours, paid holidays, safety, rest periods, free uniforms, advancement possibilities and etcetera. Paoli and Merllie [39] found that work environments have strong correlation with stress that is defined as a state that is accompanied by physical, psychological or social complaints or dysfunctions and which results from individuals feeling unable to bridge a gap with the requirements or expectations placed on them.

Working conditions are generally influence by the physical features of the work place, the organizational structure, and the sociological, political, psychological and educational features of the work environment [53].

*Managerial Relationships:*

The strength of interpersonal relationship of the employees with their management can affect the organizational achievements [38]. Robert [45] wrote in his books about the importance of managerial relationship and stated that bosses are important in creating effective, productive and benevolent workplace. The success or failure of every boss hinges on how well or how badly he or she navigates these vexing and all-too-human relationships with the employees [45].

*Long-term Career Prospects:*

Moy and Lee [38] said that long term career prospects are related to the employee development in term of how the organization provides opportunities for employee progress and promotion. In general terms, employment is expected to continue to rise. Long term employment growth I expected to be just under 0.5% per annum, resulting in over 1.3 million additional jobs over the first decade of the 21<sup>st</sup> century [24].

*Responsibility Given:*

A responsibility to be accepted by an employee for performing his assigned tasks and duties is what its mean by responsibility given [38]. Geroy *et al.* [23] reports that eight of ten companies studied had used multitasking as part of their process of re-organisation and the task included power generation, rail, chemical manufacturing, and aircraft. However, the Engineering Employers Federation (EEF) [19] defines multitasking as the acquisition of additional skills, supplementing those already achieved in a given craft. While Incomes Data Services state that multitasking is where workers are trained to accept a limited range of jobs in other trades, with due regard to safe working practices. Cockrill and Scott [13] state that multitasking can be considered to be essentially job enlargement and skill broadening by using people to cover a large proportion of production activities with the intention being to reduce labour costs.

*Authority:*

Zambrano [68] defined authority as a relation that exist between individuals when one individual, by his or her circumstances, does as indicated by another individual what he or she would not do in the absence of such indication. Copur [15] state that authority especially in decision making, as well as authority over requirements, schedule, and prerequisite should be held by individual faculty. The ability to make major decision was one of the major contributors to job satisfaction [18]. Tetrick and Rocco [57] state that authority is refer to the control over the outcomes desired by effectively influencing events, things, or others in the work environment.

*Involvement in Decision Making:*

The opportunities given to employees for taking part in the process of decision-making with the decision makers is what Epstein and Daniel [20] defined the involvement in decision making. Similarly, Wilkinson [64] identified that energetic candidates are more interested to do new things, for that purpose involvement is necessary. Ingersoll [32] in his research about teacher turnover discovered that teacher involvement have been

proven to improve teacher commitment towards the school achievement. Weiss *et al.* [63] found that an individual with authority in decision making give more commitment towards his job responsibility.

#### *Marketability:*

Powell [42] said that the opportunities given to employee to build up their skills which are very much related to the market demand are significant factors for career and Teo and Poon [56] believe that marketability is also essential part for career choice. In the past, professional employees had an edge in labour market if they held a college degree, because this added status to their marketability [30]. Clark [12] also found that a college degree was preferred by the employers but those with an experience emphasis was even better.

#### *Job Security:*

Job security as mentioned by Turban *et al.* [60] is an important factor for selecting the career choice for graduate. Roffe [46] identified that the security against the loss of employment should be provided for satisfaction. Job security is a factor with a distinctly individual flavour in which it is related to the powerful and intangible emotional overtones [21]. They found that most of the employees who said security tied that feeling to a specific cause or organizational factor. In manufacturing organization, increased in job security may affect the employees performances in term of quantity of the manufacturing output [22]. However, both productivity and quality of performance were positively related to employees' job security in a service organization [34].

#### *Graduates in SME Labour Market:*

In order to move forward, government need to realize that they had an important role in attracting graduates to involve in SMEs organization. Graduates seem to have competent skills in creating new ideas and making innovations to SMEs which shall help the organizations to develop their core competences to grow up. It was a much lower than average uptake of graduates by SMEs compared to the economically active population with degrees [65]. Maybe it is because the graduates itself does not have the required skills and not competent to fulfil the organization needs.

There are some studies that attempt to shed some light on the relationship between graduate and SME labour market. Booth [9] stated that there are high level skills shortages amongst SMEs and it was relate to the small number of graduates hired by the small business. Size matter which means some graduates prefer to join large organization than small business as they expect for some advantages by doing so.

There is a very limited amount of research that specifically focused in graduate employment in SMEs. Holden and Jameson [28] research remains both fragmented and focused on theory developed to interpret the graduate labour market in light of large company needs. However, the relationship between firm size and graduate employment is not completely consistent. This is because the small firms being recognized as having greater scope for development and that growing firms are likely to turn to graduates to encounter their needs for internal management skills [8].

Conclusively the graduates' appearance in SMEs labour market, [10] stated that SMEs are reluctant to employ graduates and graduates are equally wary of SME employment. Unfortunately, they realized that SMEs were more likely to consider hiring graduates after a year's placement experience. It means that graduates should have at least one year experiences before they can join the SMEs organization.

#### *Research Methodology:*

This study employs empirical analysis to determine the relationship between students' perception variables, which consisted of working condition, managerial relationship, authority and marketability. Job factors are tested in the questionnaires and students were asked to rate on scale of 1 to 5, 1 denotes "strongly disagree" and 5 reflects "Strongly Agree" on these factors with respect to what working for the SMEs. Four job factors, that are tested in this study are working conditions, managerial relationship, authority and marketability are analyzed by using The Statistical Package for Social Sciences (SPSS 18.0) software.

#### *Theoretical Framework and Hypotheses:*

Hypothesis 1: Is there any relationship between working conditions and the students' perception in working for SMEs?

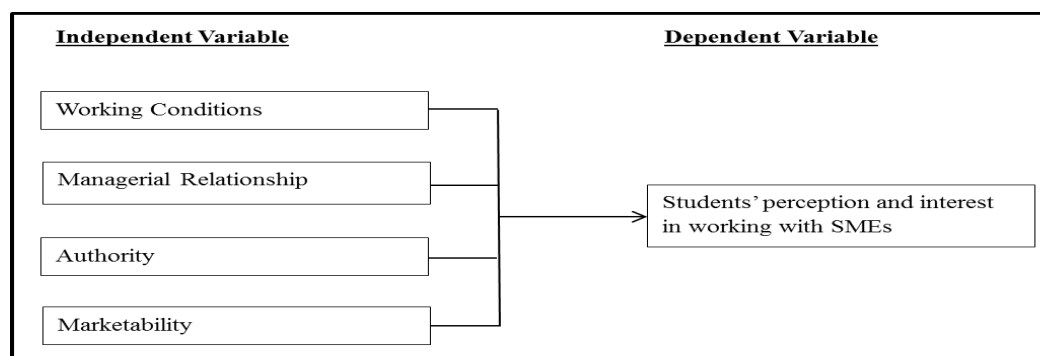
H<sub>0</sub>: There is no significant relationship between working conditions and students' perception an interest of working for SMEs.

H<sub>1a</sub>: There is a significant relationship between working conditions and students' perception and interest of working for SMEs.

Hypothesis 2: Is there any relationship between managerial relationship and the students' perception in working for SMEs?

$H_0$ : There is no significant relationship between managerial relationship and students' perception an interest of working for SMEs.

$H_{1a}$ : There is a significant relationship between managerial relationship and students' perception and interest of working for SMEs.



**Fig. 2:** Theoretical Framework.

Hypothesis 3: Is there any relationship between authority and students' perception in working for SMEs?

$H_0$ : There is no significant relationship between authority and students' perception an interest of working for SMEs.

$H_{1a}$ : There is a significant relationship between authority and students' perception and interest of working for SMEs.

Hypothesis 4: Is there any relationship between marketability and students' perception in working for SMEs?

$H_0$ : There is no significant relationship between marketability and students' perception an interest of working for SMEs.

$H_{1a}$ : There is a significant relationship between marketability and students' perception and interest of working for SMEs.

#### Findings:

##### Overview of Data Gathered:

**Table 3:** Respondents Profile.

Number of Questionnaires Distributed	100
Number of Questionnaires Collected Back	100
Response Rate	100%
Number of Questionnaires Used for Analysis	100

This study gathered data from 100 respondents, as shows in Table 3 which is 100% of questionnaires distributed is collected and analysed. The total questionnaires distributed were satisfactorily completed and tested by using Statistical Package for Social Sciences (SPSS 18.0) software.

#### Demographic Data:

**Table 4:** Demographic Characteristics of Respondents.

Variables	Categories	Frequency	Percentage (%)
Gender	Male	50	50.0
	Female	50	50.0
Race	Malay	61	61.0
	Chinese	24	24.0
	Indian	15	15.0
	Other	0	0.0
Age	19-21	6	6.0
	22-24	75	75.0
	25-27	18	18.0
	28-30	1	1.0
Religion	Muslim	61	61.0
	Buddha	24	25.0
	Hindu	15	15.0

Table 4 shows the summarization of the demographics data collected that consist of respondents' gender, race, age and religion. It shows that the number of male and female respondents is equal, both 50 and resulted 50% of the respondents are male, and 50% are female. The majority of the respondents are Malay (61%), Chinese (24%), and Indian (15%) and for other is 0%. While for the age, majority respondents are aged between 22-24 years old (75%), followed by aged between 25-27 years old (18%), 19-21 years old (6%) and last 28-30 years old (1%). As for religion, out of 100 respondents, 61% of respondents are Muslim, 24% are Buddha and the rest 15% are Hindu.

#### Reliability Analysis:

**Table 5:** Results of Reliability Test.

Variables	Number of Items	Items Dropped	Items Recorded	Cronbach Alpha
Students' Perception	5	-	-	.861
Working Conditions	5	-	-	.770
Managerial Relationship	5	-	-	.881
Authority	5	-	-	.906
Marketability	5	-	-	.844

Reliability value of each variable was validated using the Cronbach's Alpha scale. The Cronbach's Alpha is determined in Table 5 together with each dependent variable, Students' Perception and independent variables item namely Working Condition, Managerial Relationship, Authority and Marketability. The Cronbach's coefficients alpha values for all factors are ranged from 0.77 to 0.906 and it is indicated as a good inter-item consistency for each factor. The reliability coefficient is better when it get closer to 1.0, and alpha over 0.8 is considered as good, if alpha 0.7 is considered as acceptable and for alpha less than 0.6 is generally considered as poor [49].

The reliability test table shows the Cronbach's Alpha values for measuring the variables are high level which is more than 0.7, thus the data collected are highly reliable.

#### Descriptive Analysis among All Variables:

**Table 6:** Descriptive Analysis

Variables	N	Minimum	Maximum	Mean	Standard Deviation
Students' Perception	100	1.80	5.00	3.4580	.72658
Working Conditions	100	2.40	5.00	4.1400	.55158
Managerial Relationship	100	2.40	5.00	3.8720	.65166
Authority	100	2.40	5.00	3.8440	.73227
Marketability	100	2.40	5.00	3.8580	.62104

Table 6 presents the summary of all descriptive statistics i.e. 'means' and 'standard deviation' for all the variables that is analysed in this study. It is clearly presented that the mean for all variables are in range from 3.8440 to 4.1400. Among all the variables, the highest mean is Working Condition (4.1400) and the next is Managerial Relationship (3.8720), followed by Marketability (3.8580), Authority (3.8440) and last is Students' Perception (3.4580).

#### Regression Assumption:

##### Linearity:

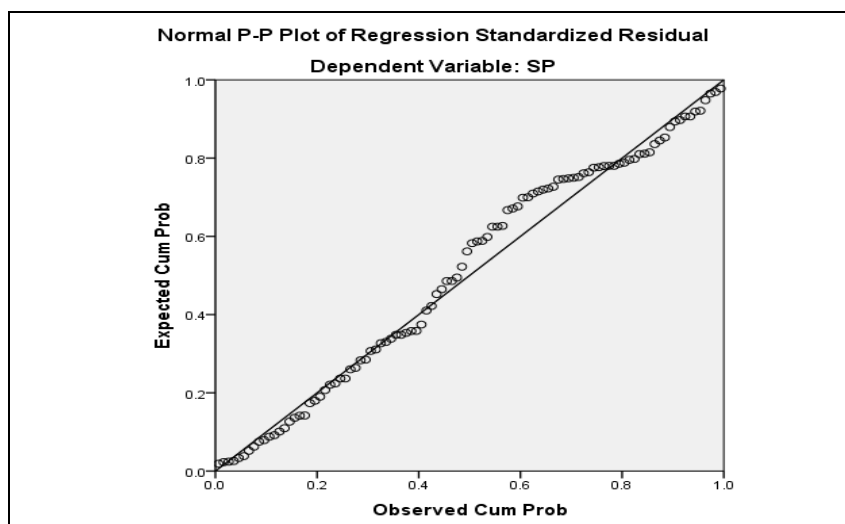
The P-P plots command forms a normal probability plot and this method is used to test whether the residuals from the regression are normally distributed. The residual plot of Residuals is against the fitted values is used to test the mean zero and constant variances assumption of the error terms. When the plotted points scatter randomly without showing any pattern, it can be concluded that the error terms have a constant variance. Figure 2 illustrates the linearity plot of each variables used in the study. The result indicated that not all of the variables pass linearity characteristics.

##### Multi Collinearity:

**Table 7:** Multi Collinearity.

Model		Collinearity Statistics	
		Tolerance	VIF
1	Working Conditions	.630	1.588
	Managerial Relationship	.270	3.700
	Authority	.309	3.236
	Marketability	.510	1.961





**Fig. 2:** Normal P-P Plot of Regression Standardized Residual.

Table 7 shows that VIF 1.588 for working Conditions, 3.700 for Managerial Relationship, 3.236 for Authority, and 1.961 is for Marketability. There is low multi-collinearity among the variables.

*Regression Results:*

**Table 8:** Regression Result.

Variables	Beta	t-ratio	Sig.t
Working Conditions	-.442	-4.155	.000
Managerial Relationship	.072	.445	.658
Authority	.480	3.159	.002
Marketability	.180	1.518	.132

R Square = .322  
 Durbin-Watson = 1.243  
 F = 11.285  
 Sig. F = .000  
 Condition Index = 31.573

Table 8 presents the strength of the relationship between dependent variable and independent variables and the coefficient estimates for the sub groups are reported the R Square is 0.322 @ 32.2%. This statistical analysis suggests that the four Independent Variables explain only 32.2% variation in students' perception.

Based on the regression analysis, the findings showed that there are two variables that have no significant effect ( $\text{sig.t} > 0.05$ ) on the students' perception. The two variables are Managerial Relationship (0.658) and Marketability (0.132).

Another two variables are Working Conditions (0.000) and Authority (0.002) that has significant effect on the students' perception. The information obtain from the Table 8 shows that students' perception of working for SMEs is affected by the Working Conditions and Authority given by the organizations.

The Managerial Relationship and Marketability does not affect the students' perception of working for SMEs, thus it has no significant effect to the students' perception.

**Table 9:** Significant of Coefficient Estimate.

Variables	Relationship between independent variables and dependent variable		
Working Conditions	(-)	Working Conditions ↑	Students' Perception ↓
Managerial Relationship	(+)	Managerial Relationship ↑	Students' Perception ↑
Authority	(+)	Authority ↑	Students' Perception ↑
Marketability	(+)	Marketability ↑	Students' Perception ↑

Table 9 presents the relationship between working condition as independent variable and students' perception as dependent variable is negatively correlated. The result indicates that the coefficient estimated is negatively correlated but significantly related to the students' perception.

The relationship between managerial relationship as independent variable and students' perception as dependent variable is positively correlated. The result indicates that the coefficient estimated is positively correlated but not significantly related to the students' perception.

The relationship between authority as independent variable and students' perception as dependent variable is positively correlated. The result indicates that the coefficient estimated is positively correlated and significantly related to the students' perception.

The relationship between marketability as independent variable and students' perception as dependent variable is positively correlated. The result indicates that the coefficient estimated is positively correlated but not significantly related to the students' perception.

#### Correlation Matrix:

**Table 10:** Correlation Matrix.

	Working Conditions	Managerial Relationship	Authority	Marketability	Students' Perception
Working Conditions	1.000				
Managerial Relationship	.552	1.000			
Authority	.466	.825	1.000		
Marketability	.552	.646	.611	1.000	
Students' Perception	-.080	.340	.443	.275	1.000

Table 10 shows that the variables correlation between one another was in range from -0.080, the lowest score to the highest score, 0.825. The correlation coefficient is Authority, 0.443 which mean it has high correlation among other variables with students' perception.

#### Summary:

**Table 11:** Summary of Findings.

Hypothesis		Results
H1	Working Conditions have significant impact on students' perception of working for SMEs.	Accepted
H2	Managerial Relationship has significant relationship to students' perception of working for SMEs.	Rejected
H3	There is a significant relationship between Authority and students' perception of working for SMEs.	Accepted
H4	Marketability has significant impact on the students' perception of working for SMEs.	Rejected

#### Limitation:

While conducting this study, there are numbers of limitations based on approach and design. First, the response were only reflective of those experienced students' who have been in industrial training to complete and return the questionnaires, may not have reflected the overall population. From 100 respondents, there were several students that are not attend the industrial training yet or in other words, they might not have the experience in working or doing internship in any organizations, thus they might not have the clear view of what SMEs is all about. Second, this study is conducted using 4 factors only. Therefore, it is not good enough to rank the factors that affect the students' perception of working for SMEs because there are many other job factors that should be tested to better understand the study. The other job factors such as pay, fringe benefits, long-term career prospects, job security, responsibility given and involvement in decision making [56].

#### Recommendation for Future Research:

There are three suggestions for further research. First, replicate this study at other universities with business programs to allow for the comparison of results from different regions in Malaysia. Next, it would be of interest to incorporate samples of students from other academic disciplines to compare their preferences with that of business students. By involvement from other academic majors, it can add to better understanding of students' perception of working for SMEs. Finally, additional research should continue to examine if any significant relationship between other job factors and students' perception to determine if any significant relationship exist.

#### Conclusion:

The findings from this study is that the university students have kept searching for comfortable and secure jobs, which is hardly found in SMEs. The findings also showed that students are more prefer the jobs that can

provide them with a good working environment with a level of authority in making decision. The working conditions and authority is ranked as the most significant related to the students' perceptions as compared to the managerial relationship and marketability. Therefore, it can be concluded that students are more prefer jobs that have conducive work place and given authority rather than jobs that offered marketability and a good relationship with management.

Overall, most of the students are clear with what they want to seek for in looking for jobs after they graduate. So, the SMEs should struggle for better performance in order to attract more fresh graduates to serve in this industry. Other than that, the government also should play their role in governing the higher education institutions to be able to serve the students with adequate learning and training. This is because, the students need to be well prepared to compete in working environment starting from their first day in university, so that they can graduates as a good human capital to serve in Malaysia's local industries.

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