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# Perception Towards Factors that Affect the Effectiveness of an Entrepreneurship Training Program

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**Abstract** - Entrepreneurship is an important element of economic development because it does not only produce physical products and provides services but it also generates employment at the same time. Entrepreneurs develop new ideas through creativity and innovativeness and harness available resources to reap profit from their business endeavors. Realizing the importance of entrepreneurship that spurs economic growth, the government of Malaysia encourages future entrepreneurs to participate in entrepreneurship training programs to ensure they increase entrepreneurship capabilities and achieve sustainability in their ventures. In order to do so, training programs should cater to the important requirements of effective training in order to deliver the expected objectives. Thus, this paper aims to explore the determinants of the effectiveness of an entrepreneurship-training program using UMK's students as the sample. Entrepreneurship students' perception on this is vital as they might be the entrepreneurs who will be involved in an entrepreneurship training program once they graduate from the university. This study adopted the purposive sampling method, where 50 students from the Faculty of Entrepreneurship and Business were selected to answer the structured questionnaires. The results of the study revealed that the trainees' readiness and learning approach were determinants of the effectiveness of the training program. On the other hand, the other two variables, entrepreneur's orientation and trainer skills, did not have a significant relationship with the effectiveness of the training program. The findings should be treated with caution due to the small number of students involved in the study.

**Keywords:** Entrepreneurship, Perception of Student, Training, Entrepreneurship Training Program.

## **1. Introduction**

Entrepreneurship is a vibrant process of ideas, changes, and creation that requires an application of strength and passion towards the creation and implementation of new ideas and creative solutions (Kuratko, 2009). This indicates that the individual, organization, environment, and process are involved in a new venture creation in the entrepreneurship. Thus, the entrepreneur has an extensive role in obtaining different ideas and prodigious alternatives in entrepreneurial activities. Realizing the importance of entrepreneurship, it should be strengthened to enhance economic activities and the nation's prosperity. Effective training programs (ETP) should be conducted to produce capable entrepreneurs who are responsible for viable entrepreneurship. In the context of ETP, Siemens (2012) highlighted that ETP as a training workshop for entrepreneurial activities, developed by

government agencies and business support organizations, contributes to the development of business and management skills, and entrepreneurship. Similarly, Nikandrou (2009) states that the key to training entrepreneurs is to impart, deliver, and improve the essential skills to facilitate particular organizations to achieve their targets by improving their workers' skills and competitive advantage by adding value to their key resources.

In Malaysia, the importance of entrepreneurship training programs has been long recognized to boost entrepreneurship among Bumiputeras (sons of the soil) who have been lagging behind in economy since Malaysia achieved independence in 1957. Over the years, the entrepreneurship training program has been provided for Bumiputeras in order to equip them with knowledge, skills and entrepreneurial traits needed to become successful and competitive entrepreneurs (MARA, 2015). The programs for entrepreneurship training include courses, training, seminars as well as workshops where entrepreneurs are imparted with input pertaining to business exposure, knowledge, and skills of entrepreneurship. Inculcating entrepreneurial culture, creation, and enhancement, and strengthening the entrepreneurship have been given priority. ETP has been organized by various government agencies, and private and non-governmental organizations. For example, the entrepreneurship training programs organized by Majlis Amanah Rakyat (MARA) aim to produce entrepreneurs who have insight and the essential quality in looking for viable business opportunities. Although many entrepreneurship training programs have been conducted by MARA and government agencies over the years, empirical studies of determinants of effectiveness of such programs are still lagging. Against this background, the main aim of this study is to investigate the determinants of the effectiveness of an entrepreneurship training program.

## **2. Literature Review**

### ***2.1 Entrepreneurship Training Program – An overview***

Training is defined as a learning experience in creating a relatively permanent change in an individual that improves his or her ability to perform on the job (Thassanabanjong et al., 2009). Nyambura (2014) indicates that entrepreneurs learn through application, doing, experiences, examples, and mistakes; as such, training must be practical in nature. Thus, entrepreneurship training indicates training in ways of introducing a new product, a new method of production, opening a new market, conquering a new source of raw materials, and reorganizing an industry in a new way.

Similarly, Nikandrou (2009) states that the key to training entrepreneurs is to impart, deliver and improve the essential skills to facilitate particular organizations to achieve their target by improving their workers' skills and competitive advantage by adding value to their key resources. At the same time, it leads entrepreneurs to gain a competitive advantage by adding value to their key resources. Managerial skills such as marketing skills, financial planning, and cash flow management will lead to competencies in entrepreneurial activities. Entrepreneurs could apply these skills in their business routine based on the theory and technical training learned during training sessions.

Based on the argument that entrepreneurship can be taught, governments in developing countries are training their youth to be entrepreneurs. Nafukho (2014) finds that in the case of Kenya, the government provides funds to youth and female entrepreneurship. It is an

initiative to encourage them to develop new enterprises on their own given the effective education and training programs. This is an attempt to drive them towards more independent activities such as creating innovative products and developing more services through entrepreneurial activities. Likewise, Jones (2014) states that enterprise education encompasses teamwork, confidence building, problem solving, and helps encourage the belief of self-employment, starting a business, or being a business owner. It also helps people realize that working for an SME is an appropriate option and this requires different skills and competencies compared to working for a large organization.

ETP makes the participants more confident in solving problems related to the issue of entrepreneurship and to be open-minded in taking risks. Consequently, the participants of trainings are more interested to join in new ventures when they have knowledge about entrepreneurship. The participants of training also have the capability to ensure sustainability of their enterprise.

In Malaysia, entrepreneurship training activities run by various government agencies (MARA, PUNB, public universities), business support organizations, and development banks, have contributed to the development of business and management skills and entrepreneurship among Bumiputera entrepreneurs. Examples of ETP include courses, training, seminars, workshops for input exposure, and knowledge and skills in entrepreneurial culture (MARA, 2015). These courses include short-term, medium, and long-term.

## ***2.2 Entrepreneurial orientation and effectiveness of the entrepreneurship-training program***

Entrepreneurial Orientation (EO) is a combination of reactivity, innovativeness, and risk-taking. Entrepreneurs are willing to create a new development in the industry. Innovativeness reflects the tendency to support new ideas, novelty, experimentation, and creative processes, thereby departing from established practices and embracing a combination of new technologies. Reactiveness refers to a posture of anticipating and acting on future wants and needs in the marketplace, thereby creating a first-mover advantage (Wiklund & Shepherd, 2003). Normally, EO reflects long-term outcome of new ventures and gives positive performance implications. Therefore, it provides capabilities for entrepreneurs to undertake future challenges in entrepreneurship.

According to Meutia (2013), EO is an effort to be the best, both in product and market innovation, daring to take any risks, and pursuing any opportunity to beat the competitor. An entrepreneur has the responsibility to supply a different product than others so that customers buy those products. Realizing customers love to buy unique products, entrepreneurs should be more creative in creating new products, and entrepreneurial orientation facilitates this creativity. Thus, this study suggests the following hypothesis:

H1: There is a significant relationship between entrepreneurial orientation and the effectiveness of the entrepreneurship training program.

## ***2.3 Trainer skills and the effectiveness of the entrepreneurship training program***

A trainer is an important factor that ensures the effectiveness of a training program. Trainers who have good skills can easily attract participants, which in turn would enable

the training participants to learn as much as they can. Compeau (2002) states that a trainer in a training program should include six basic dimensions such as knowledge, communication, course design, sympathy, training technique, and class management. The trainer has an important role in the delivery of training. Therefore, choosing an appropriate trainer is essential to ensure the effectiveness of training and fulfilling the objectives of the training. The trainer is one of the key sources of information that enables the trainee to understand what the trainer explains in a particular training session.

For an effective ETP, trainers must have the total order of learning theories and principles, and knowledge of human behavior to enable them to plan the learning experiences that are varied and appropriate for each trainee (Chung, 2013). By having sufficient knowledge about entrepreneurship, the trainer is capable of building the participants' entrepreneurial mind. The experiences of a trainer are also important because he or she is able to share his or her experiences in the training courses (Compeau, 2002). Based on the above literature, this study suggests the following hypothesis:

H2: There is a significant relationship between trainer skills and the effectiveness of the entrepreneurship training program.

#### ***2.4 Learning approaches and the effectiveness of the entrepreneurship training program***

Recently, there have been various types of learning approaches used in training programs. Nyambura (2014) points out that the learning approach used in ETP includes lectures, demonstrations, enhanced programs, mentorship programs, exhibitions, and common interest groups. However, the most frequent learning approaches used during entrepreneurial training are traditional methods such as lecturing and the mentorship program. Perhaps the entrepreneur is more comfortable in the traditional method and less skilled in ICT. The methods used to train the entrepreneur are neither interactive nor creative. The learning approach used in training sessions should be practical and interactive because the entrepreneurs learn from doing rather than hearing.

Lourenco et al. (2014) introduced creativity enhancement sessions, opportunity edification sessions, and creative problem solving sessions in order to attract farmers' attention in ETP. Firstly, in the creativity enhancement sessions, the participants are encouraged to contribute a different idea in the group training so that participants can redesign some of the brilliant ideas into their own entrepreneurial activity (Lourenco et al., 2014). Due to the process of innovation in entrepreneurship training, participants will be more competitive and this will go a long way in their future planning. Secondly, opportunity edification sessions are highlighted during these sessions; participants are asked to apply their creative skills so that participants can identify opportunities. Thirdly, participants learn to solve problems by using creative techniques in order to apply creativity techniques to inspire their thinking and to allow them to think beyond their normal ways and traditions (Lourenco et al., 2014).

On the other hand, Milhem (2014) addresses the training methods for entrepreneurs who participate in entrepreneurial training programs such as team training, mentoring approach, seminars, field trips, tour, and e-learning. However, he found suitable training methods for rural entrepreneurs are team training, mentoring approach, and seminars because most of the rural community has a lower level of knowledge in using high technology such as e-learning. The author states that team training is one approach to deliver training (Milhem,

2014). It allows the participants to solve problems effectively whereby participants are given a realistic opportunity to provide feedback solutions. The seminar participants and trainers will focus on specific topics together that enable them to handle problems that arise on a regular basis. The course content must be relevant to the training in order to improve the knowledge of trainees (Chung, 2013). The above literature suggests that learning approach is a determinant of entrepreneurship training programs. Thus, this study suggests the following hypothesis:

H3: There is a significant relationship between the learning approach and the effectiveness of the entrepreneurship-training program.

### ***2.5 Trainee readiness and the effectiveness of the entrepreneurship training program***

Trainee's readiness is one of the determinants of the effectiveness of the entrepreneurship training program. For instance, the trainee actively responds during a particular session of the course, which also determines the effectiveness of the training (Chung, 2013). Most of the entrepreneurs have their own knowledge in terms of entrepreneurship. Readiness to train means that trainees free their mindsets on other issues preoccupying their minds, so that they are ready to accept ideas and easily understand new ideas in the seminar, courses, or program session. Thus, this study suggests the following hypothesis:

H4: There is a significant relationship between trainee readiness and the effectiveness of the entrepreneurship-training program.

## **3. Methodology**

The research design is the overall plan related to the relevant conceptual research problem and practical empirical research. In other words, the research design provides a plan or a framework for data collection and its analysis. It reveals the type of research and the priorities of the researcher. The research methods refer to the techniques used to collect data. The goal of this study is to describe the most important determinants of entrepreneurship training program effectiveness, using students from the Faculty of Entrepreneurship and Business. Furthermore, the hypotheses developed by the study would be tested to enhance the understanding of the relationships that exist among all the independent and dependent variable. The researchers in this study distributed questionnaires to 65 respondents who are UMK students. Out of the 65 questionnaires distributed, the researchers received back 50 questionnaires and used them for the analysis.

Both English and Malay languages were used in the questionnaire to get a better feedback, as the respondents come from various backgrounds. The questionnaire was divided into three sections consisting of demographic items (12 items), determinants (19 items) of entrepreneurship training program effectiveness, and evaluation of entrepreneurship training program effectiveness (5 items). The questions pertaining to determinants used the five-point Likert scale ranging from 1= "Strongly Disagree" to 5 = "Strongly Agree".

Table 1. Demographic profile of the respondents

Demographic Profile	N	%		N	%
<i>Gender</i>			<i>Age</i>		
Male	13	26	20-29 years	38	76
Female	37	74	30-39 years	14	14
Total	50	100	40-49 years	5	10
			Total	50	100
<i>Race</i>			<i>Nationality</i>		
Malay	35	70	Malaysian	43	86
Chinese	5	10	Thailand	3	6
Indian	6	12	Nigerian	3	4
Others	4	8	Total	50	100
Total	50	100			
<i>Marital Status</i>			<i>Higher Education Level</i>		
Single	32	64	Diploma	6	12
Married	12	26	Bachelor's Degree	28	56
Single Father/Mother	1	2	Master	16	32
Divorced	4	8	Total	50	100
Total	50	100			
<i>Current Educational Level</i>			<i>Mode of Study</i>		
Bachelor's Degree	20	40	Full-time	44	88
Master	21	42	Part-time	6	12
PhD	7	14	Total	50	100
Others	1	2			
Total	50	100			
<i>Current Employment</i>			<i>Monthly Income</i>		
Lecturer	4	8	Less than RM1000	15	30
Teacher	3	6	RM1000-RM2500	7	14
Academician	1	2	RM2501-RM3500	2	4
Graduate Research Assistant	5	10	RM3501-RM4500	2	4
Manager	2	4	RM4501 and Above	1	2
Researcher	2	4	Total	50	100
Student	26	52			
Total	50	100			
<i>Interest in ETP</i>			<i>Reasons</i>		
Yes	44	88	Skills	10	20
No	4	12	Interest	4	8
Total	50	100	Financial	2	4
			Successful Entrepreneur	3	6
			Self-Development	7	14
			Knowledge	6	12
			Business Growth	2	4
			Confidence	1	2
			Motivations	1	2
			Not Interested	1	2
			Experiences	3	6
			Total	50	100

#### 4. Research Findings

This section presents the descriptive statistics of the background of the respondents and reasons for being involved in an entrepreneurship training program. Table 1 shows that about 74 percent of the respondents are female and the rest are male. In terms of marital status, almost 32 percent of them are single, 12 percent married, 1 percent is single father/mother, and 4 percent are divorced. Most of the respondents' higher education level is a Bachelor's degree (28 percent), followed by a Master degree at 16 percent. In the study, a majority of the respondents' current education level is Master degree level, followed by the Bachelor degree level, which are at 42 percent and 40 percent, respectively. Only 14 percent are PhD students. Out of the 50 respondents, 88 percent chose full-time mode and 12 percent chose part-time mode of study. In terms of type of jobs, half of the respondents are students (52%), followed by Graduate Research Assistant (10 percent), Lecturer (8 percent), Teacher (6 percent), Manager and Researcher (4 percent), and Academician (2 percent). The range of monthly income shows that the majority of respondents obtain less than RM1000 per month because they are students. The result of this study indicates that 88 percent of the respondents are interested in participating in an Entrepreneurship Training Program compared to 12 percent who are not interested. Most of the respondents are willing to increase their skills through an entrepreneurship training program and become successful entrepreneurs in the future.

##### 4.1 Hypothesis Testing

The regression analysis was used to test the model and to identify variables that might influence the effectiveness of the entrepreneurship training program. The results of the analyses are shown in Table 2. The result in Table 2 indicates the value of R among all the independent and the dependent variables is 0.737, which could be interpreted as having a very high relationship. The R square value, which explains the variance among the studied variables, is 0.543. It means 54.3 percent of the effectiveness of the ETP is determined by the determinants of the study. In addition, the F value is 13.354, which is significant at 0.001. The result suggest a relationship between the dependent and independent variables, and the regression model could significantly predict the variance in the evaluation of entrepreneurship training program effectiveness, which could be explained by the independent variables. Identification of the most important predictors on the evaluation of entrepreneurship training program effectiveness was done by assessing the standardized beta coefficient values for each independent variable. The coefficient values for each variable are presented in Table 3.

Table 2. Model Summary

R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
.737a	.543	.502	.37460	2.527

a. Predictors: (Constant), Learning Approach, Trainee Readiness, Trainer Skill, Entrepreneurship Orientation

b. Dependent Variable: Training Effectiveness

It is observed from Table 3 that the highest standardized beta coefficient value is linked to trainee readiness (0.515) with the significant level of 0.001. This suggests that trainee readiness is the strongest predictor in the evaluation of entrepreneurship training program effectiveness and any changes in trainee readiness will have the most impact on the variance on the evaluation of the entrepreneurship training program effectiveness. This is followed by learning approach, with beta coefficient value of 0.316 at the significant level

of 0.10. This suggests that learning approach is another determinant of the effectiveness of ETP. Based on the regression analysis results, the hypothesis testing results are summarized as follows:

Table 3. Coefficients

	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	.301	.564		.533	.597
Entrepreneurship Orientation	.234	.187	.217	1.249	.218
Trainer Skill	-.211	.183	-.198	-1.153	.255
Trainee Readiness	.565	.148	.515	3.821	.000
Learning Approach	.316	.188	.286	1.685	.099

Table 4: Results of Hypotheses Testing

No.	Hypotheses	Results
1.	There is a significant relationship between entrepreneurial orientation and the effectiveness of the entrepreneurship training program.	Not supported
2.	There is a significant relationship between trainer skill and the effectiveness of the entrepreneurship training program.	Not supported
3.	There is a significant relationship between learning approach and the effectiveness of the entrepreneurship training program.	Supported
4.	There is a significant relationship between trainee readiness and the effectiveness of the entrepreneurship training program.	Supported

## 5. Conclusion

The main purpose of this study was to investigate the determinants of the effectiveness of ETP according to the entrepreneurship students' perceptions. The results of the study revealed that these determinants, trainee readiness and learning approach, were positively related to ETP. On the other hand, the other determinants such as entrepreneurial orientation and trainer skills were not significant determinants of the effectiveness of ETP. These findings are in contrast to the literature pertaining to the determinants of ETP. Arguably, entrepreneurial orientation facilitates training effectiveness because respondents engage in activities that they are happy to do. The same goes for trainer skills; experienced trainers with high entrepreneurship training skills can deliver what they teach better than those who do not possess such skills.

The findings in this study suggest that learning approach and trainee readiness are important predictors towards the effectiveness of ETP, but not entrepreneurial orientation and trainer skills. However, these findings are rather inconclusive and should be treated with caution due to a number of reasons. First, this study relied on a small number of respondents; it only provides an early insight into this matter, and a higher number of students should be involved in future studies. Secondly, this study is based on the perception of entrepreneurship students on the determinants of the effectiveness of ETP. It is not based on real participants of ETP. Results will be different if actual trainees are



involved in future studies. Thirdly, the instruments used in this study did not go through the proper process of a rigorous check of their validity and reliability.

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