



AENSI Journals

Australian Journal of Basic and Applied Sciences

ISSN:1991-8178

Journal home page: www.ajbasweb.com



Graduate Entrepreneurs Creation: A Case of Universiti Teknologi MARA, Malaysia

Hardy Loh Rahim and Razmi Chik

Malaysian Academy of SME & Entrepreneurship Development, Universiti Teknologi MARA, Shah, Alam, Malaysia

ARTICLE INFO

Article history:

Received 30 September 2014

Received in revised form

17 November 2014

Accepted 25 November 2014

Available online 6 December 2014

Keywords:

Graduate, entrepreneur creation, case study, Malaysia

ABSTRACT

Background: Since SMEs are the economic mover of a huge number of countries in the world, Malaysia recognized the importance of entrepreneurship and gearing to be an entrepreneurship nation. Tremendous efforts were done to promote entrepreneurship to increase the entrepreneurship activities in the country. Educational institution participation is essential to achieve the goal in terms of providing awareness, training and entrepreneurship foundations for the university students, with the goal of creating graduate entrepreneurs. **Objective:** This case study investigates the effort that has been done in the largest university in Malaysia, Universiti Teknologi MARA (UiTM) in order to inculcate the entrepreneurial mindset to its students, inline with the needs of the nation of creating more entrepreneurs. **Results:** The implication of the strategic intervention done by UiTM has successfully increased the number of graduate entrepreneurs over the years. **Conclusion:** As there was an urge for academic institutions to play a role in increasing the number of entrepreneurs in the country, Universiti Teknologi MARA has done an exemplary effort to build the foundations for the graduates to be an entrepreneur.

© 2014 AENSI Publisher All rights reserved.

To Cite This Article: Hardy Loh Rahim and Razmi Chik, Graduate Entrepreneurs Creation: A Case of Universiti Teknologi MARA, Malaysia. *Aust. J. Basic & Appl. Sci.*, 8(23): 15-20, 2014

INTRODUCTION

The Malaysian government has encouraged entrepreneurship development in Malaysia in order to be more successful and viable in the field (Bank Negara Malaysia, 2014). In fact, entrepreneurship is one of the main focus during the presentation of 2014 budget (Bank Negara Malaysia, 2014) and the Prime Minister, Dato Seri Najib wished to turn Malaysia into an entrepreneurial nation (Malay Mail, 2013). The government has provided various schemes, financial assistance as well as advisory assistance, to assist the industry and build a strong foundation of entrepreneurship arena in the country (Nor, 2013). The government too is taking steps to increase the numbers of entrepreneurs among graduates (Dasar Pembangunan Keusahawanan, 2010; Nordin, 2013; Razak.,2013) Thus, this case study will investigate the steps taken by Universiti Teknologi MARA, winner of the Most Entrepreneurial University 2012 and 2013 by Ministry of Education Malaysia, since the award was adopted from United Kingdom in 2012 (UiTM News, 2014; Rahim and Lajin 2014), on promoting entrepreneurship in the university.

Profile of the organization:

Universiti Teknologi MARA is a public university located in Shah Alam, Selangor. It has 12 branch campuses, six satellite campuses in Shah Alam, eleven state satellite campuses and 21 affiliated colleges. Rated as the largest university in Malaysia, UiTM comprises of vast workforce of 18,000 staffs and 180,000 students that are mostly bumiputeras (indigenous people) and offering more than 581 academic programmes. English is being used as the medium of teaching. (UiTM Profile, 2013). The vision of the university is to be a premier university of outstanding scholarship and academic excellence capable of providing leadership to Bumiputeras's dynamic involvement in all professional fields of world-class standards in order to produce globally competitive graduates of sound ethical standing. (UiTM Vison, 2013)

UiTM has a huge list of academic partners from local and international universities as well as professional bodies. Initially UiTM started its collaboration with professional bodies such as, the Australian Chartered Secretaryship, the London Chamber of Commerce, the British Institute of Management, the Australian Society of Accountants and later college and universities such as Ealing Technical College (now University of West London) Ohio University. Other collaborators came on board such as the Association of Chartered Certified

Corresponding Author: Hardy Loh Rahim, Malaysian Academy of SME & Entrepreneurship Development, Universiti Teknologi MARA, Shah, Alam, Malaysia
E-mail: hardy@salam.uitm.edu.my

Accountants (ACCA), the University of London International Programmes the Institute of Chartered Secretaries and Administrators (ICSA), the Institute of Electrical & Electronics Engineers(IEEE), the Chartered Institute of Transport (CIT), the Institute of Electrical Engineers (IEE), London College of Printing, the Chartered Institute of Building (CIOB),and Institute and Faculty of Actuaries of United Kingdom. (UiTM Partners, 2013). Currently, UiTM has expanded its academic collaboration with many universities and professional bodies around the world. (UiTM Partners, 2013).

UiTM is also doing numerous Corporate Social Responsibility projects. One of the most outreaching project is the MDAB (*Mengubah Destini Anak Bangsa*) which provides 5000 higher learning opportunities for the underprivileged or orphans.

Problem statement:

99.2% of business establishment in Malaysia is SME, totalling 548,267 enterprises. (SMEDCorp, 2012; Rahim *et al.*,2012) Though the number is huge, we are still lagging behind developed countries such as Taiwan, Korea, Japan and many others. (Normah, 2007). SMEs are the economic mover of the country with contribution of 32% of Gross Domestic Product (GDP) and 59% of employment and 19% of exports (SMEDCorp, 2012). Thus the number of entrepreneurs needs to be increased to move the country's economy to a healthier position. Since unemployment is relatively a major problem for graduates (Malaysia Department of Statistic,2013; Rahim and Lajin 2014), it is even more important to increase the number of entrepreneurs the industry. Entrepreneurship may be the answer, as the students will not be dependent on others for jobs but to be self employed, and in addition, creating more job opportunities for the market. The Prime Minister has urge the universities need to work closely together (Bernama, 2007), hence, higher education institutions need to play a role in inculcating the entrepreneurial mindset to the students in order to increase the number of entrepreneurs in Malaysia, inline with the goal of becoming Malaysia as an entrepreneurial nation.

Study method:

Case study is usually used to increase the understanding of a certain complex phenomena, involving a comprehensive research method being done to identify meaningful information in real-life events. It concentrates on detailed contextual analysis on a limited or small number of events and their relationship. Therefore, case study method was used to capture what actually happened in UiTM by highlighting the key strategies adopted by this university to increase the number of graduate entrepreneurs from the university. Data collection was done by using the secondary data gained from the reports sent by all of the Malaysian Academy of SME and Entrepreneurship Development's (MASMED) coordinators nationwide as well as data reported from the Centre of Strategic Planning, UiTM.

Strategic interventions:

The management of UiTM took entrepreneurship development and activities seriously in order to create an entrepreneurship environment and graduate entrepreneurs. (UiTM Academic Blueprint, 2013). The followings are the steps taken:

Creation of MASMED:

The first step towards achieving this goal is by restructuring the entrepreneurship departments in UiTM. In April 2010, Malaysian Academy of SME and Entrepreneurship Development (MASMED) was established by combining Malaysia Entrepreneurship Development Centre (MEDEC), Entrepreneurship Research and Support Centre (ERSC) and Tunas Mekar Institute. MASMED is headed by the first ever Assistant Vice Chancellor of Entrepreneurship in the history of Malaysian Institute of Higher Learning. Furthermore, MASMED has set up its Board of Directors which comprises of top ranking government officers, corporate figures as well as prominent entrepreneurs. The Board will advise MASMED to ensure effective organizational planning and assist in implementing the plan's goals.

Appointments of MASMED Coordinators:

To carry out the entrepreneurship agenda and activities across the University, MASMED has appointed 13 MASMED coordinators and 13 Tunas Mekar coordinators who are based in branch campuses all over Malaysia. The coordinators promote and carry out entrepreneurship activities which are monitored and advised by MASMED in Shah Alam. The appointment of the coordinators has further fueled entrepreneurship activities in every corner of UiTM

Entrepreneurship for Promotion:

In ensuring that entrepreneurship agenda is well received and understood thus participated by lecturers, entrepreneurship activity has been made compulsory for promotion requirement. Lecturers have to participate in entrepreneurship activities either at faculties or MASMED in order for them to score higher marks for

promotion. Without entrepreneurship activities participation, lecturers would not be able to get promoted. This is in line with UiTM's objective towards being entrepreneurial university where all its stakeholders are playing their roles in supporting this objective.

Acculturation of Entrepreneurship:

UiTM conducted comprehensive acculturation of entrepreneurship to students throughout their stay in UiTM. New students are given briefing on entrepreneurship and given opportunities to participate in forums, talks and entrepreneurship carnivals. Every state campus conducted a 3 day carnival simultaneously in July 2012 culminating in the finale in UiTM Shah Alam. Participation in each campus number is in thousands.

Workshop and Business Plan Competition:

Business Plan Competition is held at the faculty regularly. The first UiTM BluePrint Competition was conducted in June 2012 with participations of 42 students presenting 10 ICT projects.

Entrepreneurship Clubs:

Students are encouraged to participate in entrepreneurship clubs or involved in programs such as:

1. Entrepreneurship Club – all campuses;
2. Technopreneur Club – all campuses;
3. KEMUSA – all campuses;
4. MyAgrosis – all campuses; and
5. Ko-Siswa – all campuses.

In addition, branch campuses have unique and individual entrepreneurship clubs such as *Kelab Pemborong Perniagaan (Wholesaler Business Club)* at UiTM Kedah.

Social Entrepreneurship Activities:

Social Entrepreneurship engage students with disadvantaged communities in order to improve the latter are socio-economic conditions. The main programs are:

1. Entrepreneur-Action-Us (ENACTUS) - 12 projects in 7 campuses in 2013;
2. Women in Social Entrepreneurship (WISE) – 400 students from 4 campuses in 2012; and more than 2000 students from 13 campuses in 2013 attached to single entrepreneurial mothers who are Sahabat Amanah Ikhtiar Malaysia (AIM)

Entrepreneur Creation Programme:

MASMED UiTM offers formal entrepreneur creation programs such as:

1. Tunas Mekar – trained 405 apprentices in 13 states in 2013;
2. STEP – trained 54 apprentices in 3 series;
3. GEDEP – trained 41 apprentices in 2 series;
4. AgroBest – trained 14 apprentices in agriculture entrepreneurship; and
5. Halal Scientific Executive Program – trained 25 apprentices to become entrepreneurs in Halal industry.

Tunas Mekar Program:

Tunas Mekar is the first and premier graduate entrepreneurship program in Malaysia, collaboration between UiTM and ICU-JPM (Implementation Coordination Unit-Prime Minister's Office). To date it has trained over 1000 graduates throughout Malaysia. In current Series 4 (2012-2013) it trains 405 graduates in all 13 states and the Federal Territory. It has perhaps the best creation rate among entrepreneurship programs in the country. The program is open to all graduates from public and private universities.

Student Businesses on Campus:

UiTM rents out business premises to students and graduate entrepreneurs. More than half of business premises in Shah Alam campus are run by students and graduate entrepreneurs. In addition K-Shoppe (MyAgrosis) has been constructed in 9 campuses while K-Shoppe Ko-Siswa is in operation in 3 campuses.

Outcome of interventions:

By creating MASMED and combining these entrepreneurship departments into one, the entrepreneurship activities are centralized and focused towards a common goal. Entrepreneurship acculturation among tens of thousands UiTM students improved by leaps and bounds during the past year. Students are exposed to entrepreneurship through talks, forums and business activities conducted by MASMED, faculties and campuses. Entrepreneurship carnivals were held in every campus across Malaysia culminating with the grand finale at UiTM Shah Alam (Table 1).

Table 1: Entrepreneurship Carnival 1UiTM 2012 Participation.

No	State Campus	Student Participation	Visitors
----	--------------	-----------------------	----------

1	Perlis	130	10,000
2	Kedah	200	7,000
3	Pulau Pinang	120	2,000
4	Perak	180	10,000
5	Negeri Sembilan	30	1,000
6	Melaka	150	6,500
7	Johor	200	6,000
8	Pahang	90	7,000
9	Terengganu	150	6,000
10	Kelantan	190	2,800
11	Sabah	66	1,960
12	Sarawak	45	2,000
13	Selangor	60	5,600
Overall Total		1,611	67,860

In their entrepreneurial drive, UiTM students are actively involved in programs such as hands-on workshop with entrepreneurs and experienced academics, on-campus business activities, business plan mentoring and collaborations sessions with academic and professional business counselors, and annual Business Plan Competition provided by the university. The competition helps students to turn business ideas into great enterprises.

Memberships in entrepreneurship organizations such as Entrepreneurs Club, Technopreneurs Club, Ko-Siswa, and MyAgrosis, among others, have increased tremendously. For example Ko-Siswa UiTM Berhad is operating all of the state campuses of UiTM except Sabah and has 2,363 members. (Table 2)

Table 2: Ko-Siswa UiTM Berhad .

No	State Campus	Cooperative Name	Members
1	Perlis	Koperasi Siswa UiTM Perlis Berhad	200
2	Kedah	Koperasi Siswa UiTM Kedah Berhad	85
3	Pulau Pinang	Koperasi Siswa UiTM Pulau Pinang Berhad	645
4	Perak	Koperasi Siswa UiTM Perak Berhad	365
5	Negeri Sembilan	Koperasi Siswa UiTM Cawangan Kuala Pilah Berhad	50
6	Melaka	Koperasi Siswa UiTM Melaka Berhad	109
7	Johor	Koperasi Siswa UiTM Johor Berhad	178
8	Pahang	Koperasi Siswa UiTM Pahang Berhad	50
9	Terengganu	Koperasi Siswa UiTM Dungun Berhad	256
10	Kelantan	Koperasi Siswa UiTM Macang Berhad	165
11	Sabah	Waiting for Malaysian Cooperative Commission Approval	
12	Sarawak	Koperasi Siswa UiTM Sarawak Berhad	136
13	Selangor	Koperasi Siswa UiTM Selangor Berhad	154
Overall Total			2,363

Newer and additional structured entrepreneurship programs are conducted successfully through these programs. The quantity and quality of student's entrepreneurship engagements have improved especially through the setting up of business ventures. In addition, student engagements in social entrepreneurship through WISE and Enactus have increased (Table 3) and brought much valuable experiences to them.

Table 3: ENACTUS UiTM – Social Entrepreneurship.

No	Items	2011/2012	2012/2013
1	Projects	9	11
2	ENACTUS UiTM Team	8	10
3	ENACTUS UiTM Members	>200	265
4	Number of People Directly Impacted	>800	>1,000
5	Number of Community Impacted	4	18
6	Achievement	National Semi-Finalist	National Runner-Up

Creation of students entrepreneurs are enhanced through expansion of existing programs such as Tunas Mekar and GEDEP while new programs such as STEP and EGM are successfully launched as shown on Table 4. In addition, many other entrepreneurs are created through students' own initiatives at faculties and branch campuses. Perhaps, UiTM has the most diversified avenues in creating entrepreneurs among its graduates.

Table 4: Entrepreneur Creation Program.

No	Items	Number of Campus Involved	Number of Participants
1	Tunas Mekar 2011/2012	10	231
2	Tunas Mekar 2012/2013	14	405
3	Sectorial-Techno Entrepreneurship Program (STeP) 2012	1	37
4	Graduate Entrepreneur Development Program (GEDEP) 2013	1	41

5	Certified Halal Scientific Executive Programme 2012	1	25
6	Agro-Biotechnology Entrepreneurship Special Training (Agro-BEST) 2012	1	14
Overall Total			770

Table 5 shows that Tunas Mekar entrepreneur creation rate improved from 54 percent to 85 percent in Series 3 (2011-2012). This is the only program for university graduates that has such a high entrepreneur creation rate due to the fact that the graduates were trained in classes before having 6 to 12 months of industrial attachment related to the business that they would like to pursue.

Table 5: Tunas Mekar Entrepreneur Creation .

Series	Year	State Involved	Total Participation	Entrepreneurs Creation	Entrepreneurs Creation (%)
1	2005-2007	8	198	110	55.56%
2	2008-2010	14	487	266	54.62%
3	2011-2012	10	231	197	85.28%

Student's engagement has allowed them to improve their skills and has led to creative innovations. UiTM students from various faculties have won various awards and accolades for their innovation and entrepreneurial spirits. This augurs well for their employment opportunities upon graduation. Student entrepreneurs provide much needed services to the university by operating single proprietor businesses, K-Shoppe and SiswaSave. The students also positively impacted the disabled, single mothers, and other disadvantaged groups through participations in WISE, Enactus and other social entrepreneurship programs.

Implication:

Since the establishment of MASMED, the creation of entrepreneurs increased steadily. Table 6 shows that in 2011, 296 graduates were self-employed and increased to 410 in 2012 and increased to 510 in 2013. Though the percentage fluctuates, the actual numbers of graduate entrepreneurs are increasing.

Table 6: Entrepreneur Creation of UiTM Graduates.

Year / Study	Self-employed within 6 months after graduation	
2011	1.6%	296
2012	1.7%	410
2013	1.6%	510

Conclusion:

Based on the case study done, astounding interventions and effort has been done created a steady amount of graduate entrepreneurs. The effort must be applauded and be as an example for other educational institutions in promoting and developing entrepreneurship in the country. Though the numbers are in hundreds, one need to remember that the data is collected 6 months after graduation. Usually it takes a lot of time to be an entrepreneur, thus surely more entrepreneurs are created based on the university's effort.

REFERENCES

- Bank Negara Malaysia, 2014. The 2014 Budget Speech. Retrieved from http://www.bnm.gov.my/index.php?ch=en_announcement&pg=en_announcement_all&ac=257.
- Bernama, 2007. Ensure Co-Curriculum Relevant to Market Demand, Varsities Told. Bernama. June 30. Retrieved from <http://www.bernama.com.my/bernama/v3/news.php?id=270537>.
- Dasar Pembangunan Keusahawanan, 2010. Dasar Pembangunan Keusahawanan Institut Pengajian Tinggi. Retrieved from <http://jpt.mohe.gov.my/GRADUAN/Dasar%20Keusahawanan.php>
- Labour_Force_Survey_Report_Malaysia_2012.pdf Nor M. Y. (2013) Agenda Transformasi Ekonomi Bumiputera, Ucapan Menteri di Jabatan Perdana Menteri. Retrieved from <http://www.epu.gov.my/documents/10124/e9b09857-d13d-42e3-a567-b2c53f7dd081>
- Malay Mail, 2013. Budget 2014: Entrepreneurship and connectivity main focus for tech. Retrieved from <http://www.themalaymailonline.com/tech-gadgets/article/budget-2014-entrepreneurship-and-connectivity-main-focus-for-tech#sthash.3v29vpGH.dpuf>
- Malaysia Department of Statistic, 2013. Labor Force Survey Report Malaysia 2012. Retrieved from http://www.statistics.gov.my/portal/download_Labour/files/labour_force/
- Nordin, K., 2013. Amanat 2013 Menteri Pengajian Tinggi. Retrieved from http://mstar.com.my/cerita.asp?file=/2013/1/29/mstar_kampus/20130129191923&sec=mstar_kampus
- Normah, M.A., 2007. SMEs: Building Blocks for Economic Growth. Department of Statistic Malaysia.
- Rahim, H.L. and N.F.M. Lajin, 2014. Enhancing Graduate Employability Through Social Entrepreneurship. 2nd Asean Entrepreneurship Conference 2014 Proceeding.

Rahim, H.L., A.J. Suffian, J. Abdullah and N.F.M. Lajin, 2012. The Challenges Of Globalization: A Study On Small And Medium Enterprises In Malaysia. Asean Entrepreneurship Conference 2012 Proceeding.

Razak, N., 2013. Ucapan Bajet Tahun 2014: Memperteguh Ketahanan Ekonomi, Memperkasa Transformasi Dan Melaksana Janji. Retrived from <http://www.1malaysia.com.my/blog/ucapan-bajet-tahun-2014-memperteguh-ketahanan-ekonomi-memperkasa-transformasi-dan-melaksana-janji/>

SME Corp, 2012. Structural Characteristics of Malaysian SMEs. Retrieved from http://www.smecorp.gov.my/vn2/sites/default/files/chapter%202_0.pdf

UiTM Academic Blueprint, 2013. 'Pelan Hala Tuju Akademik (PeHTA)'.

UiTM News, 2014. Retrieved from <http://www.uitm.edu.my/index.php/en/current-news/1031-uitm-wins-entrepreneurial-university-of-the-year-award-2013>.

UiTM Partners, 2013. Retrieved from <http://oia.uitm.edu.my/international-partners.html>

UiTM Profile, 2013. Retrieved from <http://www.uitm.edu.my/index.php/en/about-uitm/uitm-profile-and-history/university-profile>.

UiTM Vision, 2013. Retrieved from <http://www.uitm.edu.my/index.php/en/about-uitm/uitm-profile-and-history/university-motto-vision-mission-philosophy-a-objectives>.