Nature Or Nurture?: The Case of Entrepreneurship Education in Job Creation

Anisah Abdul Wafi (Corresponding Author)
Faculty of Technical and Vocational
Sultan Idris Education University
35900 Tanjung Malim, Perak
Email: anis.wafi@ftv.upsi.edu.my

Suriani Mohamed
Faculty of Technical and Vocational
Sultan Idris Education University
35900 Tanjung Malim, Perak
Email: suriani.mohamed@ftv.upsi.edu.my

Zaliza Hanapi
Faculty of Technical and Vocational
Sultan Idris Education University
35900 Tanjung Malim, Perak
Email: zaliza.hanapi@ftv.upsi.edu.my

ABSTRACT: Student employability is a common issue faced by most Malaysian public universities as reported by the Ministry of Higher Education. The program structure of most undergraduate degree revealed that university graduates fulfilled practical courses such as entrepreneurship which should assist in reducing the unemployment rate among fresh graduates. However, each year, the annual report on employability presents similar scenarios where graduates do not suit the employee requirements or have failed as a job creator despite using the employability skills which they have attained. Thus, this study aims to identify the effectiveness of an entrepreneurship education course among TVET students besides determining suitable pedagogical approaches in entrepreneurship education. This study also attempts to outline the key factors of students’ motivation in entrepreneurship involvement upon graduation. Data was collected by using semi-structured interview among 27 final year students based on their experience during participating in the entrepreneurship carnival. The thematic analysis was employed to identify related narratives recurring patterns or themes. This study generally found that students have some difficulty in applying the entrepreneurship knowledge to a real situation. Therefore, educators should improvise their teaching method to a more current and suitable style to influence the students motivation and intentions of becoming an entrepreneur. In addition, entrepreneurship education is an important program to aid the government in addressing unemployment. It also can facilitate graduates to become as a job creator besides as a job seeker.

Keywords: Entrepreneurship education, student motivation, graduate employability, TVET

1. Introduction

University graduates are often worried about their employment status upon graduation especially amid the economic crisis. In 2019, the unemployment rate was reported to be 14.3% among public and private universities, polytechnics, vocational and community college graduates. Besides the economic crisis, the mismatch between students’ skills and industrial needs were also discussed as contributory factors to unemployment (Abdullah, Humaidi, & Shahrom, 2020). Statistics from the Tracers Study conducted by the Ministry of Higher Education showed that only 60.2% of graduates were employed in 2019, while 25.3% remained jobless or were still waiting for job placements (MoHE, 2020). The unemployment rate may also reflect graduates’ inability to apply certain skills
acquired during their studies, particularly, entrepreneurship skills. The significance of introducing entrepreneurship education is to assist graduate to become job creators rather than job seekers, indirectly, reducing the unemployment rate. The failure of applying entrepreneurship skills among graduate is an issue that must be addressed in detail.

The Ministry of Education introduced the Entrepreneurship course to develop students’ entrepreneur skills and, subsequently, use those skills to start-up their own business. About 13,000 graduates have ventured into businesses and from this amount, 8.5% are e-businesses/online business (MoHE, 2020). Other popular business areas include education, food truck, printing, direct selling, food, insurance, and grocery supplies. There are conflicting opinions concerning graduates’ intentions being involved in businesses. Barba-Sánchez and Atienza-Sahuquillo (2018) stated that motivation is a significant influential factor for graduates to run a business.

Previous scholars have argued on whether this intention can be instilled through entrepreneurship education in the bid of creating future young entrepreneurs. Din, Anuar and Usman (2016) proposed that entrepreneurship education in universities should be modified to ensure that students learn more entrepreneurship skills besides being exposed to an entrepreneurial environment. Innovation in entrepreneurship education should include various stakeholders in teaching and learning to facilitate knowledge exchange of fresh ideas. Küttim, Kallaste, Venesaar and Kiis (2014) also suggested that the learning outcomes in entrepreneurship education should focus on being a business founder and enhance the potential and innovative employee skills. These outcomes can develop proper positive entrepreneurial intention among students.

Sustainable entrepreneurship education is needed to significantly increase the employment opportunities for graduates. Amjad, Abdul Rani and Sa’atar (2020) agreed that the development of pedagogical approaches needs to be upgraded in this case. A graduate’s entrepreneurial failure may be due to a mismatch between pedagogical approaches and practical entrepreneurial needs. Therefore, it is important that the graduates’ intention of studying entrepreneurship be determined to ensure the sustainability of entrepreneurship education. Hence, the purpose of this study is to evaluate the intentions and effectiveness of the entrepreneurship education among TVET students, besides determining the pedagogical factors and motivational factors which influence students’ intentions to run a business upon graduation.

2. Literature Review

2.1 Entrepreneurship Education

Iwu et al. (2019) defined entrepreneurship education as teaching students about starting and running a business alongside the development of creativity, innovation and, strong self-esteem and discipline. Meanwhile, Küttim et al. (2014) described entrepreneurship education as an opportunity to create or train anyone interested in a business venture as the owner of an enterprise. Additionally, the main purpose of entrepreneurship education is to help them in terms of employability (to be hired or as a job creator) and to lead to the sustainable development of the economy. For these reasons, most Higher Education Institutions (HEIs) require their students to study entrepreneurship. However, the application of entrepreneurship education among HEIs varies depending on the knowledge of the lecturers.

Numerous studies (e.g. Cheng, Chan, & Mahmood, 2009; Mason & Harvey, 2013; Testa & Frascheri, 2015) have debated on whether entrepreneurs are born and or nurtured. Some studies strongly proposed that entrepreneurs can be developed through education. According to Daley (2006), genes are insignificant to become a good entrepreneur since knowledge can influence and drive a person’s intentions. This statement is congruent to the Theory of Planned Behaviour where an intention can induce actual behaviour (Ajzen, 1991). Accordingly, entrepreneurial education may potentially stimulate students’ desire to opt for self-employment after graduation. Through entrepreneurship
education, students are made aware of the various ways and support available in starting up a business.

Thus, Fayolle and Klandt (2006) suggested an effective entrepreneurship education that focuses on a three-dimensional concept linking behaviour, mindset and real-world knowledge. The behavioural element of entrepreneurship education includes practical skills such as decision-making and networking with stakeholders or business partners. These skills contribute to students’ behavioural intentions as attitudes, beliefs and values are crucial influences. Iwu et al. (2019) agreed that the success of education for entrepreneurship requires an opportunity to influence the creation of new ideas.

Entrepreneurship education also should focus on technology, automation and artificial intelligence. Singh (2014) expressed that students’ behaviour depends on their generations. For example, Generation Z (born between 1995 and 2000) depends on information-seeking technologies, prefers personal contact, carries out their responsibilities autonomously, and are good in public relations (Frunzaru & Cismaru, 2018). Therefore, Bauman and Lucy (2019) believed that the introduction of entrepreneurship education should focus on the generations students belong to as there may be differences in psychological behaviour.

2.2 Fundamental Approaches to Teaching Entrepreneurship

Business programmes need to teach applicable skills that can be assessed using reliable methods to ensure the success of these programmes. Blenker et al. (2012) specified that the real challenge in teaching entrepreneurship is converting an abstract idea into a specific practice since students should be part of the creation of a new venture. Additionally, Hägg and Kurczewska (2019) believed that appropriate pedagogical approaches in teaching should be based on students’ background, leading to the achievement of learning outcomes. Educators can then design their pedagogical approaches such as learning theory choice based on learners’ maturity.

As there are several fundamentals in teaching entrepreneurship education, the best approaches to teaching entrepreneurship education remain debatable. Rushworth, Vanevenhoven, Winkel, and Liguori (2016) posits that entrepreneurs must act autonomously, willing to innovate and take risks, be competitive, and proactive in seeking for marketplace opportunities. Based on these characteristics, experiential learning should be the main approach to teaching entrepreneurship. However, Jones and Iredale (2010) mentioned that experiential learning is not included in the entrepreneurship education approach. According to Jones and Iredale (2010), entrepreneurship education uses traditional teaching approaches in teaching business planning and development whilst the more creative enterprise education uses innovative pedagogical approaches involving experiential learning methods.

Badri and Hachicha (2019) support that profitable assistance must be offered at both the organizational and psychological levels to ensure successful entrepreneurs. Pedagogical approaches should be properly designed to enhance students’ intentions. Using different approaches will provide students with knowledge diversity and enhance their creativity. Most entrepreneurs do not learn from textbooks but actual experiences. For this reason, teaching methods should include active learning, experiential learning, and professional practices which are more focused on real-world experiences (Fayolle, 2013). Gimmon (2014) emphasised that teaching entrepreneurship education using active learning are needed to provide students with actual experiences of becoming an entrepreneur. Active learning can be applied using the mentoring approach as suggested by Gimmon (2014).

The fundamentals of teaching entrepreneurship education are not limited to increase students’ knowledge, but also enhances students’ creativity. Creative thinking facilitates product development, management and prevent failures. Creative entrepreneurs prefer to describe their success in terms of what they have achieved in the creative profession, rather than how much money they earn (Chen, Chang, & Lo, 2015). Farhangmehr, Gonçalves, Sarmento and Sarmento (2016) stated that to
increase entrepreneurial motivation, the development of psychological and social entrepreneurial skills must be emphasised, addressing emotional aspects and critical thinking. Inappropriate teaching methods can affect the objective of entrepreneurship education. Therefore, educators and industry stakeholders need to provide suitable entrepreneurship pedagogies for students.

2.3 Entrepreneurial Motivation

Entrepreneurial motivation is a psychological concept that refers to the motivations and expectations of being an entrepreneur. Motivational gaps decide who is entitled to entrepreneurial incentives and the management of entrepreneurial cycle. While the reasons for starting a company are linked to economic factors, they are inadequate in leveraging opportunities and shaping entrepreneurial intentions. Staniewski and Awruk (2019) attributed the success of an entrepreneur to motivation as an essential trait. This motivation includes both internal and external factors which encourage action. The start-up and maintenance of the business depend on the motivation of the entrepreneur. The business development process depends on financial, social, and contextual motivations which interact to direct plans and goals. Entrepreneurs with strong motivation are more likely to overcome challenges, use support tools, and succeed in developing their skills.

The success of an entrepreneur also depends on environmental and personal factors. Ferreira, Loiola, and Gondim (2017) found that graduates involved in business ventures are influenced by social and group motivations. Social motivation factors entail the idealization of a future entrepreneur who focuses on novelty and intuition as compared to an accomplished entrepreneur who deals with reality. Farhangmehr et al. (2016) also revealed that entrepreneurship competencies influenced students’ motivation to become an entrepreneur. Engineering students are motivated to create solutions and, thereby, are involved in entrepreneurship (Duval-Couetil & Yi, 2018). On the other hand, Obschonka, Hakkarainen, Lonka and Salmela-Aro (2017) found that school motivation and intrinsic mastery in school context did not predict entrepreneurial intention among students. These findings revealed that entrepreneurship education will not ensure the motivation to be involved in a business or to become a job creator.

Barba-Sánchez and Atienza-Sahuquillo (2012) found that students’ intentions to be involved in a business is due to the need for achievements besides becoming a job creator. The findings demonstrated that graduates who are involved in businesses are more likely to reach their more important goals. This is in line with Mohamad and Kasuma (2016), and Schafer et al. (2018), who found that self-drive and context are main motivational factors for entrepreneurs in Sarawak to be involved in businesses. Raza, Qazi and Shah (2018) further proved the role of different behavioural factors in affecting entrepreneurial motivation. Most entrepreneurs are involved in businesses because of social recognition and financial status instead of creating jobs. However, necessary entrepreneurial characteristics include being creative and willing to take risks (Block, Sandner, & Spiegel, 2015), which favour younger entrepreneurs, making age a factor that drives entrepreneurial motivation.

Additionally, Suryana, Iwan and Rita (2015) further confirmed that motivation is an important driving force for business creation and innovation. Oosterbeek, Praag, and Ijsselstein (2010) found that the entrepreneurship curriculum has no expected impact which mean that it is not particularly directed to the development of motivation and entrepreneurial competencies. In addition, the impact on the self-assessed entrepreneurial abilities of the students is negligible and the effect on the desire to become an entrepreneur is even negative. Meanwhile, Marinič, Záthurecký and Špičák (2014) found that students are motivated to be involved in a business but their financial situation is an obstacle. Hence, motivation factors which drive the business intention should be discussed to promote and develop entrepreneurial motivations among graduates.
2.4 Entrepreneurial Intention

According to Ajzen (1991), the intention is an indication of how hard people are willing to try, and how much effort they are planning to exert in order to perform the behaviour. The higher the intention to engage in a behaviour, the higher the likelihood of success. Intentions are seen as reasonable predictors of actual entrepreneurial behaviour since it can be difficult to track company formation, the incremental existence of the founding activities and the period before a new organization becomes a recognizable public entity.

Previous studies (e.g., Karimi, Biemans, Lans, Chizari, & Mulder, 2016; Rushworth et al., 2016) found no substantial difference towards entrepreneurial intentions between students who were educated entrepreneurially and those who were not. Notably, students who were educated in entrepreneurship have more profound intentions (Zhang, Duysters, & Cloodt, 2014). According to Krueger and Carsrud (1993), exposing the realities of entrepreneurship will increase self-efficacy in business. Thus, educators should better understand their students’ motivations and provide better training to enhance their entrepreneurial intentions. Enhancing teaching methods and students’ motivations are important components of entrepreneurship education to influence students in becoming an entrepreneur.

3. Methodology

This study adopts a qualitative research design to examine the impact of entrepreneurship education on students’ intentions of becoming entrepreneurs. The target population are students from the Home Economics undergraduate program in the Technical and Vocational Faculty, Universiti Pendidikan Sultan Idris (UPSI). The respondents of this study consisted of 27 final year students who were undertaking the entrepreneurship course. A 10 to 15-minute semi-structured interview was conducted among the respondents. The researcher interviewed the informants based on their experience during participating in the entrepreneurship carnival. During the interview, follow-up questions were also improvised and included. The interviews were conducted after the carnival ended. Subsequently, a thematic analysis was employed to identify related narratives where the researcher coded and identified recurring patterns or themes.

4. Findings and Discussion

The findings are presented according to the research objectives in examining the factors influencing the students’ intentions of becoming an entrepreneur. Generally, the respondents were excited with their experience of the entrepreneurship carnival.

Experiential and Active Learning in Teaching

In entrepreneurship education, the teaching method is essential in increasing students’ intentions. Educators should improvise their teaching method to a more current and suitable style. Students have no problem learning entrepreneurship theory but faced some difficulty in applying the knowledge to a real situation. Several industry players are also in agreement that graduates do not have the competency to apply their knowledge. By adopting experiential and active learning, students can apply their knowledge in real-life situations. For example, students were tasked to sell products determined by the lecturer. Students referred to the topic of promotion and discussed task execution, increasing students’ understanding of a particular topic. Some of the comments supporting this are as follows:

“My understanding of the entrepreneurship topic was increased.”

“I had to sell products, it was fun, I am learning entrepreneurship by doing it.”
These findings demonstrated that students are encouraged by the teaching method as verified by Cui, Sun and Bell (2019). Exploring pedagogical approaches will vastly benefit the entrepreneurship education course. The changes in the pedagogical approaches should spark interest and demand among the students. Although previous studies have proposed a mix of action-oriented teachings such as problem-solving and project-based learning, these steps are rendered inadequate. Küttim et al., (2014) suggested that educators should ideally provide enterprising skills to influence students in wanting to establish their businesses.

“During the carnival, I have learnt how to start a business.”

“I have to deliver products to the customers; from that I have learned how to communicate.”

“My team has to decide on the right products and do a promotion using social media to provide information to the customers.”

Experiential learning assists students in improvising their enterprising skills besides learning new knowledge based on a real situation. By doing so, students learn how to handle problems, cultivating their critical thinking and problem-solving skills.

“We faced a lot of problems while managing this carnival, like cost control and human resource.”

Thus, practised teaching methods induced positive implications in terms of students’ understanding of becoming entrepreneurs. The learning methods chosen by the educators will help students to understand the current situation as an entrepreneur. As the problems faced by an entrepreneur are fast-evolving, an educator should adapt the pedagogy to ensure relevant entrepreneurial knowledge are passed on to students.

Entrepreneurial Motivation

The respondents of this research acknowledge that the motivation to start a business is intrinsic and on having good teamwork. Dann (1981) put forth that motivation is influenced by the push and pull factors while Mahto and McDowell (2018) agreed that motivation is the primary predictors of human behaviour. However, there is a difference in education students’ motives, such as:

“I am doing business because my parents also sell clothes at the night market.”

“I am becoming a drop shipping agent to find additional income.”

Based on the outcomes, several students who took the entrepreneurial education course possess knowledge as entrepreneurs. Learning entrepreneurial skills equipped them with in-depth knowledge on how to improve and manage their businesses. This knowledge, in turn, increases their motivation to remain involved in the business (Raza et al., 2018). However, some students are unmotivated to become an entrepreneur although they have gone through entrepreneurship education.

“I have no interest to become an entrepreneur because I don’t have skills to do that, I just love to buy.”

“My program is a degree in education, so I will wait for an interview to become a teacher.”

Students often assume that they do not have enough skills to start a business even though they studied entrepreneurship education. Hence, a strong entrepreneurial interest in the early stages must be developed among students (Obschonka et al., 2017). Since the respondents come from the education programme, some of them would rather wait for their placement as teachers. However, it is not guaranteed that students from education programs will be appointed as teachers due to the open market policy. For this reason, educators and universities should consider planning an entrepreneurship education which is more relevant to the current demand of the industry in influencing students’ motivation.
Intentions of Becoming an Entrepreneur

From the findings, few students have the intention to become entrepreneurs after graduating while several of them do not.

“I would love to become an entrepreneur, but I don’t have enough money. ”

“I love doing business, but I don’t know where to start.”

Students who desire to become an entrepreneur faced several problems in fulfilling their business dreams. The main issue is financial constraints as most of them come from families with financial difficulties. Hence, the entrepreneurship education program should address the issue of finding financial resources either in the form of grants or loans. Financial lenders and academic practitioners must work together to develop loan assistance for graduates to partake in business ventures. Furthermore, Iwu et al. (2019) emphasised that industry and academic practitioners should design an entrepreneurship education program that focuses on practical work to ensure the relevance and adequacy of the curriculum in influencing students’ intentions.

5. Conclusion and Recommendations

This study investigates the implications of entrepreneurship education towards entrepreneurial intention among students upon graduation. Entrepreneurship education is an important program to aid the government in addressing unemployment. It can facilitate a smoother transition into the labour market for graduates, thereby, reducing the possibility of long-term unemployment at the beginning of their professional careers (Marinič et al., 2014). Zaliza Hanapi, Tang Jing Rui, Rus, Tee Tze Kiong, and Suriani Mohamed (2020) also asserted that entrepreneurship skills will increase employability among graduates. The outcome of this study also revealed that entrepreneurship educators must adopt the right methods of teaching to influence students to participate and foster students’ intentions to learn besides instilling an entrepreneurial spirit in facing a crisis (Ratten & Jones, 2020). The method of teaching entrepreneurship should be creative and diversified (experiential learning or problem-based learning) since this course should focus more on practical work. According to Mozahem and Adlouni (2020), students who studied entrepreneurship have a higher self-efficacy compared to students who have not taken the course.

In an attempt to reduce unemployment, motivation should become an important variable in influencing students’ intentions to become entrepreneurs (Hägg & Kurczewska, 2019). The findings showed that most of the students who are motivated to be involved in business come from a business background and an awareness of in seeking additional income. As technical and vocational graduates are already exposed to practical skills such as cooking, sewing, electrics and electronics, graduates should take the opportunity to enhance their entrepreneurship skills and get involved in businesses. Technical and vocational graduates should be provided sufficient information regarding financial resources where the collaboration with financial institutions is a potential initiative.

6. Limitations and Suggestions for Future Research

The scope of this study is limited to students in Malaysia. Therefore, future studies should consider focusing on in-depth factors which influence graduates’ intentions to become entrepreneurs, and on issues and challenges in sustaining their businesses. A comparative result will generate insights into the implication of entrepreneurship education by helping academic practitioners to restructure the course content and resolve the unemployment issue among graduates.

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