

Chapter 49

The Government's Role in the Importance of Entrepreneurship Education Amongst University Students in Malaysia

Hanim Kamaruddin, Norasmah Othman, Rosilah Hassan,
Wan Mimi Diyana Wan Zaki, and Sarmila Md Sum

Abstract The growth of entrepreneurship in Malaysia and the number of enterprises being created in the last decade are evidence of sheer amount and variety of supporting mechanisms and policies established by the government. These include funding, physical infrastructure, trade advisory and support, and entrepreneurship education to ensure that challenges in the national and global markets can be faced and abated with equipped knowledge and support. To nurture and sustain entrepreneurial education and related initiatives, the Malaysian Government has pushed forward the transformation of teaching and learning focusing on entrepreneurial skills in the National Higher Education Action Plan 2007–2010. Thus, the most significant endeavor is the emergence of a formal entrepreneurial education at the local higher education institutions (HEIs) in Malaysia. In the past 5 years, entrepreneurship education has grown dramatically in Malaysia resulting to 19 universities

H. Kamaruddin (✉)

Faculty of Law, Universiti Kebangsaan Malaysia (UKM), Bangi, 43600 Selangor, Malaysia
e-mail: hanim@ukm.edu.my

N. Othman

Faculty of Education, Universiti Kebangsaan Malaysia (UKM), Bangi,
43600 Selangor, Malaysia
e-mail: lin@ukm.edu.my

R. Hassan

Faculty of Information Science and Technology, Universiti Kebangsaan Malaysia (UKM),
Bangi, 43600 Selangor, Malaysia
e-mail: rosilah@ukm.edu.my

W.M.D.W. Zaki

Faculty of Engineering and Built Environment, Universiti Kebangsaan Malaysia (UKM),
Bangi, 43600 Selangor, Malaysia
e-mail: wmdiyana@ukm.edu.my

S. Md Sum

Faculty of Social Sciences and Humanities, Universiti Kebangsaan Malaysia (UKM),
Bangi, 43600 Selangor, Malaysia
e-mail: sarmila.mdsun@gmail.com

offering entrepreneurship education and training. Furthermore, in the Malaysia Education Blueprint 2015–2025, the government’s aspiration is to instill an entrepreneurial mindset throughout Malaysia’s higher education system. Such programs introduced at the tertiary level are to encourage the young generation to delve themselves into becoming “job creators” rather than “job seekers” by channeling and realizing their untapped potential to innovate creating economic and commercial value. Positive outcomes from entrepreneurial education would be perceived as a reduction in unemployment levels and job-seeking exercise by university graduates. However, there was a reported increase in the unemployment rate in 2015 of 3.1 % amounting to 400,000 unemployed individuals who have completed their studies in the last 6 months despite being given entrepreneurship education. This chapter intends to discuss the government’s role and initiatives in ensuring that the entrepreneurship education addresses the importance of self-reliance, willingness, and the level of interests of students at universities to embark on entrepreneurship venture upon graduating, thus reducing the dependency of graduates to be employed.

Keywords Entrepreneur • Education • Malaysia • University • Government

Introduction

The entrepreneurial education in Malaysia is incorporated into the National Higher Education Action Plan as an initiative to promote innovation and make change in the economy to create new wealth and generation of job opportunities. It is asserted that aspects of entrepreneurship can be learned (Timmon & Spinelli, 2004) whilst some argued to the contrary suggesting that some elements cannot be learned (Akola & Heinonen, 2006). However, despite this ongoing debate, there has been a great emergence in global education in entrepreneurship education prompted by key realization to enhance the economy through nurturing and supporting entrepreneurial ventures. Malaysia is no exception in promoting and encouraging entrepreneurship education programs in the development of entrepreneurship in Malaysia. The country has engaged itself in entrepreneurship since the British colonial rule and reinvented its economic considerations unique to Malaysian circumstances in the New Economic Policy (NEP) (1971–1990), National Development Policy (NDP) (1991–2000), and the New Economic Model (2010). The objectives of the NEP were to eradicate poverty and to disassociate a particular ethnic group with a specific economic activity or occupation. Furthermore, the policies embedded are focused on strengthening national entrepreneurship through nurturing interest in entrepreneurial education amongst the population. Thus, this particular sector in education has emerged to be one of the most popular research and learning domains in academic circles in Malaysia (Lee, Chang et al., 2005). It is suggested that entrepreneurship is viewed as the “panacea to the unemployment problem” (Ahmad, 2013) which professed itself to be a tool to overcome unemployment in a country. In Malaysia, the increase in unemployment rate is disconcerting where the rate has risen to 3.3 %

recently (Department of Statistics, 2015). One of the reasons is due to the number of graduates that exceeds market demand which leads to an increase in the unemployment rate (Ariff, Ghada, Muslim, & Hamid, 2014). Fresh graduates are facing more difficulties to secure a job where the number of jobs is limited (Ismail, 2011; Keat, Selvarajah, & Meyer, 2011). The role of the government is therefore extremely important in fostering entrepreneurship education in Malaysia to ensure that unemployment rate is reduced by imparting relevant knowledge and skills that will discard the notion of being a job seeker to one who creates jobs. Hence, this chapter reviews existing policies and educational curriculum for entrepreneurial knowledge in Malaysia supported by the government and suggests further improvements to the role of the government to stress the importance of entrepreneurial education.

Policy Initiatives on Entrepreneurial Education

Entrepreneurial education and training can involve a range of public and private stakeholders including the government (Volkman, 2009). A government's rationale for playing a role is related to its interest in addressing mindsets, knowledge-based skills, and cultural constraints to entrepreneurship. The role is shaped by the potential knowledge spillovers of entrepreneurial related knowledge and skills (across potential or practicing entrepreneurs in a certain area) as well as by evident market failures when individuals recognize the value of management expertise to their entrepreneurial outcomes (World Bank, 2012). Governments can serve as champions through establishment of national plans and agendas (Peña, Transue, & Riggieri, 2010) and can set policy frameworks that shape the context of entrepreneurial education within higher learning institutions (HEIs) (Pittaway & Cope, 2007). In this aspect, the Malaysian Government has been and continues to be supportive of entrepreneurial education. With the launch of the NEM in 2010 by the Prime Minister, the emphasis on creating new entrepreneurs was stressed to stimulate a competitive domestic economy and further led to the establishment of the Higher Education Entrepreneurship Development Policy in 2010. This particular policy gives importance to the inculcation of entrepreneurial values and cultures amongst students or graduates in the HEIs. The policy serves to enhance the development of entrepreneurial programs into a more defined, holistic, and well-organized curriculum aiming to produce graduates from institutions of higher learning with entrepreneurial attributes and thinking skills. In addition, the policy envisions to increase the number of entrepreneurs amongst the graduates with relevant skills and knowledge to stimulate economic transformation towards a high-income nation.

To realize these aims, the policy addresses six important thrusts (Kementerian Pengajian Tinggi Malaysia, 2013) that include the following:

1. To establish entrepreneurship institute in every HEI
2. To provide holistically and well-planned entrepreneurial education and programs

Table 49.1 List of higher education institutions offering entrepreneurial education

Universiti Kebangsaan Malaysia
Universiti Teknologi MARA
Universiti Putra Malaysia
Universiti Malaya
Universiti Islam Antarabangsa
Universiti Sains Islam Malaysia
Universiti Malaysia Sabah
Universiti Malaysia Sarawak
Universiti Malaysia Kelantan
Universiti Teknologi Malaysia
Universiti Teknologi Hussein Onn
Universiti Sains Malaysia
Universiti Malaysia Perlis
Universiti Malaysia Pahang
Universiti Utara Malaysia
Universiti Sultan Zainal Abidin
Universiti Perguruan Sultan Idris
Universiti Teknikal Melaka
Universiti Malaysia Terengganu

3. To empower the entrepreneurial development programs
4. To create and effective measuring mechanism
5. To provide a conducive and ecosystem for entrepreneurship development
6. To enhance competency of entrepreneurship trainers

The result of the implementation of the policy is truly encouraging with 19 HEIs (Table 49.1) in Malaysia having introduced entrepreneurial education as a compulsory subject (Yusoff, Zainol, & Ibrahim, 2015).

Several issues were faced during the delivery of entrepreneurial education including the content and delivery method that seemed to emphasize more on theoretical knowledge than a practical approach of the subject. However, there are universities such as Universiti Kebangsaan Malaysia (UKM) that implement online business simulation (OBS) designed by Centre of Entrepreneurship and SMEs Development (CESMED) for students to experience practical aspect of entrepreneurial learning in the entrepreneurial course. Challenges linking to planning and execution of the entrepreneurial learning, lack of trained lecturers and teaching assistants, weakness or lack of technological support and infrastructure and funding, and lack of consistent reassurance to students to convince entrepreneurship as a career option are experienced during delivery of entrepreneurial curriculum. Hence, to move forward in achieving more graduates to become entrepreneurs upon graduation, the Strategic Plan on Higher Entrepreneurship Development in Higher Education was established in 2013. The purpose of this plan is to enhance the earlier 6 thrusts by introducing and implementing 15 core strategies (Table 49.2).

Table 49.2 Six thrusts and 15 proposed strategies on entrepreneurship education

2013 thrusts	Fifteen proposed strategies
<ul style="list-style-type: none"> • Empowering entrepreneurship institute in every HEIs 	<ul style="list-style-type: none"> • Boost the function of the entrepreneurship institute in every HEIs • Improve the entrepreneurship institute planning and informing system
<ul style="list-style-type: none"> • Provide holistically and well-planned entrepreneurial education and programs 	<ul style="list-style-type: none"> • Integrate entrepreneurial values and attributes in the teaching method across curriculum and faculty • Increase the practical element in entrepreneurship education • Increase the involvement of industrial workforce in the teaching and learning process • Increase active student involvement in entrepreneurship programs
<ul style="list-style-type: none"> • Empowering the entrepreneurial development programs 	<ul style="list-style-type: none"> • Strengthen the support system for students’ business • Offer high-impact interventional programs to the students who have higher tendency towards an entrepreneurship career • Encourage the development of entrepreneurship programs that are based on businesses, which are beneficial to the students, small- and medium-sized enterprises (SMEs), as well as the society
<ul style="list-style-type: none"> • Enhance the competency of HEI entrepreneurship trainers and facilitators 	<ul style="list-style-type: none"> • Increase the number of trainers and facilitators that are competent and skillful • Bridge the gap of entrepreneurial theory and practical knowledge among HEI trainers
<ul style="list-style-type: none"> • Provide a conducive environment and ecosystem for entrepreneurship development 	<ul style="list-style-type: none"> • Improve the skills and competencies of the entrepreneurship trainers and facilitators • Improve commitment of the higher management of HEIs • Improve commitment and involvement of every person in the HEIs
<ul style="list-style-type: none"> • Increase the effect of the implementation of HEI entrepreneurial education and development 	<ul style="list-style-type: none"> • Establish a suitable instrument to measure the effect and impact of HEI entrepreneurship education and development programs

Source: Kementerian Pengajian Tinggi Malaysia (2013)

It was found that four out of six thrusts in the Strategic Plan on Entrepreneurship Development in Higher Education (2013–2015) have been successful (Shamsudin, Al Mamun, Binti Che Nawi, Md Nasir, & Zakaria, 2015). The successful thrusts are the first thrust which is to empower the entrepreneurship center in every HEI; the second thrust, which is to provide holistic and well-planned entrepreneurial education and programs; the fourth thrust, which is to enhance the competency of HEI’s entrepreneurship trainers and facilitators; and finally the sixth thrust, which is to increase the effect of the implementation of HEI’s entrepreneurial education and development. The less successful ones include the third thrust, which is to empower entrepreneurial development programs, and the fifth thrust, which is to provide a conducive environment and ecosystem for entrepreneurship development.

Entrepreneurship Educational Programs

Several entrepreneurship programs are introduced as a result of the policies to develop entrepreneurship in Malaysia. The main stakeholder that is tasked to enable these entrepreneurial programs is the Ministry of Education that began its efforts in the primary schools and later extended its reach to secondary schools (Othman et al., 2012). Entrepreneurial program at HEIs can be traced back to a pioneer program on entrepreneur in 1982 with KEMBARA Usahawan (KEMUSA) by Universiti Teknologi MARA (then Institut Teknologi MARA (ITM)) to create awareness on entrepreneurial opportunities amongst students (Rahim et al., 2015). This was followed by a fully developed course named Fundamentals of Entrepreneurship (ETR 300) for diploma students (Abdul Latif et al., 1996).

The National Entrepreneurship Institute (INSKEN) that was formed in 2005 has implemented some programs to stimulate entrepreneurial spirits and increase knowledge and skills such as the *Program Usahawan Bimbing Usahawan*. This particular program is set up by stakeholders in the industry and professionals through knowledge-sharing seminars, training and coaching segments such as the Business Design Workshop and Business Facilitator, Graduate Entrepreneur Scheme (SIS), *Program Galakan Perniagaan*, and *Program Pembudayaan Keusahawanan* (INSKEN, 2015).

It is noteworthy to state that there is a program that was introduced by the Malaysian Government to support entrepreneurial programs amongst students at the universities known as the 1Malaysia Entrepreneur (1MET) in 2013. The target audience that can participate in programs organized by 1MET is anyone between 18 and 40 years old especially school leavers and graduates who already have a job. The aim of 1MET is to transform Malaysia to become an entrepreneurial based nation by optimizing collaboration and usage of public and private resources in accordance with the ninth National Blue Ocean Strategy—NBOS.

On the day of the launch of 1MET, the Extreme Entrepreneurship World Tour was presented to spread the entrepreneurial mindset shared by some of the top global entrepreneurs through their stories inspiring young minds to venture in entrepreneurship. This extensive program by 1MET is designed in a form of a series of hands-on approach entrepreneurship boot camps such as the 1MET 3.0 2015 Bootcamp (Fig. 49.1) to provide basics of entrepreneurship to first-time entrepreneurs and also entrepreneurs already owning small businesses. Four areas are focused in this program including the stage of creating ideas (IDEATION), testing the idea (VALIDATION), building a prototype or drawing up concept (BUILDING), and finally pitching your ideas (PITCH). 1MET provides online resources for entrepreneurs of all the support programs available for them under various agencies including Malaysian Global Innovation and Creativity Center (MaGIC), MSC Malaysia, Meet Your Experts (ER360), *Majlis Amanah Rakyat*, Small Medium Enterprise (SME) Corp Malaysia, Ministry of Domestic Trade, Cooperatives and Consumerism (KDNKK), and Perbadanan Nasional Berhad (PNS). From all these agencies,



Fig. 49.1 1MET 3.0 Bootcamp 2015 (Source: 1MET)

MaGIC is the latest entrepreneurial entity formed by the Malaysian Government in 2014 to develop dynamic entrepreneurs with high endurance equipped to take up challenges and make impact at regional and global stage.

It is the leading agency that is significant to ensuring that Malaysia becomes the start-up capital in Asia based on three mandates that include supporting an entrepreneurial community, enhancing the start-up ecosystem, and exposing success stories and inspiring the *Rakyat* (public). Hence, MaGIC will support and foster strong communities where entrepreneurs are able to easily connect and share their ideas and solutions with each other, establish an academy for start-up education, seed accelerator programs, and provide qualified entrepreneurs with regional and global exposure and further intends to create a series of educational content about how start-ups are playing a significant role in solving real problems in the world, and reveal the entrepreneurs who are driving these innovations (MaGIC, 2015). It will also provide supporting infrastructure and services, access to start-up capital and investment, creative methodology, and training and collaboration with universities, research houses, and international organizations. Some of the programs and events organized by MaGIC to encourage students who are interested in entrepreneurship to attend include Pitching Karaoke Workshops, MaGIC Accelerator Programs, e@Stanford Program, and Stanford Go2Market.

Conclusion

It is suffice to conclude, from this brief yet significant insight into the initiatives of the Malaysian Government to nurture entrepreneurial interest amongst the students at the universities, that continuous and rigorous efforts are developed and implemented at the HEIs and also by other supporting governmental agencies such as MaGIC. The entrepreneurial education at the HEIs must be frequently updated to ensure its effectiveness in resulting to creating interest and nurturing future entrepreneurs amongst university students. Only then the rate of unemployment in Malaysia can be decreased through the creation of job creators, thus reducing the amount of job seekers. In that aspect, the curriculum should further stress on transmitting specific mindsets and skills that include socio-emotional skills such as self-confidence, leadership values, motivation, resilience, and self-efficacy apart from the general business knowledge and skills needed for opening and managing a business.

The Malaysian Government recognizes the value of entrepreneurial related knowledge in education systems and institutions through the establishment of national policies and strategic plans. Furthermore, it demonstrated that creating entrepreneurial institutes or agencies and involving the private sector to support and collaborate on programs only suggest that the government encourages sharing and learning of good practices on entrepreneurship. These significant initiatives established by Malaysian Government throughout several decades rest upon its role to ensure that university students are exposed to entrepreneurial knowledge and skills to fulfill the vision of becoming a knowledgeable high-income country by 2020.

Acknowledgment The authors would like to thank Pusat Citra Universiti, Universiti Kebangsaan Malaysia, by giving the authors an opportunity to conduct this research. This research is funded by Institut Penyelidikan Pendidikan Tinggi Negara (IPPTN) (IPPTN/KPT/CLMV/2016/T05) (2), Research Project Code No: GG-2016-004, towards the writing of this chapter.

References

- Abdul Latif, N. M. S., Jamaluddin, H., Jamil, M. Y., Nuruddin, N., Sarmidy, R., Buyong, S. Z., & Ahmad, Z. (1996). *Kajian Kekesanan Ko-Kurikulum KEMUSA*. Available at http://ir.uitm.edu.my/8363/1/LP_NIK%20MUSTAFA%20SHAPRI%20HJ.%20ABDUL%20LATIF%2096_24.pdf. Date of accessed 21 November 2015.
- Ahmad, S. Z. (2013). The need for inclusion of entrepreneurship education in Malaysia lower and higher learning institutions. *Education and Training*, 55(2), 191–203.
- Akola, E., & Heinonen, J. (2006). *How to support learning of entrepreneurs? A study of training programmes for entrepreneurs in five European countries*. Paper presented at the RENT XX Conference, Research in Entrepreneurship and Small Business, Brussels, November 22–24.
- Ariff, Z., Ghada, A., Muslim, H., & Hamid, Z. (2014). 'Legal Eagle' entrepreneurship education for law students: Special reference to international Islamic University Malaysia. *Social Sciences and Humanities*, 22, 83–98.
- Department of Statistics. (2015). Retrieved February 26, 2016, from <https://www.statistics.gov.my/#>.

- INSKEN, 2015. Available at www.insken.gov.my. Date of accessed 23 December 2015.
- Ismail, N. A. (2011). Graduates characteristics and unemployment: A study among Malaysian graduates. *International Journal of Business and Social Science*, 2(16), 94–102.
- Keat, O. Y., Selvarajah, C., & Meyer, D. (2011). Inclination towards entrepreneurship among university students: An empirical study of Malaysian university students. *International Journal of business and Social Science*, 2(4), 206–220.
- Kementerian Pengajian Tinggi Malaysia. (2013). *Pelan Strategik Keusahawanan Institusi Pengajian Tinggi 2013–2015*, 5–7.
- Lee, S. M., Chang, D., et al. (2005). Impact of entrepreneurship education: A comparative study of the US and Korea. *International Entrepreneurship and Management*, 1, 27–43.
- MAGIC, 2015. Available at <https://mymagic.my/en/>. Date of accessed 15 December 2015.
- Othman, N., Othman, N. H., & Ismail, R. (2012). Impact of Globalization on Trends in Entrepreneurship Education in Higher Education Institutions, *International Journal of Trade, Economics and Finance*, 3(4):267–271.
- Peña, V., Transue, M., & Riggieri, A. (2010). *A survey of entrepreneurship education initiatives*. Washington, DC: Institute for Defense Analyses, Science and Technology Policy Institute.
- Pittaway, L., & Cope, J. (2007). Entrepreneurship education: A systematic review of the evidence. *International Small Business Journal*, 25, 479–510.
- Rahim, H. L., Abdul Kadir, M. A. B., Abidin, Z. Z., Junid, J., Mohd Kamaruddin, L., Mohd Lajin, N. F., et al. (2015). Entrepreneurship education in Malaysia: A critical review. *Journal of Technology Management and Business*, 2(2), 1–11.
- Shamsudin, S. F. F., Al Mamun, A., Binti Che Nawi, N., Md Nasir, N. A. B., & Zakaria, M. N. B. (2015). *Proceedings of the Asia Pacific Conference on Business and Social Sciences*, Kuala Lumpur.
- Timmon, J. A., & Spinelli, S. (2004). *New venture creation: Entrepreneurship for the 21st century*. New York: McGraw-Hill.
- Volkman, C. (2009). Entrepreneurship in higher education. In C. Volkman, K. E. Wilson, S. Mariotti, D. Rabuzzi, S. Vyakarnam, & A. Sepulveda (Eds.), *Educating the next wave of entrepreneurs: Unlocking entrepreneurial capabilities to meet the global challenges of the 21st century*. Coligny, Switzerland: World Economic Forum.
- World Bank. (2012). *World development report 2013: Jobs*. Washington, DC: World Bank.
- Yusoff, M. N. H. B., Zainol, F. A., & Ibrahim, M. D. B. (2015). Entrepreneurship education in Malaysia's public institutions of higher learning—A review of the current practices. *International Education Studies*, 8(1), 17–27.