



A Review of Tunas Mekar Program in Creating Entrepreneurs among University Graduates

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Article Information

Keywords

Entrepreneurship, education, non-formal education, Tunas Mekar, Malaysia

Abstract

Education has always been important and Malaysia has emphasized the significance of education as the foundation to achieve the status of a developed country by the year 2020. The nation has increased the effort to move away from a production-based economy to a knowledge-based economy. Therefore, the government has been putting tremendous effort in entrepreneurship development in Malaysia in order to be more successful and viable in the field. One of the most important sectors identified to achieve the goal is higher education institution as the government has urged universities to work hand in hand in terms of inculcating the entrepreneurial mindset and creating graduate entrepreneurs. Therefore this paper aims to discuss the collaboration between the Malaysian government and higher learning institutions (HLI) in implementing a program called Tunas Mekar in creating graduate entrepreneurs.

INTRODUCTION

Education has always been important and Malaysia has emphasized the significance of education as the foundation to achieve the status of a developed country by the year 2020. The nation has increased the effort to move away from a production-based economy to a knowledge-based economy. In order to develop a nation centred on knowledge-based economy, entrepreneurship has to be nurtured at all levels due to the fact that among entrepreneurship scholars, there is a consensus that entrepreneurship activities generate employment, create wealth and stimulate developing economies (Ahmad and Xavier, 2012; Johansen, 2007). Entrepreneurship is deemed important in the transformation of nations, politically and socio-economically (Matlay, 2005). Therefore, the government has been putting tremendous effort in entrepreneurship development in Malaysia in order to be more successful and viable in the field (Bank Negara Malaysia, 2014). In the recent 2014 budget, it was announced that Malaysia is heading towards becoming an entrepreneurial nation (Malay Mail, 2013). One of the most important sectors identified to achieve the goal is higher education institution as the government has urged universities to work hand in hand (Bernama, 2007) in terms of inculcating the entrepreneurial mindset and creating graduate entrepreneurs (Rahim & Chik, 2014).

Recognising the importance of entrepreneurship education in promoting entrepreneurship development and the economy, Malaysia Ministry of Higher Education has taken the initiative by making entrepreneurship subjects compulsory to all students at the nation public universities. At the same time, these students are encouraged to

take part in the many entrepreneurship activities at their respective universities - trainings, seminars, short courses, conferences and entrepreneurship events. It is hoped that these exposures to entrepreneurship will help develop the entrepreneurial attitudes and mind-set of students in the nation's drive to develop 5 percent entrepreneurs from among the local graduates (Harian, 2006). The results of the effort can lead to less unemployed graduates and an increase in business opportunities, which will have a direct impact on achieving the developed nation status as envisioned by Malaysians. Therefore this paper aims to discuss the collaboration between the Malaysian government and higher learning institutions (HLI) in implementing a program called Tunas Mekar in creating graduate entrepreneurs.

LITERATURE REVIEW

Entrepreneurship and Entrepreneur

The terms entrepreneurs and entrepreneurship have a wide range of meanings. Gartner et al. (1994) defined entrepreneur as an individual who creates a new organization or finds a new venture. This definition has expanded to someone who perceives an opportunity and creates an organization to pursue it (Bygrave & Hofer, 1991). One of the most common and practical explanation of the term entrepreneurship is business or venture creation (Rauch & Frese, 2000). Entrepreneurship is recognized as a contributor to the growth of the small business sector and economic development and provides for job creation. Entrepreneur is also considered as an innovator that creates and exploits opportunity, consequently creating value and change towards the economy and society (Rahim & Mohtar, 2015).

Entrepreneurship Education

Traditionally, entrepreneurship education is defined as education that imparts skills needed to set up a new business. However, the optimum mode of delivery has been much debated. To Hytti and O'Gorman (2004), depending on the objectives, there are many ways how entrepreneurship education can be offered. If the objective of the entrepreneurship education is to enhance the understanding of entrepreneurship, a good choice is to provide the information through public channels such as lectures, seminars or media. These methods are known for its effectiveness in disseminating information to a large group of target audiences within a short time period. If equipping individuals with entrepreneurial skills is the objective, it is best that method like industrial training is used. However, if creation of entrepreneurs is the objective of entrepreneurship education, an effective technique is by using controlled environment to facilitate experiments, through methods such as role play or business simulation. Regardless of the ways chosen, clearly the argument of Hytti and O'Gorman (2004) is that educational institutions play a role in providing entrepreneurship education. Therefore, entrepreneurship education generally is being taught in two different ways; formal and non-formal method. The former is being taught in class as entrepreneurship courses and the latter is more on entrepreneurship activities out of the class (Abidin et al., 2014)

Entrepreneurship Courses

Academic courses are structured curriculum that has learning objectives and time frame attached to it. It can be a specific course on entrepreneurship or an optional module within business programs (Edwards & Muir (2005), and most likely will relate to the teachings of entrepreneurship. Course content includes various aspects of entrepreneurship such as creativity, innovation, business opportunities analysis, business formation and business plan preparation. Entrepreneurship courses offered at the university have been by far the most common within this category. Often it forms part of the curriculum. Entrepreneurship education is defined as education and training activities within the educational system or outside of it that tries to develop the intention of the participants to perform entrepreneurial behaviours. This includes exposure to elements that affect the entrepreneurial intention, such as entrepreneurial knowledge, desirability of the entrepreneurial activity, or its feasibility (Galloway & Brown, 2002). It can be in the form of a delivery of knowledge and entrepreneurial skills through formal and non-formal education. Various studies have shown a relationship between education and entrepreneurship (Gorman & Hanlon 1997); (Henderson & Robertson, 2000).

Entrepreneurship Activities

Entrepreneurship activities are non-formal learning activities outside regular education (Brown, 1999) and organized with the purpose of improving skills, knowledge or competence. Dilts and Fowler (1999) supported the use of non-formal teaching in entrepreneurship. Non-formal activities can take place in the forms of training, workshops, seminars and experiential learning activities through doing. Non-formal entrepreneurial activities is seen as a good mechanism to provide students with a learning experience in a real business background (Cooper et al., 2004). The objective of having entrepreneurial activities is to expose students to the perspectives of industry practical and its nature of work practices (Raymond & McNabb, 1993). It was suggested that

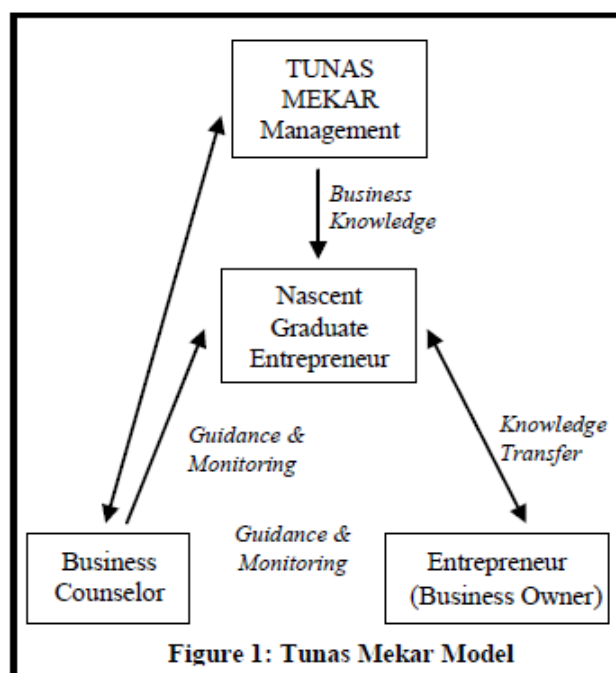
entrepreneurial activities become an important integral part of today's educational curriculum in preparing university students towards an entrepreneurial career (Abidin & Abdullah, 2013).

TUNAS MEKAR PROGRAM

The Tunas Mekar Project is a program that emphasized on non-formal entrepreneurship education. It was the brainchild of Malaysia's former Prime Minister, Tun Abdullah Ahmad Badawi and was launched in 2005. It is a unique concept involving University Teknologi MARA (UiTM) which manages the program, the graduates who aspire to be entrepreneurs and the small and enterprises which provide entrepreneurship trainings to these graduates. Funding is provided by the Implementation and Coordination Unit of the the Prime Minister department (ICU-JPM) which provides policy direction of the program (Junid et al., 2015).

The program places chosen university graduates with entrepreneurial leanings at selected rural small and medium enterprises in an attachment program for the purpose of knowledge transfer. In this program, the graduate and entrepreneur gain mutual benefit where the entrepreneur would be getting feedback from the graduate with regards to his or her operations while the graduate will be taught about the entire operations of the entrepreneur's business. The impact of such engagement would be the development of new graduate entrepreneurs as well as growth of existing rural entrepreneurs through better management of their business (Junid et al., 2015).

In ensuring that the process of knowledge transfer between these parties goes smoothly, the Tunas Mekar Program engages business counselors who are UiTM lecturers. These counselors will periodically meet the graduates and the participating entrepreneurs for feedback to monitor the development of both parties. The relationship model of Tunas Mekar can be seen in Figure 1 below:



Source : Junid et al.(2015)

Program Management

Tunas Mekar Project is managed by the Tunas Mekar Institute under the purview of the Malaysian Academy of SME and Entrepreneur Development (MASMED) at UiTM. The institute is responsible in doing the necessary process of selecting qualified graduates to be enrolled into the program and match them to the relevant entrepreneurs. They are also responsible in training the graduates on the basics of entrepreneurship before being released for attachment. Other than that, they are also responsible in selecting and training business counsellors and monitor the progress of all parties involved in the program (Junid et al., 2015).

Other peripheral function of the institute includes the preparation of the necessary progress reports to relevant governing institutions such as UiTM and ICU-JPM, help graduates to network with government and private agencies and attend coordination meetings with program advisors and ICU. Tunas Mekar is advised by a panel

of advisors that consist of both governmental and non-governmental entrepreneur related agencies such as SME Bank of Malaysia, Institut Keusahawanan Negara (INSKEN) and state economic planning units to aid the institute on technical matters as well as provide an avenue where either participating entrepreneurs or graduates can fast track themselves into mentoring programs organized by these agencies after their involvement in Tunas Mekar. Funding for the entire program is provided by the Prime Minister's Department. For the period 2011-2012 alone Tunas Mekar Institute received RM7.9 million allocations (Junid et al., 2015).

Program Objectives

On the outset, the Tunas Mekar Project has outline three operational objectives of which the project will have its key performance indicators based on (Ariffin, 2010). They are:

- i. At least 1/3 (33%) of Tunas Mekar Graduate will actually start a business upon graduating the program.
- ii. To increase the performance of businesses involved in the program that is measured using selected key performance index such as monthly sales, profit, product quality and adherence to international management standards such as ISO 9000:2001, HACCP and GMP.
- iii. To ensure increased prosperity of Bumiputera entrepreneurs that is measured by the number of new employment created by graduates and entrepreneurs of Tunas Mekar.

Qualification

Tunas Mekar is being run nationwide and only open to Bumiputera university graduates. They must be not more than 33 years of age upon application, must have at least gone through university education to the level of Diploma and be highly motivated to becoming an entrepreneur. Applicants would have to fill in a form for shortlisting purposes before being called for interview and be offered a place in the program soon after if qualified. As for the entrepreneurs involved in the program, they are selected through recommendation by Tunas Mekar advisory agencies. Generally, qualified entrepreneurs are those who are located within a rural area and have been in operation for a number of years. Former Tunas Mekar graduates are encouraged to, in turn, be attachments centres themselves after going through the program (Junid et al., 2015).

Program Structure

Tunas Mekar outlined 5 phases that a graduate has to go through before finishing the program (Ariffin, 2010). Phase 1 occurs as soon as a graduate enters the program. In this phase the graduate will have to enhance their entrepreneurial characteristics through training done by Tunas Mekar. The training will include an assessment of the graduate current competencies level and well theoretical inputs on entrepreneurship and business management.

In Phase 2, the graduate begins his attachment with an entrepreneur and will be exposed to the practical implementation in marketing, operations and finance within an enterprise setting. The progress in phase 2 will be monitored by a business counsellor to ensure that specific sessions must be allocated by the entrepreneur to share their practical experience in implementing the theoretical knowledge gained by the graduate.

In Phase 3, the graduate will be exposed to the technicalities of running their business of interest. For example, if the student is interested in shrimp farming, he or she will learn everything that needed to know about technical aspects of shrimp farming from the entrepreneur that they are attached to.

For Phase 4, the graduate will begin to prepare their business plans based on the knowledge transferred through the program. They will also be enrolled into an incubator program organized SME Corp of which they will be guided on how to further refine their business plan before going into phase 5.

Once the incubation program is done they will enter phase 5 where they will begin looking for avenues to finance their project.

The entire program lasts for a minimum of 6 months and maximum of 1 year. Throughout their involvement with the program, they will be closely monitored by business counsellors. Normally, each business counsellor will be in charge of only one graduate to ensure proper focus is given to the graduate. During the attachment, graduates are to also think about ways and means to help the entrepreneurs improve their processes. They are expected to perform as in-house consultants on top of being an understudy at the entrepreneur's business. This two-role concept is what makes the Tunas Mekar program unique as it allows all those involved to mutually benefit each other presence.

TUNAS MEKAR 2014 – 2015

Table 1 shows the number of graduates who participated as apprentices in the Tunas Mekar program and who are in business upon completion of the program in the year 2014 and 2015 by states. The apprentices represented all the states in Malaysia. On completion of the program, the percentage of Tunas Mekar apprentices who are in business in 2014 is 70.1% in 2014. This increases to 76.6% in 2015, indicating an increase of 6.5% from the previous year.

In 2014, on completion of the program, 50 to 100 percent of apprentices from all states are in business, with the exception of apprentices from the state of Sarawak (31.3%). The same pattern is reflected in the year 2015, with 33.3% apprentices from the state of Melaka in business, whilst apprentices in business from the other states range from 50% - 100% .

Table 1: Tunas Mekar 2014 – 2015

NOS	STATES	2014			2015		
		TOTAL APPRENTICE	TOTAL IN BUSINESS	%	TOTAL APPRENTICE	TOTAL IN BUSINESS	%
1	Perlis	26	16	61.5	16	15	93.8
2	Kedah	22	20	90.9	20	17	85.0
3	P. Pinang	37	27	73	19	19	100.0
4	Perak	26	16	61.5	29	27	93.1
5	Selangor	40	32	80	34	27	79.4
6	WP Kuala Lumpur	38	38	100	35	29	82.9
7	N. Sembilan	4	4	100	18	13	72.2
8	Melaka	28	25	89.3	30	10	33.3
9	Johor	28	7	25	25	12	48.0
10	Pahang	37	32	86.5	25	25	100.0
11	Terengganu	35	20	57.1	26	22	84.6
12	Kelantan	34	20	58.8	30	22	73.3
13	Sabah	10	5	50	14	7	50.0
14	Sarawak	16	5	31.3	16	13	81.3
TOTAL		381	267	70.1	337	258	76.6

CONCLUSION

The findings indicate an increase in the number of apprentices in business after completing the Tunas Mekar program from the year 2014 to 2015. This could be the results of many factors – better selection of apprentices, entrepreneurs and/or business counselors – which are not investigated in this study. However, since the study is over a two-year period, it is suggested that similar studies be conducted in the coming years to confirm the trend or to look at other factors that contribute to the findings.

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