

**TRACER STUDY OF BACHELOR IN ENTREPRENEURSHIP PROGRAM:  
THE CASE OF UNIVERSITI UTARA MALAYSIA**

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**Abstract**

Entrepreneurship education in universities is vital in inculcating the entrepreneurial culture and to motivate the graduates to be involved in entrepreneurship and business. In line with the government's encouragement for entrepreneurship development in Malaysia, Universiti Utara Malaysia (UUM) has introduced the Bachelor in Entrepreneurship with Honours as an academic program during the academic session of 2004/2005. This paper is aimed to identify the effectiveness of the entrepreneurship program as offered by UUM. A number of 61 respondents took part in the research by answering the questionnaire distributed during the 23rd UUM Convocation in the year 2010. The descriptive analysis shows that the program has achieved its goals and the majority of graduates were employed upon graduation. In addition, there are students who set up business as their chosen career. The paper proposes steps and recommendations to the university and the government to improve and enhance the existing curriculum to ensure its relevance in helping to create entrepreneurs. (157 words)

**INTRODUCTION**

Education is an important element in the development of a country. The opportunity to receive quality education will produce the human resource that is able to translate the government's agenda to an economic success of a nation. However when there is high output of graduates, that will give rise to the problem of placing them in jobs that are suitable with their qualification. The economic crises in the 80s and 90s has deeply affected the preparation of graduates for their work lives. They not only seek employment but also created jobs through entrepreneurial activities.

The general emphasis on entrepreneurship in the institutions of higher learning in Malaysia was seen in the July 2007 student intake whereby the Ministry of Higher Education (MOHE) rules that every students enrolled in the public universities are required to take the entrepreneurship subject as a core subject (Utusan Malaysia, 2 July 2007). The government's determination to inculcate entrepreneurship as a career choice is also supported by the establishment of the Entrepreneur's fund worth RM100 million. The designated fund is aimed toward helping the graduates acquire the capital to start-up and develop their businesses (Utusan Malaysia, 18 May 2008). Therefore this research was conducted to identify the increase number of students who choose to be entrepreneurs since a previous research conducted by Zolkafli, Mohd Salleh, Abdul Malek, Hajjah Mustaffa,

Abdul Razak, Mahmood Nazar, and Abdul Razak (2004) found only 0.4 percent of graduates from UUM becomes entrepreneur upon graduation.

Historically, the entrepreneurship course was offered as an elective course in the early 1990s (Habshah, Norashidah, Armanurah & Mohd Salleh, 2004). Universiti Utara Malaysia (UUM) spearhead making the Fundamental in Entrepreneurship course as the university core subject (Habshah, Faudziah & Rosli, 2005). To date, it is not only the entrepreneurship subject made compulsory, a full Bachelor in Entrepreneurship Programme is offered since the academic session of 2004/2005 (Habshah et al., 2004). In addition, the infrastructure and internal environment conducive for entrepreneurial activities in UUM are strengthened with the establishment of the Cooperative and Entrepreneurship Development Institute (CEDI) which was formally known as the Entrepreneurial Development Institute, The Entrepreneurship Co-curriculum Unit, "The Mall" building housing shoplots for students' businesses, business kiosk in the academic and students' residential areas. All the physical infrastructure were setup to support and expand the activities for inculcating entrepreneurial culture within the UUM campus.

UUM has led the way in producing many capable managers in the public and private sectors. Since her inception, UUM maintained on her track to produce efficient professional managers to continue the development of Malaysia. Intandem with this , UUM stresses on entrepreneurship as part of the education focus toward producing professionals with the entrepreneurial traits. For those who choose to become entrepreneur, it is hope that they will become successful entrepreneurs.

## **RESEARCH QUESTION**

To strengthen the Bachelor in Entrepreneurship (BEnt) program, this research attempt to answer a few crucial questions emphasizing on the individual experience while in the university, their current employment situation and their aspiration toward making entrepreneurship their career choice. The questions were:

1. What were the graduates' entrepreneurial experiences while in their student years?
2. What is their perception toward the entrepreneurship studies in UUM?
3. What is the percentage and number of BEnt graduates who actually becomes entrepreneur and doing other work?

## **RESEARCH OBJECTIVES**

Generally, the research aims to explore the graduate learning experiences during their student years and their development upon graduation.

Specifically, the research was designed to:

1. Determine the BEnt graduates' learning experience while in the university.
2. Explore the graduates' perceptions toward the entrepreneurship studies in UUM.
3. Identify the number and percentage of the BEnt graduate who are involved in business and other jobs.

## **LITERATURE REVIEW**

Entrepreneurship education carried out formally either integrated in the existing curriculum or carried out specifically to produce students with entrepreneurial characteristics or inclined to become entrepreneurs. There are more than 500 universities in America, United Kingdom and Australia offering various courses in entrepreneurship (Kuratko & Hodgett, 2004; Matlay, 2009). In United Kingdom, for example, Matlay (2009) states that entrepreneurship is not only offered in the business schools but expand to other fields. Entrepreneurs were also recruited as the lecturers to teach and share their experiences in entrepreneurship activities.

The effort to map the entrepreneurship education in the institute of higher learning in the emerging economy countries shows that there is an increase in the offering of entrepreneurship courses and programs. In the sub-Saharan universities, the entrepreneurship education is fast developing through the offering of at least Introduction to Entrepreneurship course (Kabongo & Okpara, 2010). The entrepreneurship programs and majoring entrepreneurship is also gaining its momentum with institutions setting up entrepreneurship centres to develop entrepreneurs, support small business and research on micro financing. Even though the development is not as vigorous in America, efforts towards positioning entrepreneurship within the higher education is gaining its momentum in the sub-Saharan, Africa.

The same situation is also emerging in the Eastern European countries post communist period. Even though the entrepreneurship teaching is still not extensive in the higher institutions in the region, the entrepreneurship education is significantly more prominent in the new private colleges and universities (Varblane & Mets, 2010). There are five groups of entrepreneurship teachings that is identified in the East European countries namely the Bachelor in Business Administration with emphasis in entrepreneurship; Bachelor in Entrepreneurship or Entrepreneurship with economy, management; curriculum that emphasise the combination of entrepreneurship and small and medium enterprise; combination of entrepreneurship and innovation/technology or that reflecting specific entrepreneurship aspect in economic sectors.

According to Mohd Salleh (1992), the enterprise society that possesses the entrepreneurial characteristics can be developed through higher education if suitable approach is used. Research by Louis (1993) also shows that university graduates have a good entrepreneurship potential and the university need to identify the suitable method to highlight the potential. He recommended that the pre-entrepreneur teaching should be inculcated into the student because this method can develop the entrepreneurship potential into the student. The pre-entrepreneur teaching does not mean that to train the students to become an entrepreneur but to educate them to be responsible to themselves by developing the enterprise character within them. Through the pre-entrepreneur teaching also, the students will work towards gaining the autonomy where they will learn to liven up their imagination, achieve dreams, learn to develop and realize their vision. They will learn to translate ideas into behavior apart from the learning process which is still based on concept and theory.

The availability of entrepreneurship academic and training programme are important because the impact of the increase number of nascent entrepreneurs is important to the social and economic situation of a country. From the economic aspect, the impact of companies headed by graduates is much more due to their exposure and capacity development (Robinson & Sexton, 1994). The university is also viewed as the source that is capable to produce entrepreneurs from

various areas such as information technology and biotechnology (Luthje & Franke, 2002). These groups can introduce innovation in the product market where the spillover of the benefit can be enjoyed by the societies within the nations. The graduate entrepreneurs are those who head the small and medium enterprises that largely contribute to the employment opportunities. The effect of their involvement not only decrease the unemployment rate among the graduates but also help others to get jobs.

## **BACHELOR IN ENTREPRENEURSHIP (BEnt) PROGRAM**

The tracer studies conducted by Zolkafli et al. (2004) among the UUM's Bachelor in Business graduates found that only six (0.4 percent) graduates who actually start-up a business out of 1469 graduates. Since during that time there was no specific academic program offered on entrepreneurship, this phenomenon was acceptable. However, since the academic session of 2004/2005, UUM offered BEnt. This program widely exposed the students in creating the entrepreneurial culture within them in their thoughts, attitude and entrepreneurial skill to prepare them to become entrepreneurs. Therefore with this program, the number of students who choose to become entrepreneurs upon graduation should increase.

The main goal of this program is to produce students with entrepreneurial characteristics such as creativity and innovation, ability to assume risks, initiative, flexible and visionary in pursuing new opportunities in the job market.. These characteristics help improve their career mobility apart from streaming them toward creating new business as their lifelong career (Academic Guide session 2009/2010, Business College). Among the objectives of this program are 1) to produce graduates who are able to apply business theories in different context and equipped with the knowledge toward an entrepreneurial career; 2) to produce graduates who wish to start their own business; 3) to produce graduates who are competent in providing consultation, guidance and advisory services to potential entrepreneurs, and 4) to produce graduates who are able to generate knowledge that help them in career mobility in the financial institution, government department, non-government organization, small and medium enterprises as well as multinational corporation.

BEnt was launched in June 2004 with the first intake of 50 pioneer students. The students were exposed to the knowledge and experience on the environment as well as the elements that they will face in business. They will then be more prepared and able to anticipate the possible problems. They too can identify the advantages of involvement and the benefits of being in business. To date, 97 students had graduated in UUM 21st and 22nd Convocation in 2008 and 2009. The question is, how many entrepreneurs that were produced from this program since it was offered? Therefore, this study need to be continued after the data of the second cohort was taken in 2009 (Syahrina, Habshah, Ooi & Norashidah, 2009).

## **RESEARCH METHODOLOGY**

### **Research population and sample**

The population of this study comprise of all the graduates under the BEnt program and the sample comprise of 61 graduates who attended the 23rd convocation in 2010. This research in quantitative which is aimed to generate the information on the development of the graduates.

## Instrument design

In this research, the items in the questionnaire are in the form of close ended based on the perception of the respondent using the five Likert Scale that is 1 – totally Disagree; 2 – Disagree; 3- Less Agree; 4 – Agree; 5 – Totally Agree. The questionnaire is divided into a few sections that is:

Section A: Graduate profile information

Section B: Questions to capture the perception of the content of BEnt program, the assesment system used, the career information throughout their studies period and their perception towards the faculty in the university.

Section C: Questions to assess the effectiveness of the learning system in the university and the readiness of the graduates.

Section D: Questions to asses the entrepreneurship program as a whole.

Bahagian E: Questions realted to the current occupational status and the situation of those who have started their business.

The questionnaire developed to identify the problems and constraints faced by graduates who started their business. The data collected through the questionnaire were coded and analysed using the descriptive statistics consisting of the frequency and percentage using the SPSS 14.0 for Windows software.

## RESEARCH RESULT

Table 1: Graduate Profile

Demographic Factor	Category	Frequency	Percentage
Gender	Male	7	11.5
	Female	54	88.5
Ethnicity	Malay	55	90.2
	Chinese	3	4.9
	Others	3	4.9
Age	23-24	46	75.4
	25-26	13	21.3
	26 and above	1	1.6
	Not reported	1	1.6

### 1. What is the entrepreneurial experience while studying in the university?

The research found that majority (73.8%) of the graduate have had the experience of doing business while studying and 90.2% of the graduates did attend the entrepreneurship course or training organized by CEDI, UUM (refer Table 2).

Table 2: Experience in university

Experience	Category	Frequency	Percentage
Business	Yes	45	73.8
	Never	15	24.6
	No data	1	1.6
Joined entrepreneurship courses or training by CEDI	Yes	55	90.2
	Never	5	8.2
	No data	1	1.6

## 2. What is the perception of the graduates towards the studies of entrepreneurship in UUM?

In order to interpret the level of response related to their perception of entrepreneurship studies in UUM, the rules by Alias Baba (1997) is used. According to Alias Baba (1997), the mean between 3.01-4.00 is considered to be an average high level while the mean exceeding 4.01 as at the higher lever. The result from the data analyzed shows that all respondents have the perception of the entrepreneurship studies in UUM is at a high level implying that all of the respondents believe that the entrepreneurship studies in UUM is suitable for continuity. They have high perception as for the readiness of the lecturer (mean=4.2234), the effectiveness of the lecturing system and personal readiness (mean=4.1616), the suitability of the curriculum (mean=4.1569) and the assessment system (mean=4.0631).

Table 3: Perception of graduate toward studying in UUM

Graduate Perception	N	Min	Std Dev
Curriculum suitability	61	4.16	.56
Assessment system	61	4.06	.59
Readiness of lecturers	61	4.22	.65
Effectiveness of lecturing system and personal readiness	61	4.16	.54
Assessment of entrepreneurship program	61	3.98	.53

## 3. How many and what percentage of the Bent graduates who are employed?

Table 4 shows that 63.9% of BEnt graduates have some form of jobs with 13.1% as employee, 13.1% have own business and only 19.7% who are still in the process of finding work. This data shows that the percentage of the getting jobs is high. It was found that 36.1% of the graduates work in the local private sector, followed by 11.5% in the multinational companies, other jobs (6.6%) in the public sector (3.3%) and government Link Company (3.3%).

Table 4: Current occupational status of the graduates

<u>Occupational status</u>	Frequency	Percentage
Employed	39	63.9
Business/entrepreneur	8	13.1
Not working	12	19.7
Others	2	3.3
<u>Occupational sector</u>		
Government	2	3.3
Badan berkanun	1	1.6
Private(multinational/foreign)	7	11.5
Pivate (local)	22	36.1
Non government organization	1	1.6
Government linkedcompany	2	3.3
Others	4	6.6

#### 4. How many BEnt graduates become entrepreneurs by starting own business?

Result shows that only 13.1% of the graduates in this study actually started their own business. From that figure 3.3% are involved in franchise. This is followed by 1.6% in grocery store/supermarket and restaurant/food. (Refer Table 5).

Table 5: Types of business set up by graduates

	Frequency	Percentage
Franchise	2	3.3
Grocery store/supermarket	1	1.6
Restaurant/food stall	1	1.6
<b>TOTAL IN BUSINESS</b>	<b>8</b>	<b>13.1</b>

## DISCUSSION AND CONCLUSION

Basically, BEnt has achieved her goal in preparing the students to be involved in career related to entrepreneurship. The learning process that they undergo and the environmental support on campus enable many BEnt student to experience entrepreneurship that is starting business, attending addition training courses and training program organized by CEDI.

BEnt has been designed to ensure the students are exposed to the entrepreneurship knowledge and experiences to develop their personality and competitiveness as an entrepreneur later. The preparation for four years with various theories and practices has been recognized by the graduate



as suitable for them through the high score in areas of the readiness of the lecturers, effectiveness of teaching system and self readiness, the curriculum suitability and the assessment system. This means that the combination of the lecturers, curriculum and assessment system that are suitable (bersesuaian). A specific program such as BEnt has the advantage since the students are able to embrace the sequence of the experiences needed to prepare them to become entrepreneur.

The result from the cohort support the result from a former tracer study conducted in 2009 with the graduates agreeing to the suitability of the experiences they went through (Syahrina et al., 2009). In another word, the elements in the curriculum which the students go through was able to successfully inculcate the entrepreneurship culture whereby the implication can be observed in future through the knowledge they acquired, the experience accumulate and the environment support for them to be much better. UUM is said to be on the right track based on the students' admission. In order to strengthen BEnt program, it is recommended that a comparative study be done between the different cohorts of the BEnt program according to the year of graduation.

Among the limitation of the research is time constraint faced by the researchers. This research is a cross sectional whereby the outcome of the research is limited. Apart from that, it is quantitative in nature. There is no research that is longitudinal to map the process of entrepreneurship that the respondents who set up the business went through. Therefore in future it is suggested that a quantitative research is conducted on a few graduates who choose to become entrepreneur to get a better understanding of the impact of their entrepreneurship education and the outcome of that education as practiced in starting and developing the business of these graduates.

As a conclusion, BEnt graduates have the potential and opportunity to start-up the business since the majority of them has developed the experience of running a businesses while studying. In addition they also attended additional courses and training program organized by CEDI that has been endorsed by the ministry to enhance their knowledge and experiences. However the researchers hope that improvement can be made in the BEnt program from the pedagogical as well as experiential exposure to ensure more Bent graduates become successful entrepreneurs in whatever area they choose as their career.



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