

## Teaching Notes

### *Entrepreneurship training under Perlis Youth and Sport Department (PYSD):*

#### *A curious case of an effectively ineffective program?*

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#### **Synopsis**

Three months ago, Mr Azizi Mustafa, the Head of Youth Development Division in Perlis Youth and Sport Department (PYSD) was called upon by Mr Karim, his director for an emergency meeting. Judging by his body language, Azizi knew that Mr Karim was unhappy. Something wasn't quite right, assumed Azizi. Mr Karim then showed him a letter from the Ministry of Youth and Sport in which PYSD was required to submit a special report regarding department's failure to produce many young entrepreneurs in Perlis. As the person in charge of the youth development program, he knew that the ministry was actually referring to their flagship program known as the Entrepreneurship Training Program (ETP). On his desk, there were several claim forms submitted by the facilitators from the previous program. The amount was almost RM 10,000. It is almost similar to the limit of each loan provided by the department to successful applicant. He looked on the wall of his office. Several pictures of successful entrepreneurs coming through their program were hanging there. One of them received Entrepreneur of The Year from Malaysia Prime Minister three years ago. Another one on his right just signing a contract worth RM 2 million to supply IT system for a multinational corporation. However, he knew that the numbers was still not enough. Although numerous efforts have been undertaken via various training programs to promote and educate young Malaysian in Perlis to involve in entrepreneurship, the actual numbers who eventually becoming an entrepreneur was far from encouraging. Both Mr Azizi and Mr Karim knew the importance of entrepreneurs in driving the nation's economic growth as well

as combating unemployment issues. In fact, numerous efforts have been taken by PYSD via the ETP programs to nurture entrepreneurs at all levels involving all kind of activities such as seminars, training, short courses and conferences. Despite all these, the effectiveness of PYSD entrepreneurship training programs remains debatable. Azizi remember two of his favourite quotes by Peter Drucker:

*“Entrepreneurship is neither a science nor an art. It is a practice” and “What gets measured gets improved”*

Azizi realized that he need to act fast. He formed a special team and set a three months timeline to carry out the investigation. Upon completion of the investigation, Mr Azizi presents the outcomes to Mr Karim and PYSD management team. In his presentation, Mr Azizi stated that generally participants of their training programs are satisfied with the effectiveness of the ETP’s course contents and objectives. He pointed out that participants are satisfied with the entrepreneurship opportunity, and that they are also satisfied with the level of entrepreneurship knowledge that was given during the ETP trainings. In terms of readiness to venture into real business, Azizi said that his investigation show that participants are in good spirit and ready to move on into another level. When asked by Mr Karim, Mr Azizi then breaks his presentation based on the following dimensions. He said based on the mean value of 4.03 and a standard deviation of 0.59, Azizi and his team concludes that all participants are satisfied and perceived that the ETP course objective is effective. For the effectiveness of ETP course content, he said the team found that all participants agreed that ETP course content is effective. The mean is recorded at 4.09 with a standard deviation of 0.64. Azizi also reveal that entrepreneurship readiness has recorded a mean value of 4.12 with a standard deviation of 0.52. *“In fact, from all the mean values of ETP effectiveness assessment, it is the highest”*, said Azizi while emphasizing his point that PYSD should focus more on the entrepreneurship readiness through various support mechanism. In terms of entrepreneurship opportunity, Azizi explain that it is not as high as the entrepreneurship readiness. The mean value recorded is 4.03 with a standard deviation of 0.44. All participants agreed that entrepreneurship opportunity is effective. *“Through the ETP, we found that the effectiveness of entrepreneurship knowledge is also as high as other ETP measured dimensions with the mean value of 4.04 and a standard deviation of 0.622”*, explained Azizi. The findings clearly puzzled everyone in the meeting room. While it seems that satisfaction of the ETP program and readiness to start a business is high, the actual number of participants who venture into

real business six months upon completing the ETP program remain low and discouraging. What more intriguing, according to Azizi, is that entrepreneurship readiness recorded the highest score among the participants for which should be translated into higher number of real ventures. Instead, there seems to be a missing link between perceived readiness to start a business and actual action that were taken to start a business. If the trend continues, Azizi highlighted that PYSD and the government may not be able to produce more young entrepreneurs even after investing millions on training programs and providing special start-up grants. He concludes the presentation by reiterating the important role of PYSD and relates it to a quote by Robert D. Hisrich in his book entitled “Entrepreneurship”:

*“Entrepreneurship may operate within an [entrepreneurship ecosystem](#) which includes government programs and services that support entrepreneurs, entrepreneurship resources (such as [business incubators](#) and [seed accelerators](#)), entrepreneurship education and training and financing (loans, [venture capital financing](#), and grants)”*

Upon listening to the presentation by Mr Azizi, Mr Karim chairs a special meeting to discuss the findings of the investigation and to identify future course of actions. It is acknowledged that albeit high satisfaction levels among participants of the ETP programs on all dimensions that were measured, actual endeavour into real business remain low. That is why the effectiveness of entrepreneurship training program remains debatable. Mr Karim, Mr Azizi and PYSD are now pondering further investigation on some pressing issues.

### **Teaching Objectives**

1. To determine the importance and roles of entrepreneurship.
2. To determine the importance of entrepreneurial training programs.
3. To identify issues and challenges in managing entrepreneurial training programs.
4. To analyze and to apply training gaps analysis for effectiveness of local ETP among young potential entrepreneurs in non-higher learning institutions

### **Case Leading Strategy**

The student will probably look at the record of successful rates of young potential entrepreneurs in non-higher learning institutions for the last 2 years.

1. The students should be familiar in the ETP especially in non-higher learning institutions in Perlis, Malaysia

2. The class will be divided into groups of four to discuss the case
3. The class discussion should be over two lecture sessions of 90 minutes duration.
4. The *first lecture* would constitute of:
  - a. 10 minutes – The case brief by the facilitator.
  - b. 15 minutes – Individual reading (this can be done without if the case is given ahead of the class).
  - c. 20 minutes – Group discussion.
  - d. 30 minutes – Class discussion raising issues and strategies for knowledge search.
  - e. 15 minutes – Summary and critique by facilitator.
5. Research – 1 week for external data collection and preparation for presentation.
6. The *second lecture*:

Role play – two groups act as presenters and the other two as the Board of Directors of Perlis Youth and Sports Department (PYSD).

  - a. The presenters need to show that they have done their homework and justified their recommendations properly.
  - b. The Board of Directors needs to show that they understood their responsibilities are and act in the best interest of the stakeholders.

**Target Group of students/courses:**

1. Entrepreneurship Principle subject (BPME1013)
2. Entrepreneurship (BPME3073)
3. Entrepreneurship Development (PME6093) – *postgraduate level*

**The Issues and Challenges of Entrepreneurship training program in the Perlis Youth Department**

Despite the profound benefits of entrepreneurship training program, it is still not fully successful yet. The problems that hinder the development of entrepreneurship training program in PYSD include the following:

*1. Finance*

There is a need for substantial funds to start-up or expand a business venture, and in order to produce successful entrepreneurs. These funds could come from internal sources like personal savings, financial support from friends, relations, traditional co-operative groups and societies or externally from institutions like banks, government agencies and non-

governmental organizations. These sources do not guarantee funds for youth's start-up and business expansion for the following reasons. The funds from internal sources are largely inadequate, perhaps due to poverty level. On the other hand accessing funds from external sources is difficult due to demand for collaterals by these agencies, and, in some cases requirements for part funding of the total money required for an entrepreneurship activity. The youths do not have these collaterals nor the part funding. The failure to present these denies them access to the funds required for the business ventures. For PYSD, the start-up financing aid is only worth RM10,000 for each successful participant.

### *2. Inadequate Equipment and Technology*

The cost of equipment is quite high and cannot be afforded by most youths in Perlis. The scenario makes it difficult especially for those venturing into a technology-based or high equipment-oriented businesses. It therefore calls for a special provision of affordable technologies or special technology acquisition funds.

### *3. Economic Pressure from Parents*

There is often great pressure from parents in Perlis who prefer their children to have stable jobs than joining some entrepreneurship training program, let alone becoming an entrepreneur. This makes it difficult for youths to spend enough time required for the entrepreneurship training program. It is also as a result of such pressures that Perlis youths are facing lack of skills in entrepreneurship.

### *4. Education*

Entrepreneurship demands a talented workforce. Our system of entrepreneurship training program fails to provide the necessary foundation for such a work force. Our education system at all levels is still incapable of producing substantial number of young entrepreneurs. For PYSD, the fundamental knowledge of entrepreneurship has already been laid down in some courses and training sessions. Sadly, the outcomes is still below par.

### *5. Entrepreneurial Attitude*

A great majority of the Perlis youths have utopian ideas; live in affluence in some cases more imaginary than attained. Furthermore, since it is believed that there is a strong climate for entrepreneurs, there is little or no worry about entrepreneurship training program. The necessary drive for an entrepreneur is not there and this leads to poor performance in

entrepreneurship. Supporting this view is the assertion by Akpa (2007) that an average entrepreneur is rugged and aggressive.

#### *6. Data*

Data for entrepreneurship training program has been lacking. There is little or limited programme design for entrepreneurship training program especially in Perlis.

#### *7. Inadequate Infrastructural Facilities*

Although adequate facilities like good roads, electricity, access to information, water supply etc. there is increased problem confronting the development of entrepreneurship training program. There is difficulty of communicating ideas and wares with other areas. Without sales entrepreneurship cannot be fully blown.

#### *8. Cultural Barriers*

Entrepreneurship requires a culture that respects risk taking. Without the willingness to take risks it is not possible to create value from knowledge. The culture of risk taking in Perlis youths needs to be properly addressed in view of its diverse cultures which often cause a barrier to investments.

#### *9. Research and Linkages*

Success in entrepreneurship depends critically on openness and linkages with innovation systems in other countries. This is so because strong innovation systems depend both on local environment and global connectedness. The level of linkages between our research centres and universities with the outside world is still not fully developed. This is highly essential for entrepreneurship to thrive.

### **Teaching Questions**

As part of the investigation team, you are required to replace Mr Azizi who is on away duty to explain some of the questions raised during the PYSD Board of directors' meeting. The questions are as follows:

- 1. To what extent is the roles of entrepreneurship towards the economy and society development?*

As highlighted in the case study, entrepreneurship plays important roles in both our economy and social developments. Economically, entrepreneurship produces more start-up and small medium companies. Entrepreneurial ventures also provide employment to the society for which is in line with the government policy.

2. *To what extent are the ETP course objectives achieved?*

Based on the mean value of 4.03 (standard deviation = 0.59), we can conclude that all participants were satisfied and perceived that the ETP Course Objective was effective

3. *How much has the ETP program contributed to entrepreneurship knowledge?*

Through ETP, it was found that the effectiveness of entrepreneurship knowledge as high as other ETP components namely, Entrepreneurship readiness, Entrepreneurship opportunity, ETP Course content, and ETP course objectives. The mean value was 4.04 (standard deviation = 0.622).

4. *What has been the result of all the ETP training programs?*

Overall results indicate that our entire training program achieved the following results:

- i. The training able to increase the knowledge and skill among the entrepreneurs in terms of development and managing business in well-organized and discipline.
- ii. The training able to expose the participants with several techniques and strategies in terms of systematic and well organized business for future development through a proper marketing planning and business operation planning.
- iii. The training program able to increase participant motivation and xxx towards more aggressive and active in business environment.
- iv. Participants shared business value among them in order to enhance the business.
- v. The training program able to create new idea towards the sustainability of entrepreneur business.

## **Conclusion**

The issue of training effectiveness of an entrepreneurship program has long been highlighted at national level. Various training programs have been conducted by many different organizations. Target groups are varied. Entrepreneurship training programs for young people are normally organized by higher learning institutions with various outcomes. Nonetheless, the outcomes remain unconvincing. For Perlis, the Department of Youth has over the years organized numerous training programs for young adults in the state to produce many entrepreneurs. Nonetheless, the number of new entrepreneurs that were produced from the programs remain few and limited. Thus, the need to evaluate the effectiveness of the training programs is arguably in the state of necessity. The case study aims to explore and understand the way a non-higher learning institution in Perlis (Perlis Youth department) conducted its entrepreneurship training programs for young adults. Most importantly, it opens up opportunity to review on what went wrong and what can be done to improve the effectiveness of the entrepreneurship training programs.