

## Apprenticeship-Based Entrepreneurship Education: Review of Malaysia Approach

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**Abstract.** Apprenticeships are regaining popularity in Malaysia. The purpose of this paper is to provide an overview of apprenticeship-based education in Malaysia, to examine current government policies, and to investigate current issues concerning further apprenticeship development. Apprenticeships have traditionally been thought of as a path to a stable job. Although they have a bad reputation at times, apprenticeship programs frequently disregard various laws and the rights of apprentices. Higher-level skills are becoming more in demand as the knowledge economy grows. This is analogous to the idea that starting a business is difficult and necessitates a lot of experience in today's competitive environment. It has an impact on the popularity of apprenticeships as well as "academic" paths such as higher education. For a graduate to receive an apprenticeship degree, several success factors must be considered. Many publications keep tabs on the nature and value of apprenticeships. This paper examines how good new practices can be applied to entrepreneurial pedagogy options, as well as the evolution of apprenticeships.

**Keywords:** Apprenticeships, Entrepreneurship Education, Higher Education.

### 1 Introduction

Entrepreneurship has emerged as a promising catalyst for diversifying economic growth and sustaining competitiveness in the face of globalization [1]. By creating new job opportunities, entrepreneurship can help developing countries revitalize stagnant economies and address poverty issues [2]. Indeed, in a country where entrepreneurship education should be prioritized, this strategy relieves the government of the burden of addressing unemployment [3]. In this context, the university, as a knowledge center, should fully embrace its role as a critical platform for encouraging entrepreneurship. As a result, many nations are empowering entrepreneurship education, fostering an entrepreneurial environment that promotes the mindset, skills, and behavior of entrepreneurs [4], [5]. As a result, the entrepreneurial entity acts as an entrepreneur, managing their careers and providing employment to society [6].

Entrepreneurship education is widely regarded as the impetus for launching a new business. It may, however, aid in the development of knowledge and skills that will be useful in future life journeys. To date, graduate starting ventures have been the primary focus of increasing interest among scholars, primarily in developed countries [7].

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Because of the skills, knowledge, and mindset taught in entrepreneurship education, particularly in corporate entrepreneurship, prominent entrepreneurship graduates are thought to have a higher proclivity to start a business [8]. As a result, entrepreneurship education is one of the most effective methods of reducing unemployment because it produces more job creators than job seekers [9].

Entrepreneurship and unemployment are inextricably linked issues, and the field of entrepreneurship is one solution to this imbalance. According to Malaysia's Department of Statistics, only 2,347 graduates started their own businesses in 2015 and 2,833 in 2016[10]. Accordingly, over 200,000 graduates graduated and left higher education institutions in 2019. This means, over 200,000 job seekers try to find work in Malaysia each year, potentially increasing the country's unemployment rate. This is consistent with data from the Department of Labor, which shows that the unemployment rate remained at 4.7 percent in August 2020. "By 2020, the Higher Education Ministry expects that 15% of students will venture into entrepreneurship while still pursuing studies at institutions of higher education, with 5% of them having the primary goal of becoming entrepreneurs upon graduation," according to The Star.

Today, the increase in this statistic is even more significant because the world is dealing with health issues, resulting in a pandemic, which causes a slowdown in the economic sector and, as a result, an increase in unemployment. The Malaysian Statistics Department reports that the unemployment rate for 2020 has been set at 5.5 percent as a result of the movement control order (MCO) imposed to prevent the spread of Covid-19. This is the highest unemployment rate since the 1990s, when it was 5.7 percent. Previously, the Statistics Department reported that the unemployment rate in the second quarter was 4.7 percent, with a slight decrease in the number of people aged 15 to 64 to 741,600. From July of the previous year, there was a 0.5 percent decrease.

The government and universities are critical in addressing the unemployment issue and combating the rising unemployment rate. Several initiatives have been launched by the government to reduce graduate unemployment. As a result, in early 2013, the Malaysian government began designing and developing the Malaysian Education Blueprint (MEB) 2015-2025 through the Ministry of Higher Education. Under the new education policies, the government fosters an entrepreneurial culture, particularly among graduates and universities, and leads the ecosystem. Graduates are increasingly creating jobs rather than looking for them [12].

In July 2020, the government reintroduced the National Apprenticeship Scheme (SPN), which is more focused on apprenticeship programs to increase the rate of graduate employability among those affected by covid-19 pandemics. This multi-ministry collaboration is a youth and sports ministry initiative to increase youth employability and provide training and employment opportunities. According to a report from the Malaysian Ministry of Youth and Sports, as of November 2020, 397 apprentices had participated in the program, with 376 interns benefiting from job placement. It means, 94.7 percent were successful and went on to work for the companies that participated in this program. The program's goals include: (1) increasing apprentices' marketability through "soft skills" and on-the-job training; (2) providing a support system for youth to help them get jobs; (3) assisting in the reduction of youth unemployment; and (4) signing up 5,000 people using the Human Resources Development Fund's (HRDF)

"place and train" concept. The SPN programme, on the other hand, is more concerned with reducing the immediate unemployment rate, regardless of employment field. According to the Ministry of Human Resources, over 67 companies registered with HRDF and InvestKL have participated in this SPN program to train and employ the young and unemployed. The goal of this paper is to examine the landscape and meaning of entrepreneurial apprenticeship, as well as to investigate the potential critical issues and challenges encountered in developing an agenda or policy relating to a graduate entrepreneurial apprenticeship [13].

## **2 Apprenticeship Based Learning for Entrepreneurship in Malaysia**

Throughout history, the term "apprenticeship" has been defined in various ways [14]. Today, it most commonly refers to education or training that provides students with marketable skills to start their own business or careers. Apprenticeship exists in a liminal space between training and work environment. An apprentice will be exposed to a challenging working environment, and even the stereotypical mandatory task of making photocopies is commonly regarded as a rite of passage [15]. The lack of a well-defined position frequently contributes to unscrupulous employers exploiting employees through apprenticeships by promising valuable training.

As a concept, internships refer to the process of learning in natural work environments through authentic work activities and interactions. The programs typically involve a group or business arrangement to gain experience, skills, or contacts for future employment opportunities [16]. Apprenticeships, on the other hand, are high-intensity and high-frequency forms of work-based learning in which the learner spends the majority of their time in the industries where they acquire the majority of their skills. The majority of apprenticeships and traineeships last two to four years [17]. An entrepreneurial apprenticeship, on the other hand, allows an apprentice to gain valuable entrepreneurial skills, a network, and an understanding of running a growing business in exchange for hard work and a low wage.

The Ministry of Education announced the Malaysia Education Blueprint 2015-2025 (Higher Education) in 2013, with the goal of increasing previous graduate employability by more than 80% by 2025. One strategy for improving graduate entrepreneurs, graduate employability, and skill mismatch is to implement an industry-led curriculum. In this regard, universities and industry must collaborate to co-create appropriate curriculum. To help graduates improve their entrepreneurial skills, the Ministry of Education launched an entrepreneurial apprenticeship program. This new learning strategy encourages businesses to collaborate with universities to create curricula that provide students with a more comprehensive entrepreneurial experience. The Entrepreneurship Apprenticeship Program will be supported by mentors from academia and industry [12] with expertise both on and off campus.

Participants in the Entrepreneurship Apprenticeship Program can study on campus for two years before beginning a year of apprenticeship training. During the final year of their studies, the candidate will eventually manage his or her own business. Through

an entrepreneurial venture that emphasized work-based learning models, the curriculum was developed to increase the employability of local graduates. Graduates typically participate in a specific work placement for an extended period of one or two years in the industry, typically between the third and final year of their undergraduate program. Universities must carefully consider their relevant pro-grammes to the industry and entrepreneurial environment in response to industry feedback that university graduates are unqualified and lack specific capabilities [12].

The concept of entrepreneurial apprenticeship-based learning is not new, and it has already been adopted by many other developing countries. In Malaysia, however, industry professionals will collaborate to develop academic curricula that are much more relevant to the needs of entrepreneurial development. Additionally, graduates' exposure to industry locations to experience this curriculum allows them to gain confidence and virtual business experience. A graduate who has prior experience and actively participates in a practical and constructive learning program will improve their graduate profile, self-confidence, productivity, emotional intelligence, and leadership skills. The most important aspect of an entrepreneurial apprenticeship program is that graduates develop relevant, practical entrepreneurial skills through content-based, university-industry collaborative pedagogy [12].

### **3 Key Considerations for Improvement**

Because the young are the ones who will drive the country forward, and their role in ensuring the country's global competitiveness will be critical in the future [18]. Without a doubt, they are among the most important contributors to economic and social development. As a result, a country must be prepared to improve the development of their business skills in order for them to become proficient in conducting business in a natural business environment while also contributing to the growth of the country's economy through the creation of various job opportunities. This means that, in order to develop the entrepreneurial sector, the government's policy to improve the quality of entrepreneurial apprenticeships must be considered [19]. Some justifications serve as primary benchmarks in the development of an entrepreneurial apprentice system that allows graduates to start new businesses. However, some issues impede the creation of excellent and efficient entrepreneurial apprenticeships.

#### **3.1 Cost of Living**

When choosing an apprenticeship placement, students always consider the cost of completing an apprenticeship. It can result in more serious problems, such as gaining access to potential employers and apprenticeship placement opportunities [20]. Graduates who will be undergoing training will be required, as is customary, to relocate and live off-campus in major cities such as Klang Valley, Johor Bahru, and Penang, where their living costs will rise and be a significant factor in choosing an apprenticeship. The monthly cost of living in a big city like Kuala Lumpur, according to Belanjawanku, will be more than RM 1,870. A person uses public transportation to get to work. Obtaining financial support from parents may be one of the financial resources available when the

apprentice undertakes the placement to assist the apprentice in completing an apprenticeship. Inequality in access to excellent learning support will result from a lack of financial aid, which will limit apprentice-ship opportunities [21]. The apprentice's costs may also influence their decision to take a low-quality or irrelevant apprenticeship placement. Another thing to remember is that those entrepreneurial apprentices are usually required to pay their fees for the duration of the apprenticeship, even if they are not attending classes that semester [22].

### **3.2 Apprenticeship Rights**

Unpaid apprenticeship programs and paid apprenticeship programs are legally distinct. This results in a double injustice for the apprentice, who interprets the apprenticeship as falling between the gaps of employment law and graduate protection law. An apprentice who does not receive any salary payment violates the concept of employment and is denied the employee's rights and benefits under employment law, including the payment of the minimum wage. Apprentices who do not obtain employee rights may be denied other employee rights, such as protection from sexual harassment and workplace discrimination [23]. This example shows how the need to consider equating workers' rights with apprenticeship rights can be linked to achieving an inclusive learning environment.

### **3.3 Industry Desire**

Under the apprenticeship scheme, industry workers assigned to mentor the apprentice must devote time and energy to supervising the apprentice [24]. Industries, on the other hand, have limited resources such as skilled workers, space, and equipment. Although the majority of these industries only hire one or two apprentices, it can benefit the industries, as well as small and medium-sized businesses. Even if it is unpaid labor, it may be difficult to shoulder the responsibilities of industries to train apprentices. In Malaysia, small and medium-sized businesses account for 98.5 percent of all businesses (SMEs). Malaysian SMEs devote the least amount of their annual budget to training and development, according to the Khazanah Research Institute (KRI) Report. As a result of granting the apprentice the right to an essential employee, the burden on the company's ability to continue operating will be increased. As a result, one of the company's stakeholders withdraws from the apprenticeship program [25]. This happens because the company's profitability is the primary goal in its future planning, and it will be evaluated on an annual basis. As a result, industries invest in less profitable and less volatile projects. The goal of entrepreneurial apprenticeships for both the apprentice and the university is to produce experienced, skilled, and successful entrepreneurs who will build their businesses after graduation. This goal harms industries' perceptions of the apprenticeship programme because the apprentices they train will become competitors in their business. As a result, policy considerations must be made to balance industry, university, and apprentice motivation.

### **3.4 Enrichment of Academic Opportunities**

As part of the graduation requirements, most programs require a 3-to-6-month internship at the company. As a result, more students in higher education institutions are looking for internship opportunities. Approximately 250,000 students will find internship opportunities each year. Unfortunately, universities have no control over their students' availability to work in the industry [26]. Competition for an apprenticeship can be both positive and negative because students pursuing an entrepreneurial apprenticeship must undergo comprehensive learning by mastering natural entrepreneurial environments in order to prepare apprentices to build their businesses in the future [25]. As a result, it is difficult for the industry to train a large number of entrepreneurial apprenticeships at the same time in order to provide comprehensive training. Hundreds of thousands of students from other majors have applied for internships at their companies as well. As a result, the placement of students is skewed. These apprentices may perform irrelevant apprenticeships and fail to meet the apprenticeship objectives if they are not properly guided [27]. Because of the placement competition, the apprentice will be treated poorly while completing the apprenticeship. Higher education institutions should collaborate and form close relationships with industry in the future to ensure a steady supply of high-quality entrepreneurial apprenticeships.

### **3.5 Rules and Regulations**

The accessibility and effectiveness of new laws and regulations to protect the rights of apprentices should be emphasized [28]. When implementing the law on an apprenticeship, various cost implications must be borne by the apprentice, industry, or university in order to make the apprenticeship a compelling and excellent scheme. This implementation, on the other hand, has the potential to establish a legal framework between apprentices, industries, and universities in areas such as whistleblowing, workplace discrimination, and sexual harassment. It can also explain the various issues and challenges encountered when enforcing apprenticeship rules and regulations. In this case, reaching an agreement on the best practice law for improving self-regulation during the apprenticeship is required.

## **4 Conclusion**

The importance of dynamic capabilities in micro-enterprises was investigated in this paper. Micro enterprises are important because they create long-term employment opportunities and contribute to developing economies. In this regard, the government should focus more on assisting micro-enterprises to survive in a crisis. Furthermore, micro-enterprises must restructure their operations by implementing necessary improvements, such as digitization. This can be accomplished by collaborating with strategic partners such as Grab, Foodpanda, Shopee, Lazada, and others. In light of the fact that micro-enterprises are being forced to close their doors due to continuous losses as demand has declined, they must identify various alternatives that are appropriate for the critical situation. It is during a crisis that the full potential of micro-enterprises can

be realized. People are aware that the pandemic reduces the likelihood of micro-enterprises surviving; however, micro-enterprises can still make a massive comeback by adapting to market changes. It is therefore critical for micro-enterprises to have entrepreneurial leadership qualities in order for them to survive.

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