

Impact of Globalization on Entrepreneurship Education and Entrepreneurial Skills in Higher Education Institutions

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Abstract. An increasingly globalized and challenging world has resulted into demand for more competitive and creative graduates. In 10th Malaysia Plan, the government is determined to develop creativity among graduates through entrepreneurial activities. The issue looked into by this article is the increasing trends of changes and demands for entrepreneurship education and are they due to the impact of globalization. Therefore, a study was implemented, which aims to observe the impact of globalization towards the demand for business and entrepreneurship education, as well as the entrepreneurial skills in Malaysia. This study was conducted among a sample of 306 administrators from the Higher Education Institutions and data were obtained from questionnaires, which were then analyzed using descriptive statistics method. The findings show that there is an increasing demand for entrepreneurship education and entrepreneurial skills, which indicates that globalization has impacted towards the increasing demands of entrepreneurship education and entrepreneurial skills among graduates.

Keywords: globalization; higher education, entrepreneurship education, entrepreneurial skills

1. Introduction

Malaysia is moving towards becoming a fully developed nation by 2020. In the era of globalization, the terms such as knowledge society, knowledge workers and knowledge economy provides a new meaning to the field of knowledge. These terms are said to have given a new paradigm to knowledge, especially the higher education institution [3]. Ref. [1] states that the k-economy is a necessary transformation for a country in the era of globalization as economic competition between countries is expected to intensify. So, Higher Education Institutions (HEIs) play an important role in the development of knowledge and human capital development.

In line with 9th Malaysia Plan, which emphasizes on human capital development, entrepreneurship is perceived as an accurate field and should be given priority to produce graduates who are psychologically resilient and competitive. Various policies and plans are carried out by the government such as the New Economic Policy (1971-1990), the National Development Policy (1990-2000), Vision 2020 and the New Economic Model (NEM) in the development of entrepreneurship in Malaysia. The emphasis on entrepreneurship education in HEIs have been given since 2003, in which the Director of Higher Education Department, Prof Datuk Dr Hassan Said instructed all local public university students are required to pursue entrepreneurship as a preparation to venture into business and increasing competitiveness in job market.

However, globalized world has resulted into an increasingly challenging demand for graduates to be more competitive and creative. Through the 10th Malaysia Plan, the government is committed to develop creativity through such efforts to stimulate, incorporate elements of innovation in school curriculum, focusing on R&D and increase the availability of risk capital [4]. Furthermore, an uncertain world economic have impacted through lower job opportunities for graduates. The increase in the number of unemployment also increased from 385,300 in 2009 to 391,400 in 2010 [5]. Therefore, the problem of unemployment

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among graduates is no longer underestimated, but it presents a challenge to the higher education institutions [6].

Several studies have shown that entrepreneurship has been identified as a potential catalyst for expanding economic growth [7] and to maintain competitiveness in facing the challenges of globalization. The involvement of graduates in the field of entrepreneurship is supported by the government as an alternative to reduce the unemployment rate in the country. This effort can be implemented through education, training and lifelong learning [8]. According to [9] and [10] one of the approaches in developing human capital is through education and entrepreneurship training. So, this study aims to observe the impact of globalization on the trends in demand for business and entrepreneurship education. It also aims to identify differences in demand according to fields or programs of higher education and trends of the importance in entrepreneurship skills before globalization and after globalization.

2. Development of Entrepreneurship Education

The importance of entrepreneurs to the economic system has led to the importance of entrepreneurship education nowadays. Entrepreneurship education not only play a critical role in business education, but is the contributing factor to the development of quality human capital in terms of its ability to apply and explore new skills and technology. Entrepreneurship education is a lifelong process to improve knowledge and human skills continuously after at the basic education level until adult education level [2]. Education programs and entrepreneurship training such as entrepreneurship courses and programs are implemented by educational institutions and government agencies. This effort has been conducted since the 1980ies by increasing the offers of entrepreneurship courses and programs, especially in some developed countries like the United States and European countries [11]. Based on a study by [12], there are 25 journal published articles on international entrepreneurship, and more than 12,000 publishing articles a year in various disciplines.

Entrepreneurship acculturation in schools has long been done by the Ministry of Education. Entrepreneurial acculturation activities are sown as early as primary school by introducing elements of entrepreneurship in mathematics. The emphasis on entrepreneurship education in secondary schools can be seen whereby students are required to learn the Integrated Living Skills as a subject, with the components of commerce and entrepreneurship. An effort in civilizing entrepreneurship continues in upper secondary school when students are given the opportunity to choose Commerce and Entrepreneurship Education as elective subjects under the field of vocational and technology [13]. Besides that, Ministry of Higher Education (MOHE) has launched the Entrepreneurship Development Policy for Institute of Higher Education as a measure to encourage the development of human capital in creating graduate entrepreneurs. The main goal of this policy is to produce quality human capital and to have attributes and values of entrepreneurship [14].

3. Relationship between Generic Skills with Entrepreneurial Skills

HEIs should become the most suitable place to develop generic skills among students. Generic skills are among the elements identified is critical in working world which is global in nature, especially with rapidly changing technology. Generic skills include communication skills, critical thinking and problem-solving skills, teamwork skills, learning and information management, entrepreneurial skills, ethics and morality and professional management skills. Entrepreneurial skills involve the ability to explore and develop risk awareness, creativity and innovation in business and employment related activities. This is supported by the [1] who states that the mind and creativity to be the most important assets in the k-economy. Developments of generic skills among students of HEIs are focused on teaching and learning, curriculum, co-curriculum and in the vicinity of the campus and residential college students [15]. So, graduates of higher education must assess the generic skills that meet and fulfill the requirements of the job market and the daily life more challenging.

4. Methodology

The population of this study is administrators from public and private institutions of higher education in Malaysia which include Vice Chancellors, Directors, Deans, Deputy Deans and Head of Departments. The numbers of population identified are 1410 from a total of 20 public and 31 private institutions. A total number of 285 samples are needed but 306 samples were randomly selected for this study. Number of samples selected was determined by using the Table for determining sample size from a given population by Krejcie & Morgan [16]. Questionnaires were distributed to 600 respondents using postal service, and some were distributed personally by the research team members. However, only 306 questionnaires were analyzed, based on the low return rate of questionnaires, but 306 has exceeded the requirement of samples needed for this study, which is 285.

Survey method was used to conduct this study, whereby trend in demand for education based on fields or programs as well as importance of generic skills before 1995 and after 1995 were surveyed. The survey was conducted based on the perception of administrators in institutions of higher education. Questionnaires were used as instrument to obtain data. The items in the questionnaire were self developed by the team of researchers using document analysis technique. Two important documents which were used to identify the items in the questionnaire are The Statistics of Higher Education in Malaysia and Module of Soft Skill Development for HEIs. Pilot test was conducted using 30 samples [17], to test all the 16 items under two main construct which are demand for education based on fields or programs (nine items) and generic skills (seven items). The Cronbach Alpha value obtained is 0.853, which is high [16].

All of the 16 items were measured using seven point numerical scale [17] with one indicating as the least important and seven indicates as having the most importance. Respondents were asked to indicate the importance of all the items before 1995 and after 1995. The year 1995, has been set as the benchmark for globalization in this study, as it was the year Malaysia became a member of the World Trade Organization (WTO). According to [22] liberalization of twelve sectors were agreed upon, including education. Therefore, the year 1995 has been agreed upon to measure globalization for this study. Respondents were required to compare each items, under the construct of demand for education based on fields or programs and the construct of generic skills, between before 1995 and after 1995. Data obtained were analyzed using descriptive statistics method, that is by comparing the means before and after 1995, to indentify if there are any increments or decrement of mean scores before and after 1995. All data obtained were analyzed by using SPSS 18.0. The difference in the mean score obtained will give an indication of how globalization has affected entrepreneurship education and entrepreneurship skill in institutions of higher education.

5. Findings and Discussion

Table 1 shows the mean analysis for education demand in the field before 1995 and after 1995. The study showed that all the demand for education changed for all fields, but highest changes was seen in the field of business and entrepreneurship education, computer science and ICT, and, biotechnology and agro-tech education. Business and entrepreneurship education showed an increase in the mean score of 4.82 before 1995 to 6.23 after 1995. In addition, the number of higher education institutions which offers entrepreneurship education has increased. This shows that demand for business and entrepreneurship education is more acceptable in society and opens the minds of graduates into thinking entrepreneurship as a career choice. The increase was due to the awareness that entrepreneurship education contributes to economic growth and the role of the media in displaying a positive image of entrepreneurs who have succeeded in making entrepreneurs as role models in career selection.

Table 1 : Demand For Education Fields/Programs

Demand for Education Fields/Programs	n	Before 1995		After 1995	
		Mean	s.d	Mean	s.d
Vocational Education (Carpentry, Automotive, Sewing, etc.)	306	4.94	1.265	5.47	1.199
Technical Education (Electrical, Engineering)	306	5.18	1.195	5.91	0.986
Computers & ICT Education	306	4.74	1.337	6.25	0.879
Business & Entrepreneurship Education	306	4.82	1.225	6.23	0.839
Education in Professional Fields (Engineer, Doctor, etc.)	306	5.87	1.079	6.47	0.734
Teacher Education	306	5.64	1.135	6.00	1.053

Biotech Education / Agrotech	306	4.26	1.418	6.02	0.996
Social Sciences Education	306	4.97	1.162	5.46	1.218
Agriculture / Farming Trades Education	306	5.03	1.244	5.39	1.329

Besides that, based on research on entrepreneurship education, it is found that entrepreneurship education can foster an entrepreneurial culture [18]. Implementation of entrepreneurship education in Malaysia is growing either at school or at university which aims to establish a commercial and industrial community. According to [19] entrepreneurship education includes formal and informal education obtained in the schools, tertiary level and after engaging in entrepreneurship and business. Provision of infrastructure and adequate financial resources, qualified academic staff, research and innovation and lifelong learning is central to the implementation of this education [20].

In addition, awareness of the importance of entrepreneurship education in academic and co-curriculum activities is increasing whereby a variety of entrepreneurial training programs are conducted in institutions of higher education. This is shown through the offering of core academic courses, elective courses, entrepreneurial programs, Bachelor of Entrepreneurship and post-graduate courses in HEIs [21]. This is a global phenomenon showing an increasing number of universities offering entrepreneurial courses. There are also several universities that have a special support structure that serves as a center of excellence for small businesses, which provide services to students and SME entrepreneurs such as Entrepreneurship Development Institute at UUM, Malaysia Entrepreneur Development Centre (MEDEC) in UiTM, Small Business Development Center at the UPM, Bureau of Innovation and Consultancy (BIP) at UTM and Innovation and Consultancy Centre at USM. Therefore, it is not surprising that entrepreneurial education is one strategy implemented in the Third Outline Perspective Plan (OPP 3rd) with a view to increase the number of skilled human resources, ability to develop and promote technology innovation and business to achieve commercial and industrial community by 2020 [8].

Table 2 : Generic Skills

Generic Skills	N	Before 1995		After 1995	
		Mean	s.d	Mean	s.d
Effective communication skills	306	4.77	1.318	6.34	0.787
Problem solving and critical thinking skills	306	4.86	1.352	6.41	0.802
Team work skills	306	4.94	1.352	6.35	0.830
Continuous learning and information management skills	306	4.77	1.322	6.30	0.797
Entrepreneurial Skills	306	4.49	1.445	6.23	0.905
Ethical and moral professional Skills	306	5.00	1.404	6.18	0.994
Management Skills	306	4.92	1.368	6.21	0.850
Leadership Skills	306	4.99	1.394	6.27	0.844

Table 2 shows the trend of instilling generic skills before 1995 and after 1995. The study shows that the trend of instilling generic skills increased after 1995. This indicates that generic skills, also known as soft skills are given more importance by higher education institutions. The study found that the elements of generic skills which showed biggest difference in the mean score is entrepreneurial skills. Entrepreneurial skills showed a substantial increase in the mean score before 1995 at 4.49 to 6.23 after 1995. This indicates entrepreneurial skills is emphasized in the present and is needed among graduates to ensure they are more competitive and competent in the global environment. Therefore, the application of generic skills should be implemented comprehensively in universities with the participation of all parties connected with students.

Ref. [13] states that in the last two decades, the condition for the job opportunities has changed. This is due to the economic situation no longer requires graduates with academic knowledge, in contrast they are required to have certain characteristics that they may be granted job opportunities. With the generic skills, graduates will be more prepared and confident and wise to search for job opportunities. The findings of this study have implications on the implementation of entrepreneurship education in Malaysia. So, the entrepreneurship education can be implemented continuously in order to inculcate interest in entrepreneurship as a career choice and develop graduates to be more competitive and creative.

6. Conclusion

Globalization could not be suppressed, but globalization has to be faced. Globalization has resulted in the needs to reform education for the production of quality human capital. Human capital is the key national asset to ensure that the nation can compete and survive in the era of globalization. The implementation of generic skills is in line with the second thrust of the National Mission, where Malaysia needs to produce human capital with first class mentality in order to face challenges in the knowledge based economy and the innovation field [20]. This is supported by the [1] who states that the mind and creativity to be the most important assets in the k-economy. This is in line with the National Higher Education Strategic Plan 2007-2020 in an effort to transform higher education to produce human capital with first class mentality, entrepreneurship education and entrepreneurial skills afford to develop human capital to achieve Vision 2020 and challenges of globalization.

Entrepreneurship education and entrepreneurial skills can raise awareness and open the students' minds towards entrepreneurship as a career choice. Entrepreneurship can encourage people in the economic, social, cultural change, integration of society and increase social mobility [10]. The increase in the number of graduates in the field of entrepreneurship are expected to assist Malaysia in fulfilling the five main thrusts outlined in the National Mission for achieving greater success in order to "Building Civilization and Raise Country's Prestige" [8]. Therefore, HEIs should make arrangements to identify obstacles and constraints to be faced by the students while engaging in entrepreneurial activities and to co-operate with successful entrepreneurs to support entrepreneurship acculturation among graduates. Thus, the entrepreneurship programs need to be well planned in order to develop many successful and competitive global market entrepreneurs.

7. References

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