Strategic Internship Programmes for Strengthening Collaboration between Academia and Small and Medium Enterprises: Experienced by Universiti Utara Malaysia

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Abstract
Traditional mindset of graduates who expect universities to equip them with professional skills that ready for employers need to be adjusted. The competition of getting hired is now becoming very challenging and often we measure the winner as the one who being hired. In reality, the issue is not centralising on the number of graduates being hired but how many of graduates remain ‘not working’ after graduation. Taking this issue seriously, Universiti Utara Malaysia has introduced a structure internship programme to motivate students to plan their employment through entrepreneurship.

The programme demands good and well planned collaboration between the university and entrepreneurs from small and medium enterprises (SME). The collaboration involves in creating an agree type of training and evaluating the performance of the students.

This paper explores the challenges faced by the Centre for University-Industry Collaboration as it investigates the feasibility to place stakeholders, entrepreneurs, entrepreneurs’ bodies, academicians and the Ministry of Higher Education in the same agenda. The research was done in both qualitative and quantitative approaches to obtain variety of perspectives. Some suggestions for improvement about how to develop and manage the internship opportunities for graduates’ entrepreneurs are elaborated. Potential win-win projects between academicians and entrepreneurs are given.

Keywords: Entrepreneurship training, internship, university students.
1. Introduction

The increasing number of higher institutions contributes to growing number of young talents graduated with at least a diploma. This population of graduates is ready to compete in job markets every year, hence unemployment is a major risk for the fresh graduates. Moreover, the advancement of computer and technologies have replaced human skills in many major industries and imitated human brain in decision making. As such, wages employment or secure employment, either in public sector or private sector, is no longer a guarantee (Collins et al., 2004). Alternatively, entrepreneurship has been regarded as a good option for graduates to mitigate their dependencies on limited job opportunities.

Discussion about the necessity for graduates to venture in business has been promoted and discussed by many. Some studies share the ideas on developing learning module that stimulates entrepreneurial skills among graduates. These ideas covered the contents of the module that instil the necessary skills and the structure of the programme (e.g. Klofsten (2000), Collins et al. (2006), Ahmad Raflis Che Omar et al. (2010) and Mazura and Norasmah (2011)). Other studies evaluated effectiveness of entrepreneurship education and conduct empirical studies to identify successfully rate of graduates who become entrepreneurs (e.g. McMullan et al. (1985), Ibrahim and Soufani (2002) and Cheng et al. (2009)). Besides, some case studies were done to explore the strengths and weaknesses of entrepreneurial policy, programmes, activities and much more.

Universiti Utara Malaysia (UUM) has, since established in 1984, offered various entrepreneurial programmes in line with her philosophy and objective of generating capable managers and entrepreneurs. The university offers a bachelor degree of entrepreneurship with honours, as well as Master and PhD in this area of study. Also, the university has conducted some entrepreneurship programmes as part of credit, non-credit and co-curricular activities. The university also has made internship programme as a compulsory to all academic programmes. Therefore, the bachelor degree of entrepreneurship is equipped with a 16-week internship training where students are placed to selected organisations to experience business set up, management, record and filings, supply chain of materials and products from the attached organisation or entrepreneurs. However, the internship program does not limit the placement to be attached at business entities, but students are free to apply to some organisations which related to the entrepreneurial activities.

Considering that entrepreneurial skills and development require knowledge and experience sharing with real entrepreneurs in the market, UUM has taken another step by introducing a structure internship programme in the mid 2009. This programme is mainly created for students who are ambitious in setting up their own business upon completion of their studies. The programme called Excellent Graduate Entrepreneurship (u-GRACE), takes approximately a year to be completed,
engages some volunteer entrepreneurs from small and medium enterprises (SME), financial sectors, institutions related to entrepreneurship and business and ministry of higher education to play their roles in moulding students and give them opportunities in enhancing their business ideas.

This paper aims to describe the execution of this structured internship program, u-GRACE, and to explore the challenges faced by UUM in putting together academicians, MOHE, entrepreneurs, financial sectors and others is this same agenda of the programme. The paper addresses the outcomes of the programme and challenges experienced by the Centre of University-Industry Collaboration (CUIC), a secretariat of the u-GRACE, in organising the structured entrepreneurship internship. The organisation of the report is as follows: Section 2 overviews some model of entrepreneurship trainings that have been proposed by others, Section 3 provides the details about the u-GRACE, Section 4 discusses the outcomes and the challenges of the programmes and the last Section 5 provides major conclusion for the study.

2. Some Models of Entrepreneurship Program

2.1 Some models of entrepreneurship program

Morris et al. (2001) conceptual framework assumes that entrepreneurial talent is given. The idea also shared by Norasmah and Salmah (2009) and Keat et al. (2011) that showed family backgrounds are among factors that influenced a graduate to become entrepreneur. Nevertheless, other studies by Gorman et al. (1997) and Mazura and Norasmah (2011) have indicated that entrepreneurship can be thought or encouraged through entrepreneurship education. This is also supported by McMullan et al. (1985) that reported a high rate of MBA students who enrolled more than three entrepreneurship-related courses at a Canadian University. Meanwhile, Jyothy (2009) found that 85 percent of students agreed that setting an enterprise of their own would reduce the growing unemployment and mitigates dependencies to the government or corporate sectors for job opportunities. Similarly, Norasmah and Salmah (2009) found that some graduates have high attitude profile towards entrepreneurship.

The consulting-based learning for ASEAN SMEs (CoBLAS) which was introduced by an Entrepreneurship Research Group, led by Professor Takeru Ohe of Waseda University, Japan, consists of members from Japan, Cambodia, Malaysia, Laos and Indonesia. The model approach refers to close training-practical relationship between academicians and SME owners to provide graduates, the consulting apprentices, with crucial experience in real business activities. Action study by Mazura and Norasmah (2011) about this programme on selective participants in Malaysia revealed that (i) graduates who are possess entrepreneurial interest before getting involved in the program, enhance their passion and have intention to
become entrepreneurs but (ii) graduates with less interest in entrepreneurship find the programme as difficult and wish not to be entrepreneurs.

Inspired by CoBLAS, Universiti Kebangsaan Malaysia and Small Medium Industry Development Corporation (SMIDEC) have created an experimental consultation-based learning to strengthen the entrepreneurial skills among the university students. The programme took about six months where the participated students act as “students-consultants” to advice and to assist their consultation clients, among the SMEs, in improving their services or products via systematic analysis for diagnosing problems and identifying solutions. The participated students have valuable experienced in the consultation activities and demonstrated their enthusiastic on the programmes but some SMEs have shown less interest in receiving ideas from the students (Ahmad Raflis Che Omar et al., 2010).

A Discovering Entrepreneurship (DE) programme engages nascent entrepreneurs, existing entrepreneurs and facilitators in a participatory teaching and learning entrepreneurship approach to develop an effective learning of entrepreneurial knowledge, skills and behaviours among the participants. An action study by Collins et al. (2006) learned that the nascent entrepreneurs had unique skills and valuable in the tripartite collaboration. Similar program was introduced to train entrepreneurship knowledge and skills at universities in Sweden. The programme called Entrepreneurship and New Business Development programme (ENP) was designed for training individuals in the start-up of new-technology based of knowledge-intensive. Klofsten (2000) claimed that the programme has successfully resulted approximately 80 new firms and a dozen new business areas in established organisations.

2.2 The entrepreneurship education in Universiti Utara Malaysia

UUM has taken proactive strategies to enhance the entrepreneurship education in the university. UUM has four entrepreneurial training programmes in supporting entrepreneurship among university students. These four programmes include (i) a three-year an honour bachelor degree of entrepreneurship with 127 credit hours where it aims is to produce graduates with strong entrepreneurial skills and knowledge, (ii) a compulsory 3-credit hours basic entrepreneurship course for all UUM students as part of exposure to entrepreneurial skills, (iii) the co-curricular entrepreneurship course which can be enrolled by students from any background of studies whom have some interest in entrepreneurial and business activities, and (iv) student enterprise program (SEP) that gives platform for students to experience setting up their business in campus. Apart of these, UUM offers a Master of Science in Technopreneurship for continuous support of long life-learning education for entrepreneurs in respect to technology.
3. The Excellent Graduate Entrepreneur

The Excellent Graduate Entrepreneur (u-GRACE) is a unique internship programme which is designed to support the university students who are planning to setting up their businesses upon completion of their study. The history of this programme inspired by the execution of consulting-based learning programmes namely CoBLAS and SMIDEC-Ukm. However, the alteration was made such that the u-GRACE viable to assist students getting jobs upon completion of their internship either by running on their businesses (own/partnership) or being hired. The rationale of introducing this programme among students of UUM is in two-fold, which attempt to produce (i) more entrepreneurs among fresh graduates and (ii) graduates whom possess entrepreneurs’ traits for employability.

This programme gets collaboration from academia and related entities to small and medium enterprises. The academia refers to (i) the UUM as a secretariat to execute, to manage and to monitor the programme, (ii) Ministry of Higher Education (MOHE) a ministry that supports the programme as well as monitoring the achievement of the programme continuously, and (iii) lecturers whom are given responsibility to advise students in term of business for the whole of the training. Meanwhile, the related entities of SME include (i) entrepreneurs whom are willing to share their experience and skills with the interns, (ii) financial institutions that are supportive in lending some loans for interns to set up their business once their business plan is approved, and (vi) other government and non-governments bodies, that involve in developing, educating, promoting and supporting entrepreneurship programmes, to give opinion about the achievement of the students and programme.

3.1 The programme

u-GRACE is a one-year programme started with the selection of students from various backgrounds of studies in UUM. 250 students who had confirmed to undergo their internship had submitted the application. Two screening processes were made where each student had to go through a psychometric test and a face-to-face interview. Finally, only 100 students had been selected to enrol the programme. During the first 3 weeks of the programme, all students attended the team building and enhancement of characteristics programmes which were done through workshops, discussions, outdoor activities and outdoor marketing activities. Then, students were divided into 10 groups called satellite companies (members with similar business interest) to operate their business virtually for 8 weeks. This virtual operation exposes students to all elementary of business and enterprise including registration of company, operational management, financial management, order and transaction, application of loans, business networking and human resource management. In order to create a real working environment, the operation was set up in a real office settings including a CEO of a mother company whom giving orders and monitor all transactions among the satellite companies.
During this period, each group is required to have a weekly meeting with the CEO to report the progress of their business. Some unexpected incidences were created, such as undelivered products and cancellation of orders, to allow students to think creatively for the solutions.

Next, each student was attached to a volunteer SME for 8 weeks to experience real business and to share entrepreneurial knowledge and skills with experienced entrepreneurs. During this internship period, mentors among lecturers visited the students to monitor their progress. Students are required to conduct SWOT analysis as part of the application of knowledge which was thought in the lectures. Finally, students were given 2 weeks to prepare their business proposal and to present them to business loan providers. The aim of this presentation is to make ease for the students to get loan for their business set up. Students are free to set up their business upon finishing the presentation of business proposal and u-GRACE kept on tracing the students for every 2 months for 3 times to support students in sustaining their business.

3.2 The collaboration

u-GRACE was conducted among the final year students of UUM and funded by the Ministry of Higher Education (MOHE) of Malaysia. The collaborations among UUM, SME, MOHE and supported institution were translated in term of roles played by each (see Fig. 1). In general, students get advice and consultation about businesses from lecturers and other experts from support institutions such as Small Medium Industry Development Corporation, Federal Agriculture Marketing Authority, Majlis Amanah Rakyat and financial sectors. The students were attached to mentors, including lecturer and volunteer from support institution, to allow them to have more discussion sessions for the whole length of the programmes.

The 8 weeks internship provides students with valuable experience and knowledge sharing from entrepreneurs. Students involved in business activities especially in marketing and learned some technical skills, for example modification of garments, photography and some farming activities. During this period, several visits were made by the lecturer to motivate students and to consult both students and entrepreneurs if they face some difficulties. This approach has created good networking between lecturers, entrepreneurs and students in u-GRACE as well as in other activities.

Students’ performance was evaluated at each activity: team building, virtual business, internship at the SME and business proposal presentation. All stakeholders were given opportunities to evaluate performance of the students, but the spirit of the evaluation is to motivate them to continue with the idea of opening small business.
4. Discussion

4.1 The outcomes

The u-GRACE programme contains several cornerstones including: (i) business plan, (ii) workshops, (iii) mentoring, (iv) networking and (v) supervision. The careful process of selection of participants resulted with 74 percent of the selected students with experienced in small business activities and 43 percent of them have family business background. In the implementation of u-GRACE, students are actively involved in the business activities especially during the virtual business activity. Even, some students are passionate and overstayed in the office to ensure the business transaction can be made on good dealings with overseas clients. Their performance as reported by the CEO showed convincing results hence made them suitable to venture in entrepreneurship.

The 8 weeks internship period provided students with real business activities in the attached SME. Students as well as lecturers experience the hand-on and up-date their knowledge according to the practitioners’ insight. Some students had experienced to drive a lorry and bought some goods. Besides, the experienced with entrepreneurs have exposed the students to the real challenges in business and several skills to sustain the business. A simple survey which was conducted at the end of the internship revealed four challenges that the students are worried about when they are about to start up their business (see Table 1).
Table 1: Challenges to start up business among u-GRACE participants.

<table>
<thead>
<tr>
<th>Challenge in business</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Difficulty to get loan</td>
<td>18.2</td>
</tr>
<tr>
<td>Competition of business in existing market</td>
<td>13.4</td>
</tr>
<tr>
<td>Obey to rules and bureaucracy in business</td>
<td>6.3</td>
</tr>
<tr>
<td>Independent financial control</td>
<td>1.0</td>
</tr>
</tbody>
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The presentation of business proposal shows students creativity about their plan of business. 55 business proposals were presented to business loan providers as some students have created joint-business. Interestingly, more than half of the students have proposed a proposal related to internet based business where their products and services (clothes, bakeries and beauty treatment etc.) are displayed on social web such as facebook and twitters. 2 students opt to expand their small family shop that serves for local community to new and much wider target market. However, none of proposals are approved for the loan.

Overall, the implementation of u-GRACE has exposed students to entrepreneurship and has made them enable to grasp the skill on operating the small business. The mentoring system approach enables students – lecturers – entrepreneurs to share entrepreneurial knowledge, opinions and skills, from theory to practices. Such long engagement between them has produced fruitful results where 27 of the students successfully operate their business upon completion of the programme. Three students opt to further their study to higher degree and the remaining students got jobs less than 6 months after the programme ended.

4.2 The challenges

As u-GRACE collaborates many parties in a way of enhancing students’ interest to venture in business, the programme has faced some challenges to ascertain each to value the objectives of the programme. First, the implementation of u-GRACE gives entrepreneurs wider opportunities to guide students on their own ways. They used experienced to guide, but sometimes entrepreneurs failed to demonstrate good business ethics. Some entrepreneurs do not practice systematic book-keeping, un-control use of account for business and family necessities and do not meet customers’ demand. Entrepreneurs must practice good business ethnics to ensure their business can be sustained. Second, not all entrepreneurs show their willingness to accept students’ idea for enhancing their marketing strategies especially via internet. Often, the marketing is related too high cost and they could not effort for it. The entrepreneurs must have respect on students to at least consider the students’ suggestion. Instead of making rejection on the suggestion, they could have further discussion to search for best result how the marketing can be done with less cost.
Third, the unrecognisable of internet business among business loan providers has contributed to none of the business proposal have been approved. Business loan providers should consider new paradigms in business following changes in customers’ interest and availability of technologies. The assumption that internet based business may not use some amount of cost could be impractical. Fourth, the academicians’ commitment is important to ensure that they are available for assisting students throughout the programmes. The internship placement has been done throughout the country hence needs the lectures to travel and spend their time for discussion and consultation. Finally, the u-GRACE needs availability of fund to finance students’ accommodation, transportations and cost of living while attached at the SME. Moreover, the fund is also need to cover the events for discussion and consultation among lecturers, entrepreneurs and personnel from support institutions.

5. Conclusion

Entrepreneurial internship has successfully exposed the students to a real-world entrepreneurship activity. Through this programme, students could apply their knowledge and comprehend new knowledge and skills from experienced entrepreneurs and experts from related institutions. The programme has stimulated networking, knowledge sharing and collaborations between academicians, entrepreneurs and experts from various institutions. The academicians may use this platform to conduct case study and further deliver this valuable experience in lectures. Existing entrepreneurs also get benefits from the networking, to promote and to expand the products or services to others. As a conclusion, this structure of internship can be platform that fits theory and practical learning. The programme however can be further improves in order to develop more SME entrepreneurs among fresh graduates.

6. References


