

Entrepreneurship: A Desirable Future for Many By Associate Professor Dr Sothees Somasundram

In the 21st century, entrepreneurship is now a career choice which garners more recognition and appreciation among graduates.

The Adult Population Survey conducted by the Global Entrepreneurship Monitor (GEM) reveals a growing preference for an entrepreneurial career among Malaysians.

One indicator, the Entrepreneurship as a Good Career Choice Rating, captures the percentage of 18-64 population who agree with the statement that in their country, most people consider starting a business as a desirable career choice.

A comparison of this rating among selected Southeast Asia economies such as Singapore, Vietnam, Indonesia, Philippines, and Thailand reveal that Malaysia has the second highest rating after Thailand in considering entrepreneurship as a good career choice.

The annual graduate statistics released by **Department of Statistics Malaysia (DOSM)** publishes the number of graduates who choose to be self-employed, defined as a person who operates his own farm, business, or trade.

The trend shows an increasing percentage of graduates opting to operate their own businesses up to 2018, with a declining trend from 2019 onwards.

Although there is a decline, the percentage in 2021 is still an impressive 6.3% of total graduates or 290,000 graduates opting for an entrepreneurial career path.

The self-employed also includes professionals such as doctors, lawyers, and accountants running their private practice to freelancers opting for sub-contracting work in the growing gig economy environment, which is more prevalent in the services sector.

The services industry accounted for 57 per cent of Malaysia's economy in 2021, providing opportunities to those with skills and knowledge to venture into professional ad-hoc services and operate as independent micro-businesses.

The entrepreneurial mindset among graduates could be linked to two key drivers: the generational factor, and purposeful policies.

Although cultural preference for job security, a fixed tenure and a steady income is still present, we are also seeing pockets of change among students who are born between the late 1990s and early 2010s, also known as Generation Z.

This generation has had access to technology at an early age and grew up with social media. Their tech-savvy nature enables them to dabble in innovative micro-entrepreneurial ventures. Take for example, social media influencers. These are entrepreneurial influencers with the ability to generate multiple revenue streams through advertisements, promotional posts, or through creating their own brand of products.

These influencers drive growth and contribute to the economy, like a conventional entrepreneur.

The second driver is purposeful policies. The Ministry of Higher Education (MOHE) emphasised on the need to incorporate the entrepreneurship element in the Malaysia Education Blueprint 2015-2025.

To operationalise the entrepreneurial focus, two action plans were adopted as roadmaps; the Entrepreneurship Action Plan 2016-2020 and the follow-up plan for 2021-2025.

MOHE tracked the effectiveness of the first action plan through selected Key Performance Indicators (KPIs) up to 2019.

The initiatives under the action plan had contributed to a higher percentage of graduate entrepreneurs from 2016 up to 2018, with a slight dip in 2019.

However, the number of graduate entrepreneurs were higher in 2019 (7,148) compared to 2018 (6,447). Another performance indicator reflecting the success of this policy is

The percentage of Student Business which recorded a steady increase from 3 per cent in 2016 to 10.2 per cent in 2019, which is an impressive effort taking into consideration the task of balancing their time between studies and managing a business.

One of the aspirations of the Entrepreneurship Action Plan-Higher Education Institutions, 2021 – 2025 was for higher education institutions to create a holistic and conducive entrepreneurship ecosystem.

Taylor's University invested in this ecosystem through the university's entrepreneur startup incubator. An environment that hosts a range of players from student entrepreneurs to entrepreneurial educators to industry practitioners to mentors with experience in the startup industry.

In this ecosystem, student entrepreneurs have access to a range of expertise, providing opportunities to brainstorm, fine-tune and pitch their innovative solutions.

In summary, the success of the second road-map Entrepreneurship Action Plan 2021 – 2025 hinges on three key players.

Firstly, institutions of higher learning and their commitment to providing a holistic entrepreneurial education experience.

Secondly, students and their readiness to embrace the opportunities given to them to pursue an entrepreneurial career.

Finally, the policy makers and their unwavering focus in providing necessary support, periodic reviews, and realignment of policies if necessary. In the final analysis, these would be the key elements of the ecosystem which is essential in producing entrepreneurial graduates.

<https://www.theedgemarkets.com/content/advertise/entrepreneurship-desirable-future-many-associate-professor-dr-sothees-somasundram>