

Consulting-Based Entrepreneurship Education in Malaysian Higher Education Institutions

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Abstract— Early exposure in entrepreneurial studies is an essential consideration in developing successful entrepreneurs. Higher education institutions in Malaysia attempt to impart essential entrepreneurial knowledge in the syllabus to equip future entrepreneurs with necessary skills. Several programs have been implemented to achieve the goal of complementing and exposing graduates to the world of entrepreneurship. Nevertheless, there is very less literature presented on this subject. Various teaching and learning approaches used by each higher education institution but the number of entrepreneurs produced is still questionable. In this research, a program called ‘Consulting-based Entrepreneurship Education’ was introduced and experimented in order to observe the benefits and potential of this learning method in increasing the students’ interest in entrepreneurship. This study is an action research that used qualitative and quantitative approaches. It was found that students were able to perform certain business tasks and their entrepreneurial interests were enhanced at the end of the program.

Keywords - *entrepreneur, entrepreneurship education, consulting-based entrepreneurship education, SME*

I. INTRODUCTION

The importance of entrepreneurship education is derived from the importance of the entrepreneurs to the economic system. Entrepreneurship is a permanent concern in most countries since new and small firms are the major contributors to new jobs.

Concerns about entrepreneurship education in Malaysia were heightened by several factors, (1) the government enormous funding allocation for the promotion of entrepreneurship especially for small and medium enterprises (SMEs); (2) the issue of graduate unemployment which had risen to approximately sixty thousand (60,000); and (3) the attitude of current graduates who were seen to be too pampered and dependent on the government and private organizations for employment [1]. In the 2010 Budget Speech on 23 October 2009, Malaysia Prime Minister who is also the Minister of Finance, has announced that government continues to focus on the development of local entrepreneurs, particularly small and medium enterprises (SMEs). Strengthening SMEs is one of the key factors in the first strategy of 2010 budget: Driving the nation towards a high income economy.

With the increasing number of higher education institutions, each year has witnessed a phenomenal increase in the number of graduates from both public and private higher education institutions. As a result, it is very certain

that large number of graduates will seek jobs and, without doubt, not all will be successful. As noted, serious attention was paid to entrepreneurial studies in the Ninth Malaysia Plan (2006-2010) by virtue of its importance in supporting the economic drive of the national economy as well as in narrowing wealth differentials in the population. In fact, the discipline of entrepreneurship was identified as one of the long-term strategies to address the unemployment issue among graduates in this country [2]. Furthermore, entrepreneurship education is essential in equipping the graduates with a variety of skills and knowledge in order to produce successful entrepreneurs who are not only competitive locally but also globally.

Various measures have been undertaken by the government with the aim to achieve the goal of complementing and exposing graduates to the world of entrepreneurship. Among the measures that have been implemented by the Malaysian government is the inclusion of the entrepreneurial subjects or courses related to entrepreneurship from primary school level to tertiary level. The introduction of entrepreneurial studies is part of the strategy initiated by the government to change the mindset of graduates from being salaried workers to becoming self-employed. Argument arises on how the education institutions, particularly the tertiary education institutions, should impart essential entrepreneurial knowledge in the syllabus to equip future entrepreneurs with the necessary skills – the so called “entrepreneurship education”? [3].

The purpose of teaching entrepreneurship is to give the students an exposure towards a better understanding of the concept of entrepreneurship and to nurture interest and awareness in business and to help them discover possibilities of various opportunities out there in the business world. The knowledge gained from this subject, that is, by learning the theoretical aspects of entrepreneurship and sharing of experience and success stories of others is anticipated to become their prior knowledge. It is believed and also hoped that the prior knowledge will help them embark into business or explore business opportunities after graduation. However, it is unclear whether the aims could be realized with the present method of teaching entrepreneurship in higher education institutions. Therefore, this study intends to introduce a new method that could influence students’ intention and attitude towards choosing entrepreneurship as a career.

II. SIGNIFICANCE OF STUDY

The significance of this study is parallel with the intention of the Ministry Of Higher Education (MoHE) of

revitalizing entrepreneurial acumen of all graduates and also in tandem with the Ministry of Entrepreneur and Co-operative Development (MECD) to encourage young generations to venture into business and be courage to explore opportunities through this sector.

Key success factors for entrepreneurship education as mentioned by [4] stressed two fundamental factors that enable the entrepreneurial educational program to be more successfully implemented: firstly, the objectives of the program – must be clear and achievable and secondly, the education or program delivery methods – must be effective. The objective as well as the delivery methods to be implemented should be developed based on a thorough research of the existing situation, i.e. Gap analysis – to determine the differences between the norms (most ideal) and the actual performance.

Since each higher education institution (HEI) is having its own activities and programs on entrepreneurship education, the best and effective programs need to be identified and created to ensure that all institutions are given fair opportunity to prepare the best methods on entrepreneurship education. Although the curriculum is the same, the difference in implementation entrepreneurship education can occur, and the result could be a significant gap between the achievement and the ability of students who had chosen entrepreneurship as their career. This study is significant in creating as many as successful entrepreneurs from HEIs in Malaysia. Furthermore, implementing consulting-based entrepreneurship education could promote the collaboration between several parties, i.e. HEIs, students and SMEs or entrepreneurs.

III. LITERATURE REVIEW

Although entrepreneurship is becoming an academic discipline and a field of study, there remains, to this day, considerable disagreement with regard what constitutes a model entrepreneurship curriculum and what courses should be taught in entrepreneurship programs. The issue of the way of teaching entrepreneurship is yet to be solved. Generally, a variety of emerging models for an entrepreneurship program can be given. Each model reflects a conceptual view of entrepreneurship education.

Over time, the gap between education and the world of work has increasingly widened. Concepts learned in the classroom have minimal real world significance. For many students the classroom is not connected to the world of work outside of the school. Education and knowledge cannot be delivered solely from textbooks and lectures; it must include practical, hands-on experience that challenges the students, especially in entrepreneurial studies [5].

Entrepreneurship education should mainly be practically oriented and not be overloaded with theoretical expositions [6]. The aspects in starting up and managing business cannot be taught through conventional methods such as readings, lectures or watching films [7]. They added that knowledge of awareness, motivational and certain competencies can only be absorbed when students undergone or experienced and got involved in the process of inventing new business through “negotiation” and “working with entrepreneurs”. Both

methods are among the best in promoting entrepreneurship attributes to students and followed by simulation method, case study, role model, working papers, thesis and writing business plans.

A qualitative approach used by [2] in the study title “Entrepreneurial Studies in Institute of Higher Learning: Methods for Delivering Entrepreneurship Education” which adopted the Rubric Assessment of National Standard Practices for Entrepreneurship Education constructed by Entrepreneurship Education Consortium in Ohio, US. To assess the method of delivering entrepreneurship education, the study uses seven concepts of the Rubric Assessment as indicators. The seven concepts include: (1) Facilitating and coaching; (2) Experiential learning; (3) Problem-based learning; (4) Students as leaders; (5) People in the Community; (6) Variety of Methods, and (7) Lifelong Learning Model for Entrepreneurship Education. The study found that, the methods that are highly recommended in teaching entrepreneurship education are the problem-based learning (PBL) and the experiential learning methods.

Embedding entrepreneurship education into technical and vocational disciplines (especially engineering students) is also useful for the students. According to [8], developing engineering students for their profession within the modern enterprise economy has involved a planned and integrated approach by teaching teams and coordinators from various engineering and entrepreneurship disciplines.

Reference [9] stressed that the entrepreneurship curricula of the top schools in business education such as Bobson College, Stanford School of Business, MIT Sloan School of Management, The London Business School and the National University of Singapore encompass a strong “learning-by-doing” element through outside the classroom activities such as internships with start-ups, creating and running small ventures on campus and working on small consulting jobs.

Moreover, [10] mentioned in their study that entrepreneurship education needs a different teaching instructive, hence, there are studies trying to relate it to work related learning, experiential learning, action-learning, and entrepreneurial training. In other word, entrepreneurship education is more than business management, it is about learning, which means learning to integrate experience, skills and knowledge, to get prepare to start with a new venture.

In the case study of Universiti Utara Malaysia (UUM) by [11], mentioned that as early as December 1986 (after only two years since being established), UUM introduced an entrepreneurship program targeted for students. The entrepreneurship program, named Student Enterprise Program (SEP), was developed to increase the number of entrepreneurs in Malaysia by inculcating entrepreneurial values amongst students. In particular, UUM’s objectives of introducing the program are: (1) to train students to become business entrepreneurs and to allow them to experience real-world business practices, (2) to inculcate entrepreneurial skills amongst students, and (3) to train students to be independent and confident to start his own business [11].

Reference [6] made a distinction between methods applied inside and outside the classroom. Inside the classroom, there are some classical tools which are used to

teach entrepreneurship such as lectures, readings, class discussion, guest speakers, individual coaching, role plays, team teaching and teamwork. However, methods that are used to teach entrepreneurship outside the classroom aim at a close contact between students and real entrepreneurs [12]. For example, the tools are cooperation with an incubator for new ventures, dinner with entrepreneurs, internships and interviews with entrepreneurs.

Consulting-based learning is basically involved the consultancy-like assistance provided by the students and experts from the HEIs for local SMEs which would benefits the students and also SMEs. Business consultancy requires specific skills and an appropriate level of knowledge if consultants are to help clients identify and solve their management problems. Business consultancy is essentially about acquiring and sharing knowledge. Various methods are used to evaluate a business consultancy. Measurement can be in monetary terms and/or non-monetary terms.

University of Limerick in Ireland offers a Business Consulting course which offer individuals, small businesses and community groups a consultancy service to identify and solve their business problems. Student teams act as consultants to these groups. This course provides an important mechanism for introducing students to the everyday management problems and opportunities of small businesses, particularly those at the start-up and early growth stages. On completion of this course students have an improved understanding of the role and skills required for the consulting process and are capable of advising SMEs in a professional manner. The merits of such interactions have been demonstrated through a description of various initiatives that benefit a number of stakeholders, namely students, academics, the broader educational institutions and small firm sector can be achieved through the provision of entrepreneurship education. To date, over 550 small firms in the Mid-West Region of Ireland have participated in the business consulting course [13].

Reference [14] discussed on students as consultants who offered free consultancy to local business that involves faculty and students working on real problems. The client gets solutions or at least the chance to see the problems through fresh eyes, while students get genuine contacts with business and the chance to work on a real-world issue where a good solution can have tangible pay-offs.

Based on a series of studies on entrepreneurship education program for Local Business Promotion in Thailand, Cambodia, Malaysia, Laos and Indonesia from 2003 to 2007, a model was proposed that has been tested to prove efficiency. The model, namely Consulting-based Learning for ASEAN SMEs (CoBLAS) has been introduced by an Entrepreneurship Research Group that consists of members from Japan, Thailand, Cambodia, Malaysia, Laos and Indonesia, led by Professor Takeru Ohe from Waseda University, Japan.

This consulting-based learning model is explained by the triangle that links three different parties. As illustrated in Fig. 1, the triangulation approach refers to close training-practical relationship between (1) academics (HEIs), (2) the SME

owners, and (3) students as the consulting apprentice. The model emphasizes the important role played by the university as the center of excellence and work as a platform for the human resources development for local business promotion. The linkages between these three parties are important in helping the students to understand the necessary skills required both for working in small firms and encouraging them to start their own enterprises on leaving full-time education. This activity is seen as a significant approach in providing graduates with the crucial experience in real business activities. Simultaneously, the SMEs involved in the program would benefit from consultancy-like assistance provided by the students and experts from university. The program conducted in a few ASEAN countries has proved to be successful [15].

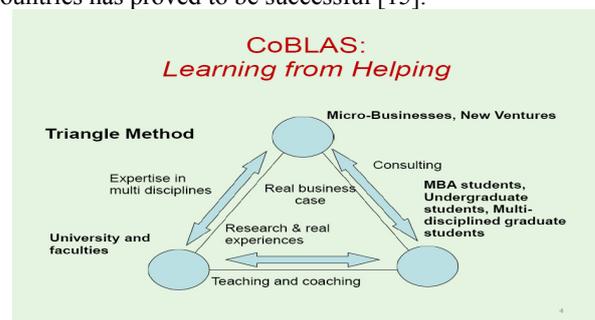


Figure 1. Triangulation approach in CoBLAS

In capitalizing on the value of CoBLAS, this integrated education and consulting program was proposed. The program was conducted in the HEI with the partnership between HEI and SMEs. It was conducted in accordance to programs that have been successfully executed in ASEAN countries such as Thailand and Cambodia.

In realizing the importance of practical aspects of business in entrepreneurship education, programs like 'Profit through knowledge scheme' in Scotland and the establishment of enterprise units in universities across the UK have been seen as significant approaches in providing graduates with the crucial experience in real business activities. By incorporating both hands-on training and entrepreneurship education, it is hoped that the quality of graduates in terms of their business knowledge would be enhanced [15]. This shows that practical-based education training programs like CoBLAS may be an effective method to educate and prepare graduates to be potential successful entrepreneurs.

IV. METHODOLOGY

A. Sample and Research Procedure

A group of eight students who were taking entrepreneurship education course were selected to be the respondents of the study. They are Masters of Business and Entrepreneurship Education students who have background of business studies. Before they started their consultation session, they had to undergo all the basic courses needed in the business management such as marketing course, cash

flow and financial, creative and innovative course, business plan and fundamentals of entrepreneurship.

The students were located at the school’s cooperative book shops or retail shops. These cooperatives are also one of the micro businesses or SMEs. Approval from chosen schools’ has been applied because their readiness and willingness to give full co-operation are needed in implementing the consulting-based entrepreneurship education program. In addition, they have to share their problems and also successes, even ready to accept suggestions from the consultation session. The cooperative premises of two schools were chosen which are Koperasi Sekolah Menengah Kebangsaan Sungai Besi, Kuala Lumpur and Koperasi Sekolah Agama Menengah Salak Tinggi, Sepang. The program was conducted for a period of one semester or approximately four months.

B. Instrumentation

The study was conducted using both qualitative and quantitative research methods. Participatory Action Research Model and Reflective Model are used as qualitative data collection. The Participatory Action Research Model as shown in Fig. 2 has two cycles which will be implemented by stages, from the first cycle to the other. Every cycle in this consulting-based learning has five elements, namely (1) plan, (2) implementation, (3) assessment, (4) reflection and (5) redesign.

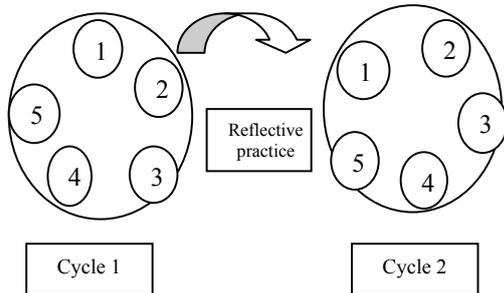


Figure 2. Participatory Action Research Model

In addition, questionnaire on Youth’s Entrepreneurial Behavior was utilized to collect the quantitative data. To collect qualitative data, researcher observed and interviewed the students with regard to several pre-identified research themes, including students’ performance and experiences, and also their entrepreneurial interest.

V. FINDINGS AND DISCUSSION

The data of this study was collected from eight students who were also the respondents of this study. Based on the questionnaire on Youth’s Entrepreneurial Behavior given to the students before and after the consultation session, the findings in terms of increasing or decreasing scores between pre and post-test total scores are shown in Table 1 below. The questionnaire has two major parts, namely cognitive and non-cognitive entrepreneurial behavior.

TABLE I. FINDINGS OF PRE AND POST-TEST BASED ON YOUTH’S ENTREPRENEURIAL BEHAVIOR TEST

Respondents	Pre-test total score	Post-test total score	Differences between pre & post-test scores
Student A	90	92	Increase
Student B	93	98	Increase
Student C	90	85	Decrease
Student D	80	75	Decrease
Student E	82	78	Decrease
Student F	82	85	Increase
Student G	80	86	Increase
Student H	75	76	Increase

Table 1 shows that five respondents have increasing scores in between pre and post-test, but on the other hand, three of them scored better in the pre-test rather than their post-test. This indicates that consulting-based learning in entrepreneurship education able to identify students’ entrepreneurship inclination. A number of respondents of this study realized that they could not afford to become entrepreneurs after directly involved in the business world. This condition occurs because they were not brave and strong enough to face the risks and challenges in the real world of entrepreneurs.

The results from Youth’s Entrepreneurial Behavior test are supported with the observations and interviews session with the respondents. Based on the question of “Are you interested in entrepreneurship after undergoing the real experience in business?”, several students felt that they are ready to be entrepreneurs because they could see the product, whether positive or negative. This mean, they realize that every action and decision made could give high implication in producing and selling their products.

In terms of respondents’ performance and experiences, all respondents managed to gain practical knowledge such as developing promotion materials, designing new operational layout or product display, and conducting market survey. The respondents also found that their understanding of business concepts was better after they had directly applied it in the field work and related it to the school cooperative’s premises. Furthermore, most of the respondents admitted that their confidence level improved after the consultation session because they frequently communicated with the industrial players and conducted interviews as well as performed business presentations.

The findings of this study indicates that respondents with entrepreneurial interest before getting involved as training consultants, enhances their passion and intention to become entrepreneurs after they gone through this program. On the contrary, respondents with less interest in entrepreneurship wish not to become entrepreneurs as they had experienced the difficulties and challenges faced by the SMEs.

This shows that the consulting-based entrepreneurship education that links HEIs/lecturers, students as training consultants and micro businesses/SMEs proved to be fruitful to the respondents. Conventional entrepreneurship training focuses on theoretical concept and classroom based education, whereas consulting-based learning practiced the ‘learning from helping’ which done on an experimental basis.

This method of learning has positive effects on entrepreneurship education. It is potentially applicable in different locations because the results of action research are not meant for generalization. Nevertheless, this learning method has given better guidance and awareness to the

respondents because running real business could improve entrepreneurial awareness [16].

VI. CONCLUSION

It is expected that the result of this study would bring forth remarkable findings leading to best practices in entrepreneurship education at HEIs in Malaysia. It is acknowledged that the results of action research are not meant for generalization. The results of each research might vary with regards to the research team members, students' characteristics and SMEs' cooperation. This study concluded that consulting-based entrepreneurship education is able to attract students' attention and interest in choosing entrepreneurship as a career. At the same time this program enhances students' ability and capability in handling real business issues and situations.

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