

Reducing the Unemployment Rate for Higher Education Graduates with Education for Entrepreneurship Program in West Sumatera

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Abstract - This study aims to provide solutions to reduce unemployment rates for tertiary education graduates with an education for entrepreneurship program in West Sumatra. This study uses a descriptive qualitative approach with purposive sampling to obtain data from universities that already implement entrepreneurship courses through interviews and focus group discussions. The results of the study show that there are currently many universities that have implemented entrepreneurship courses, but in practice the emphasis is solely on the theory. There is very little practice and training, let alone internships at companies. Thus graduates are only equipped with basic entrepreneurial knowledge and are not prepared to become successful entrepreneurs.

Keywords - Entrepreneurship, Unemployment, Education.

I. INTRODUCTION

The high unemployment rate not only causes problems in the economic field but also causes problems in the social field and leads to poverty. The number of unemployed graduates with a degree tends to increase along with the level of college graduates who are not supported with sufficient competence so that graduates cannot compete and do not get job opportunities. Higher education plays an important role in increasing the competence of human resources which is the key to victory in the era of globalization. (Matlay 2011); Fernando Lourenco, 2013, Siva Ananda, Hendro, 2011).

Currently the growth of employment is very slow, therefore Indonesia is faced with the threat of increasing number of educated unemployment. The fact requires that college graduates must equip themselves with the knowledge to create jobs; the science in question is the science of entrepreneurship. With entrepreneurship knowledge, a mindset will be created for college graduates

to not only look for work but be able to create jobs. Obviously, this will be achieved if students are equipped with knowledge, insight, skills, mindset, strategy, and tactics, namely smart entrepreneurship not just hard work. If the education for entrepreneurship is already possessed, after graduating from college, graduates are reluctant to look for work but rather want to become independent and intelligent entrepreneurs. (Fernando Lourenco, 2013).

On the other hand, the readiness of Indonesian workers according to the Asian Productivity Organization (APO) shows that of every 1,000 Indonesian workers, there are only around 4.3% who are skilled, while the Philippines is 8.3%, Malaysia is 32.6%, and Singapore is 34.7%. (Siva Ananda, Munaet all, 2016). In 2017 in West Sumatra, tertiary education graduates dominated open unemployment reaching 8.12 percent of the total workforce of 2.62 million people.

Colleges abroad such as Malaysia, Singapore and the United States already have prepared graduates to become

entrepreneurs. These colleges have made entrepreneurship a very important subject and even a compulsory subject. This leads to the country's MSME growth to increase and greatly helps the government in creating jobs. That is why universities in Indonesia, especially in West Sumatra, not only lead graduates to get high grades but also produce quality graduates and resources (Ojebiyi O.A at all 2013).

Higher education must be able to prepare its graduates to become entrepreneurs in developing the necessary behaviors and skills that enable graduates to create their own jobs (business start-ups) or become effective job seekers. Thus, education for entrepreneurship must be an important element for universities in developing a new curriculum (Rae, D, 2010; Matlay, 2011). Entrepreneurship education for universities in Indonesia, especially in West Sumatra, must now see that entrepreneurship as an important contributor to facilitating graduates to become successful entrepreneurs and improve their work in a stable, complex and uncertain business environment. In the future, West Sumatra is a very potential area to be managed by professional entrepreneurs.

Education about entrepreneurship, where universities in producing graduates do not just provide grades to students but must be able to promote students to become entrepreneurs with an independent spirit and are able to see opportunities around them and become enterprising individuals (Lourenço and Jayawarna, 2011). The results of research conducted by Fernando Lourenco, 2013, noted that entrepreneurship education can be categorized into two forms: 1) Education about entrepreneurship, 2) Education for entrepreneurship.

Education about entrepreneurship is only to equip students with knowledge about entrepreneurship. This form of education only emphasizes theory, the development of abilities and entrepreneurial skills. This means that education about entrepreneurship places more emphasis on theory so that graduates only understand more theories about entrepreneurship. The form of the method used is instructive (traditional method), where students in entrepreneurship learning are only introduced to the concepts of entrepreneurship, not many practices and case studies are learned.

Meanwhile education for entrepreneurship is to support and facilitate students to become entrepreneurs. The form of education undertaken is to adopt a more constructive learning pedagogy where learning is built through a "process". The process is carried out by integrating the curriculum into courses offered with more emphasis on

constructive methods (enterprising methods). This constructive method is where students learn by doing and using stimulants such as guest speakers and case studies, linking learning to world situations. (Fernando Lourenco, 2013).

Entrepreneurship learning by using constructive methods allocates more time for training, introducing concepts and tools that support entrepreneurship. Case studies and activities in class only covers 30 percent, and of the remaining 70 percent are designed to carry out entrepreneurial activities. Therefore, students practice more entrepreneurship activities.

For that reason, universities should now implement an entrepreneurship-based curriculum and even make it become compulsory subjects with more practices than just theory in the process of learning. The resulting graduates are expected to have a high ability to see opportunities around them, have creative ideas and work hard (Gibb, A, 2010).

The purpose of this study was to determine the application of educational programs about entrepreneurship and education programs for entrepreneurship at tertiary institutions so that graduates later become successful entrepreneurs.

II. RESEARCH METHODOLOGY

This research was conducted to determine the application of educational programs about entrepreneurship and educational programs for entrepreneurship for tertiary institutions and the development of competencies of tertiary education graduates to become successful entrepreneurs. The research approach uses a qualitative approach using purposive sampling to collect data as respondents with field survey techniques and focus group discussions (FGDs).

III. RESULTS AND DISCUSSION

From the results of the data obtained, in 2017 the workforce with high education (college graduates) reached 328,570 people or 13.54%, while in 2018 the number rose to 371,870 or 15.08%. This means that highly educated or bachelor workforce rose from 13.54% to 15.08 per cent (2018 Central Statistics Agency Data). According to statistics from the Ministry of Technology and Higher Education of the Republic of Indonesia in 2017/2018, higher education graduates reached 292,891 people per year and this will certainly increase the number of unemployed

From the results of field research conducted at private tertiary institutions in West Sumatra, it can be seen that currently universities only provide education about

entrepreneurship and only as elective courses with an emphasis on learning towards theory. In general, tertiary institutions in West Sumatra studying entrepreneurship only provide basic entrepreneurial skills to support students becoming entrepreneurs. When they graduate, they only get a basic knowledge of entrepreneurship so that the business they do is still trial and error and has no clear plan. This has caused entrepreneurship in our country to be undeveloped (Hendro, 2011).

Meanwhile other universities outside West Sumatra, entrepreneurship has become a compulsory subject and learning with a theoretical, practical and training approach, but there have not been many internships at companies. Learning should emphasize the practice and process of product production. Education for entrepreneurship in addition to the emphasis on theory must also be facilitated to become an entrepreneur by developing entrepreneurship through practice and internships in companies. As a result, after graduating, the graduates can open their own businesses with careful business planning. Therefore, they do business not only with capital, but they also follow and imitate other people's businesses. They also understand the nature and history of business so that the business does not lead to bankruptcy.

IV. CONCLUSION

In order to reduce the unemployment rate of higher education graduates in West Sumatra, higher education institutions need to implement an entrepreneurial curriculum. The entrepreneurship curriculum is included in the compulsory subjects that must be taken by all students. In the learning approach, the focus is not only to theory but rather to practice including internships at companies to observe the actual process of producing products. However, at this time, universities in West Sumatra in the application of learning entrepreneurship courses emphasis more on the theory and only little in practice, internships or training leading to graduates that have not been thoroughly prepared to become successful entrepreneurs.

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