

## Social Entrepreneurship and Graduate Employability

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**Abstract:** Employability is a major issue for Malaysian. It is even more so for the graduates. Currently the nation has unemployment rate of 3.0% amounting 425,000 unemployed people. Numerous efforts are being done to solve the issues and one of them was by promoting entrepreneurship development with the intention of intensifying the creation of entrepreneurs among graduates by creating job opportunities on their own as well as for others. In relation to the entrepreneurship agenda by the government to cope with the unemployment issue, this study will investigate the emerging concept of entrepreneurship called social entrepreneurship. The main objective of this research paper is to study on how social entrepreneurship could improve graduate's employability. Four respondents that are working as professionals and entrepreneur that were actively involved in social entrepreneurship during their university years were studied by using case study method. The findings show that social entrepreneurship inculcates important interpersonal skills that were reported by the Ministry of Higher Education as lacking among graduates in securing jobs. The reasons on how social entrepreneurship increase the chances of graduate employability were identified and what actions by universities that should be done by universities in promoting social entrepreneurship were discussed as well.

**Keywords:** Social entrepreneurship, Graduate, Employability, Case Study, Malaysia

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### INTRODUCTION

Employability is a major issue for Malaysian. It is even more so for the graduates. Currently the nation has unemployment rate of 3.0% amounting 425,000 unemployed people (Department of Statistic Malaysia, 2013). Numerous efforts are being done to solve the issues and one of them was by promoting entrepreneurship development (Bank Negara Malaysia, 2014) with the intention of intensifying the creation of entrepreneurs among graduates by creating job opportunities on their own as well as for others (Dasar Pembangunan Keusahawanan, 2010; Nordin, 2013; Razak, 2013). In relation to the entrepreneurship agenda by the government to cope with the unemployment issue, this study will investigate the emerging concept of entrepreneurship called social entrepreneurship and how it may be used to enhance the graduate's employability. The remainder of the research paper will progress as follows. The second section will focus on the literature review of the unemployment, employment skills and social entrepreneurship. The third section will explain research design and followed by the findings in the fourth section. The fifth section summarized the findings and the last section will conclude the study, acknowledge the limitation of the study and suggest future research.

## LITERATURE REVIEW

### *Unemployment in Malaysia*

According to the definition of the Malaysia Labor Force Survey, the unemployed include persons who were available for work but did not work during a reference period. They could either be actively looking for work or not during the said period. But this exclude the people who chose to further their studies (Malaysia Labor Force, ,2011).

Project Atlas (2010) reported that there are 1,134,134 higher education students in the country, studying in staggering amount of 594 higher learning institutions. They were divided nearly equally in public and private institutions, 592,505 and 541,629 respectively. As the literacy level of Malaysian are considered high, the amount of students enrolling into the higher learning institution will increase and consequently contribute to the unemployment problem.

In 2010, it was reported that among 174,439 students graduated, 25% (42,955) of them were unable to secure a job (Ministry of Higher Education, Malaysia, 2010), due to such an alarming number, the Ministry of Higher Education (2012) listed the problems faced the employers in hiring fresh graduates (Fig. 1). The figure shows that the main problems for fresh graduates to secure a job are their poor command of English as well as poor character, personality and attitude.



Fig. 1. Problems faced by employers in hiring fresh graduates

### *Skills for employment*

Over the years, the government, corporate, parents and students has changed their view towards the role of higher learning education and universities. Once higher learning education is deemed to educate students in order to create knowledgeable people but now it is substituted with the expectation of producing employable graduates for the industry (Reeve, and Gallacher, 2005; Rae, 2010; Yorke, 2006). Therefore, skill development and employment is considered as the main role of higher learning institutions(Murdoch,2004; Evans,2008). Hence, higher education institutions are facing intense pressure to arm students with more than academic knowledge. The industry has urged the higher education institutions to provide students with relevant interpersonal skills in order to prepare them for the working arena.

The numbers of fresh graduate that leaves the universities without the required skills such as attitudes, skills and understanding that is needed to succeed in the working field. The unemployment rate is very high among graduates. The problem is not caused by the job availability but more towards the lack of capabilities of the graduates. Thus it is appropriate to expect educational institutions to equip students with the necessary skills and knowledge (Singh and Singh, 2008)

Previous study (Singh and Singh, 2008) has highlighted 11 skills required for the graduates to secure job placement in the industry. The skills are as follows:

- Communication skills
- English language proficiency
- Information, communication and technology skills
- Interpersonal skills
- Teamwork
- Leadership skills
- Problem solving skills
- Adaptability skills
- Risk taking skills
- Creativity skills
- Time management skills

### *Social entrepreneurship*

Entrepreneurship is becoming more significant each day globally and Malaysia is opening her hands in embracing the particular trend. But while entrepreneurship is a much matured field, it's subcategory of social entrepreneurship is very much the opposite (Mohtar and Rahim,2014; Rahim and Mohtar, 2014). Social entrepreneurship is getting much attention in the practical world but in the academic world it is considered as in infancy stage (Johnson,2002; Roberts and Woods,2005)

The term social entrepreneurship was introduced by William Drayton, a MacArthur Fellow (Dees,2007). In the year 1980, a global organization named Ashoka was founded by Drayton that identifies and invests in “the world’s leading social entrepreneurs—men and women with system changing solutions for the world’s most urgent social problems” (Ashoka Front Page,2014). Social entrepreneurship is emerging in the world “given the new strategic environment where the social half of society’s operations is becoming as entrepreneurial, competitive, productive and powerful as business” (Ashoka,2004).

Social entrepreneurship is a combination of three main elements namely innovation, proactiveness, and risk-taking in seeking fresh opportunities in order to craft positive social impact(Helm, 2007). Social entrepreneurship is a leadership as well as management method that seeks to meet the trials faced by social benefit organizations to produce a positive social impact (Dees,2009).

“Social Entrepreneurs are the harbingers of change, devising new ways to provide support and development for those excluded from the opportunities of the new society” (Handy,1997). It was also suggested that there is a pressing need to create a huge numbers of social entrepreneurs in the market (Yunus,2008).

As being discussed in the literature, one may conclude that there is much similarity on the attributes of a social entrepreneur with the attributes needed to be employed. Hence, this study will pursue on the idea of instilling the social entrepreneurial concept towards the graduates in order to enhance their chances of being employed by the industry.

### **RESEARCH DESIGN**

This study will utilize case study method. Case studies are an exploration of a ‘bounded system’ of a case or multiple cases over time through detail, in depth data collection involving multiple sources of information rich in context.

The research questions are as follows:

1. What are the characteristics and skills gain from participating in social entrepreneurship?
2. How does social entrepreneurship enhance employment possibility for graduates?
3. What need to be done to promote social entrepreneurship among graduates?

### *Sample*

The sample was four alumni of Universiti Teknologi MARA who were actively involved in social entrepreneurship during their university years. They were chosen by using the snowballing sampling. UiTM was chosen for this study

as UiTM was the winner of most entrepreneurial university of the year 2012 and 2013 (Rahim and Chik, 2014) and highly engaged in social entrepreneurship in all of its campuses (Rahim and Chik, 2014).

*Procedure*

*Stage 1 - Describing Experience*

In this stage the researcher creates interview questions prior to the interview, which serve as a script for moving the interviewer closer to eliciting experience and meaning from participants. The questions are broad and loosely structured, following the intent of the research questions. Next, the interview questions are accompanied by a list of possible sources of data. Literature was reviewed for definitions of experience, particularly in social entrepreneurship experience and how it links with employability. The literature was revisited between interviews to gain a better understanding of new data. Clear conceptualizations assisted in taking definitions into the study, and combined with the other sources of data, comprised the mass of data available to study the phenomenon of interest. Thinking in metaphors, and creating simplistic models and thematic maps were essential activities in data management.

*Stage 2 - Describing Meaning*

In this stage the researcher consults the literature and links the research questions and methods to the philosophical framework. Because the meaning of experience was also central to this study, the literature on meaning that had the most relevance for the respondents was reviewed. The first level is labelled "meaning of signs and symbols" and represents a micro-level perspective on meaning. This level is considered a foundation or beginning of creating meaning. For the respondents this may refer to what they see and read in print or in the visual inspection of persons who are involved with social entrepreneurship. Powerful words such as "social enterprise" or "community empowerment" are a few that convey meanings about social entrepreneurship. The second level is "meaning of people, things and events in a person's life." This "mid level" of meaning builds on the first and assumes that "a variety of things may be meaningful in varying degrees to different people." This level corresponds with the individual experience of the respondents on the involvement of social entrepreneurship. The final level of meaning is an abstract, macro-level, labelled "the meaning of life as a whole." Individuals may have no conscious awareness of this level of meaning, but rather function within a set of values and beliefs. This is the stage which the respondents will be asked about the correlation or relationship of social entrepreneurship and employment.

*Data Analysis*

Before the data is analyzed, the researcher will transcribe all interviews. The process of transcribing allows the researcher to become acquainted with the data. The researcher will use the meaning of analysis context as the unit of analysis for coding and also looked for description. This means that the data is not coded sentence by sentence or paragraph by paragraph, but coded for meaning.

**FINDINGS**

Five respondents were chosen for this study and their information is as described in Table 1.

<b>Respondents</b>	<b>Age</b>	<b>Organization</b>	<b>Position</b>	<b>Years involved in SE</b>
Respondent 1	28	Multinational Company	Senior Management Accountant	6
Respondent 2	25	Airline Company	Marketing Executive	5
Respondent 3	30	Government Agency	Head of Graduate Employability Department	10
Respondent 4	28	Own company (social enterprise)	Entrepreneur	5

Table 1: Respondents' information

All of the respondents were asked a set of questions. The respondents were asked loosely based questions towards providing answer of the first research question. Questions such as “Does social entrepreneurship (SE) changed you as a person?” “How does it changed you?” and “What have you gained from social entrepreneurship” were asked. Based on those questions, the following were the responses from the respondents:

Respondent 1 answered:

*I would say that SE taught me something that I could not obtain from classroom. It polished my interpersonal skills due to the fact that I have to deal with a lot of people, community and business partners. SE trained me on communication skills as I need to answer questions from all sorts of people, as u know - different segmentation of people has different understanding. We need to know how to tackle these people.*

Respondent 2 answered:

*SE makes me ventures into many community projects which sometimes are projects that involve subjects that were not my field of study. Thus it involved a lot of knowledge accumulation and the knowledge gained transformed into skills.*

Respondent 3 answered:

*My first SE project was about helping street kids in Mexico, which was a SE collaboration project with University of Mexico. The fact that I was able to do something and make them happy, it changed me in so many ways. The first thing is how I look at myself, and being able to relate with others. Thus it increases my communication skills. It kept me grounded as well.*

Respondent 4 answered:

*By participating in SE, it helps me with problem solving skills which I consider as very rare nowadays. In SE clubs in university, we were trained not to see problems as problems, but as an opportunity to help and find ways and means to address the issue. We help people in need rather than complain about the problems. It built my confidence; I firmly believe that it is the best platform for students to enhance their ability to speak up their minds, opinions or ideas. More importantly, it builds up motivation and confidence in meeting other people. It realizes your potential in solving real social problems. The best part is that it is the platform to learn beyond the 4 walls of classroom.*

Next, questions related with their employment and how social entrepreneurship influence their employment and how social entrepreneurship influence employment generally were asked.

Respondent 1 answered:

*I strongly say yes. I still remember that during interview, the Human Resource personnel asked me about what makes you different from the others? When I told the interviewer about my participation and involvement in SE, he was impressed and mentioned that so many applicants are the same and nothing distinct them from one another. Many applicants were very good academically, however there's nothing much extra about them.*

Respondent 2 answered:

*Yes I do believe so. By involving with SE, we need to meet a lot of people. From there we build rapport to increase our networking and this particular skill is very important for employability. I do think that it is one of the contributing factors on my current employment.*

Respondent 3 answered:

*Definitely. I actually experienced it first-hand. The companies and employers appreciated that I helped the communities and how I was able to gained attributes and characteristics that they are looking for by involving in SE. I strongly believed that my involvement with SE assisted my in landing my first job with the legal firm, one of the biggest law firms in Malaysia. Even with my current job, I believed that my experience in involving with SE helped me in getting the employment as it is an experience that is totally opposite of boring because it was colourful and challenging, it involved business organization, communities and volunteers. It is because SE is not about voluntary work, it is about changing oneself and giving oneself additional value that will make the student's resume stand out among others.*

Respondent 4 answered:

*The answer is yes. Because it involves students, lecturers, business practitioners and communities. For example, when I was in university, I was already offered a job by CIMB which was one of the sponsors of a social entrepreneurship competition back then. Thus it opens up employability opportunity during the national competition that I was participating. Most of the employers will ask what is different about yourself, and when I explained to them what have I done with the communities, and my involvement with SE in local and abroad, it creates a plus*

*point. This applies to most of my friends who joined SE as well. Because we gained more knowledge as we mobilized ourselves in the real situation out there and addressing real issues in the community.*

Lastly, questions were asked on what and how things should be done in order to promote social entrepreneurship among students in universities.

Respondent 1 answered:

*Instead of volunteer activity, make it as something compulsory in university. Something minimal such as 2 credit hours would be sufficient. Because if SE is not being enforced, nobody would be interested to join as they do not know the benefit of it.*

Respondent 2 answered:

*Students should join SE clubs such as ENACTUS (a world-wide social entrepreneurship club for university students). They will gain knowledge and skills that will help them to prepare for the working world.*

Respondent 3 answered:

*It is hugely related with my current job right now. The problem is that SE is not that big and the acceptance level is still low in universities. We are still living in a society that believed that traditional jobs is the best jobs, consequently they only join clubs such as student body and debate but not social entrepreneurship. What they do not see is that social entrepreneurship encompasses of everything. Universities should promote SE vigorously and create awareness among the students. They have to change the mentality of the students to perceive that being in social entrepreneurship is cool. It will be difficult but the universities must do it. They can also collaborate with big corporations because these corporations are also very active in SE. Because when they hire, they will look upon the SE involvement of graduates. Let's make an image of SE as something sexy to join.*

Respondent 4 answered:

*Students need to be put beyond their lecture halls. Students need to be mobilized outside to address real social issues so that they will have the sense of responsibility to start making changes. It is very important to involve SE practitioners to open the student's perspective of SE or social business. Because social business is very rare in Malaysia and most people do not understand the true meaning of social business.*

Due to the fact that respondent 4 was an entrepreneur, an extra questions was being asked to the respondent-“Do you believe that social entrepreneurship was a contributing factor for you to be an entrepreneur?” and “Explain briefly about your firm.”

Respondent 4 answered:

*My answer is yes. It encourages me to be more entrepreneurial and to be more confident. It opens up my perspective in viewing things especially when it comes to business. From there I could see potentials, what the things to do and not to do. The best part is that when I'm helping others, it indirectly helps myself as well. SE brought me to where I am now. I'm very thankful of my SE experience because it opens up my horizon and built up my confidence to venture into business.*

*We are a start-up company with 5 employees. We are a social enterprise. We do a lot of social projects. Right now we are focusing on social projects in Kedah, involving learning institutions over there. Pretty much I applied what I've learnt and the people that I have met during my involvement in SE and I put what I've gained into practice.*

## **SUMMARY**

Based on the answers given by the respondents, we could conclude the followings:

1. Social entrepreneurship inculcates these benefits:
  - a. Communication skills
  - b. New knowledge
  - c. Modesty
  - d. Problem solving skills
  - e. Confidence
  - f. Experience of tackling real issues (beyond the lecture in classroom)

2. Social entrepreneurship enhances employability of the graduates because:
  - a. It creates a differentiation and makes the graduates stand out from the others
  - b. Networking and rapport were built during university years, increasing the chances of employability
  - c. Provides value-added experience to the graduates
  
3. The followings are the suggestions on how social entrepreneurship should be promoted:
  - a. Make it as a compulsory activity (minimal credit hour).
  - b. Promotes social entrepreneurship clubs
  - c. Creating awareness about the benefits of social entrepreneurship activities
  - d. Collaborate with social practitioners

## CONCLUSION

This study explores the concept of how social entrepreneurship could influence graduates employability. Based on the result, it clearly shows that by participating in social entrepreneurship, graduates were able to gain essential interpersonal skills that were reported as lacking by employers who tried to employ fresh graduates as shown in Figure 1 earlier. It also assisted graduates in separating themselves from the common academic achievers. It provides unique experience that could help to impress the employers with their selflessness and real problem solving situation that involves students, academicians, business practitioners and communities. That is a complete combination of relevant parties that one will deal in working arena. Due to the essential benefits of social entrepreneurship towards graduate employability, it was suggested that more effort should be done by universities in promoting social entrepreneurship activities.

Though this study explored the possibility of social entrepreneurship influencing graduate employability, it still has its limitation. Firstly, it was done qualitatively in exploring the relationship. Secondly, only a small number of respondents in a particular academic institution (UiTM) were studied. Thus further study could be done to understand the phenomena better. A more extensive qualitative study should be done and quantitative study as well to empirically prove the relationship.

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