

**AN EVALUATION OF THE POSTGRADUATE
DIPLOMA IN ENTERPRISE MANAGEMENT AT
RHODES UNIVERSITY**

A thesis submitted in fulfilment of the
requirements for the degree of

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ABSTRACT

This research is concerned with the development of entrepreneurship at higher education institutions (HEI). Entrepreneurship is very important in every country as there is a direct correlation between entrepreneurship development and economic growth (Hegarty, 2006). Entrepreneurship education is essential as it assists students who want to start up their own businesses by giving them the relevant skills and knowledge to have a successful business.

The purpose of this research is to evaluate the Postgraduate Diploma in Enterprise Management (PDEM) within the Management Department at Rhodes University, Grahamstown. A qualitative approach was implemented which used an adapted version of the Context, Input, Process and Product Model (Stuffelbean, Mckee and Mckee, 2003). Data was collected in the form of interviews and focus group interviews. There were six lecturer interviews, one course coordinator interview and five past student interviews. There were two focus group interviews that took place; this was done so to gather data from seven current PDEM students. The data collected was then analysed through the use of qualitative data analysis techniques. These were sensing themes, constant comparison, recursiveness, inductive and deductive thinking and interpretation to generate meaning (Ruona 2005, cited in Swanson and Holton, 2005).

The Management Department aims to equip students to think realistically in terms of starting their own business and to enhance the students' knowledge and skills so that they are better able to find employment in the corporate and government sectors. The PDEM aims to be an action-learning course and to create an entrepreneurial environment which will encourage students to start up their own businesses. The role of the lecturers and the course coordinator is important as they need to ensure that there is a continuous transfer of knowledge to the students. Students are not expected to be specialists within each subject; however they need to have a basic grounding in order to run a business. Students felt that the Alpha Project was important and useful as it improved their confidence about starting a new business. An issue that was raised about the Alpha Project was that the separation of students into the Alpha Project groups was not executed well. The course was perceived to be disorganised however the students tended to enjoy it and felt that the Management Department was supportive of their businesses.

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NOTE ON GENDER

The masculine (he/him) will be used within this research project for reasons of convenience. The use of the masculine words will be used in the cases where the feminine (she/her) is implied.

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CHAPTER 1

INTRODUCTION

Entrepreneurship is very important for the economic development of any country (Fayolle, Gailly and Lassas-Clerc, 2006). It assists in improving a country's economic stability, improves employment opportunities and increases wealth creation and concentration (Quadrini, 1999). Small to medium sized enterprises (SMEs) assist with increasing wealth and creating more employment which in turn improves economic growth (Sobel, 2008). Olawale and Garwe (2010) believe that "the creation and sustainability of new SMEs are vital to the economic prosperity of South Africa" (Olawale and Garwe, 2010:729). Entrepreneurial SME's are therefore important so to improve a country's economic status and increases employment (Sobel, 2008).

In a recent study, it was found that "South Africa suffers from high unemployment with an official estimate of approximately 24.5% of the economically active population unemployed" (Olawale and Garwe, 2010:729). Entrepreneurship is therefore very important for this country as it connects their economy to other global economies (Sobel, 2008). Due to this extremely high unemployment rate there is a need to develop entrepreneurship which will benefit the economic growth of the country (Co and Mitchell, 2006). In 2006, Co and Mitchell found that graduates in South Africa were struggling to find employment. This therefore indicates that individuals need to be trained and educated in the field of entrepreneurship which will potentially decrease the level of unemployment among graduates. If there is not an increase in the creation of SMEs in South Africa, the country runs the risk of economic stagnation (Olawale and Garwe, 2010).

South Africa needs to find a way in which to increase the creation and survival of SMEs (Olawale and Garwe, 2010). But firstly, there needs to be a good understanding as to why individuals enter into entrepreneurship. Matlay (2008) found that there were pull factors such as recognition and push factors such as unemployment which led these individuals into entrepreneurship. Drennan, Kennedy and Renfrow (2005) felt that a background with a family business, a difficult childhood or frequent relocation had an effect on an individuals' choice to enter into entrepreneurship. However another way in which there can be an increase

in the creation and survival of SMEs is through entrepreneurship education, specifically at a tertiary level. Studies have shown that individuals who are currently self-employed tend to have a tertiary education background (Luthje and Franke, 2002). It has also been found that there are a high percentage of individuals who believe that entrepreneurship can be taught (Raichaudhuri, 2005). Entrepreneurship education is therefore important as it can assist with alleviating unemployment and improving an economy (Matlay and Carey, 2007).

There is a variety of research indicating what should be included in an entrepreneurship programme and in which areas students need to focus on order to become successful entrepreneurs. There are three areas of entrepreneurship education which are focused on regularly when designing an entrepreneurship programme. These are education about entrepreneurship, education for entrepreneurship and education through entrepreneurship (Co and Mitchell, 2006). There needs to be a proper system put in place during the design and implementation of a programme. Factors that need to be considered in the design of a programme are the type of students selected and appropriate lecturers hired (Raichaudhuri, 2005). In terms of the implementation of a programme, lecturers need to ensure that an action-learning approach is implemented and that appropriate teaching methods are enforced (Shane and Venkataraman, 2000). Students need to be able to learn to become more entrepreneurial through relevant subjects and business start-up experiences. Students also need to be exposed to a number of informal entrepreneurial learning activities such as workshops and business plan seminars (Shane and Venkataraman, 2000).

Once completing an entrepreneurship programme, students need have the ability to start up a business (Zhao, Siebert and Hills, 2005). Students should be encouraged to enter into entrepreneurship. They need to have the relevant skills such as being able to draw up a business plan, manage their own finances and to have a good marketing technique which will enhance their sales (Hynes and Richardson, 2007). Students must be able to find opportunities and exploit them as well as being able to find the resources they require and utilise these effectively (Co and Mitchell, 2006). There are however, a number of issues that need to be addressed regarding the students' experience during the programme and once it is completed (McLarty, 2005). If an entrepreneurship programme is able to get feedback from past students, they will be better able to adjust the curriculum accordingly. There are also a

number of issues that need to be considered by the lecturers and programme course coordinator in terms of the running of the programme. These include giving the students a real entrepreneurial experience and accepting that the programme is very labour intensive (Smith, Collins and Hannon, 2006).

Universities are able to contribute directly to entrepreneurship education by offering an entrepreneurship programme. Universities are also able to contribute indirectly to entrepreneurship education by conducting research within this field (Rasmussen and Sorheim, 2006).

Rhodes University in Grahamstown offers an entrepreneurship programme called the Postgraduate Diploma in Enterprise Management (PDEM). The main philosophy of this programme is concerned with an action-learning approach to enhance every student's experience and encouraging them to start up their own businesses. It is important to ensure that the course is one of quality and therefore research on this entrepreneurship programme is vital for relevant improvements to take place. This research project focuses on evaluating the PDEM in terms of its design and implementation.

Following this chapter, there will be the review of literature, methodology, research findings, discussion and conclusion. The review of literature will focus on entrepreneurship and entrepreneurship education. The methodology will guide the reader through the different processes that took place for the collection and analysis of the data. The research findings will be an in depth chapter focusing on the data collected and the results that were uncovered. The discussion will focus on both the findings and the literature; correlations, similarities and differences will be observed. The conclusion will complete this thesis by summarising the most important findings.

CHAPTER 2

ENTREPRENEURSHIP

2.1 OVERVIEW

This chapter aims to explore entrepreneurship in great depth in terms of its importance, what it is and how entrepreneurship activity is measured. There will also be a focus on the reasons individuals enter into entrepreneurship and the level of entrepreneurship in South Africa. Included will be a brief introduction to entrepreneurship education.

2.2 IMPORTANCE OF ENTREPRENEURSHIP

In recent years there has been an increased awareness of the “importance of entrepreneurship as a contributor to economic development” (Fayolle *et al.*, 2006:702). A causal link has been found between the accumulation of wealth and entrepreneurial choice (Quadrini, 1999; Stevenson, 2000 cited in Kuratko, 2004). Entrepreneurship has a positive result in terms of wealth creation and concentration (Quadrini, 1999). Shane and Venkataraman (2000) argue that “entrepreneurship is a mechanism through which temporal and spatial inefficiencies in an economy are discovered and mitigated” (Shane and Venkataraman, 2000:219).

“Entrepreneurs significantly impact economic activity at a more local level through fostering localised job creation, increasing wealth and local incomes, and connecting local economies to the larger global economy” (Sobel, 2008:645). This indicates that there is a great need for more entrepreneurs to enter the market. Entrepreneurs have been characterised by “their willingness to take risks and their ability to pursue and seize opportunities to create value, notwithstanding apparent resource constraints, through a new or existing company” (Slaughter, 1996 cited in Browning and Zupan, 2006:143).

Hegarty (2006) argues that there is a direct correlation between entrepreneurship activity and economic growth. Kuratko (2005:577) argues that entrepreneurship is possibly “the most potent economic force the world has ever experienced.” In the United Kingdom (UK), Nabi,

Holden and Walmsley (2006:375) found that the “engine of growth within the UK economy is perceived to be small to medium-sized enterprises.” Entrepreneurial firms in the United States of America (USA) make two main contributions to their economy (Kuratko, 2004). Firstly, these firms play an integral part of “the renewal process that pervades and defines market economies” (Kuratko, 2004:3). Secondly, “entrepreneurial firms are the essential mechanism by which millions enter the economic and social mainstream of American society” (Kuratko, 2004:3). In 2005 China was the fourth largest and fastest growing economy in the world. This was mainly a result of small to medium-sized businesses among all the sectors (Millman, Matlay and Lui, 2008).

Small businesses account for a large proportion of South Africa's economic activity and also assist in decreasing the unemployment rate (Co and Mitchell, 2006). In this current economic climate, large companies are downsizing which leaves many individuals unemployed. During this economic climate, small and medium size businesses have an advantage over larger firms as they are better able to adapt to new environments. An example of this would be these companies cutting down their monthly costs more efficiently than larger companies are able to (Business: SME Survey, 2009).

2.3 WHAT IS ENTREPRENEURSHIP?

Ma and Tan (2006:707) define entrepreneurship as “the processes in which pioneers, innovators or champions of innovation, immersed in and guided by the creativity-orientated perspective, engage in the practice of creation and innovation driven activities which lead to a certain level of performance as indicated by the realised creation and innovation. The specific form of entrepreneurship depends on the patterns of interaction among the pioneer, perspective, and practice, whose effects jointly determine entrepreneurial performance.”

This definition was created by considering the 4-P Framework. This framework consists of perspective, pioneer, practice and performance (Ma and Tan, 2006). Entrepreneurial perspective is directly related to entrepreneurial mindset. Entrepreneurial mindset is constantly challenging traditional and standard practices. It is always trying to find better ways to employ these practices (Ma and Tan, 2006). Entrepreneurial perspective can be

found at many levels of assessment, these ranging from individual entrepreneurs to entrepreneurial organisations to entire nations. This perspective is about upsetting the status quo (Ma and Tan, 2006). “Entrepreneurship is about personal commitment to certain kinds of achievement and entrepreneurs often seem to be born with a sense of purpose: to change the world, to make a difference, and to contribute to the well-being of humanity” (Ma and Tan, 2006:709). This entrepreneurial purpose leads to entrepreneurial passion which in turn encourages the entrepreneur to want to be the best by achieving notable goals. “The decision to exploit an opportunity involves weighing the value of the opportunity against the costs to generate that value and the costs to generate value in other ways” (Ma and Tan, 2006:710).

The second part of the framework is the pioneer, a champion of innovation (Ma and Tan, 2006). “These pioneers are faithful and relentless champions of creativity and innovation” (Ma and Tan, 2006:710). These individuals take calculated risks, love action in their line of work and are able to capitalise on any opportunities that arise. They have a passion to create something great and have the perseverance to achieve their goals. This perseverance assists entrepreneurs by helping them deal with a variety of hurdles (Shane and Venkataraman, 2000).

The third part of the framework is practice. “Entrepreneurship as a practice, alters personal fortunes, changes the competitive landscape, and brings fundamental revolution to the world economy” (Ma and Tan, 2006:712). Entrepreneurial actions are important when creating new firms; persuasion for example, is a major entrepreneurial action. Persuasion is focused on forcing an entrepreneur’s vision onto others and making them believe that their idea is the future. Leadership is also an important part of this framework as it assists the entrepreneur in persuading people (Ma and Tan, 2006).

The final section of the framework is performance which is results driven. Entrepreneurs are concerned with finding and exploiting opportunities that are potentially profitable (Shane and Venkataraman, 2000). One of the primary motivators for entrepreneurs is economic profit which improves innovation (Ma and Tan, 2006). Entrepreneurship is also about

understanding people in terms of their needs and desires, it also aims to improve and enrich other people's lives (Ma and Tan, 2006).

There are a number of traits and characteristics that have been found to be typical of an entrepreneur (Kirby, 2004). These traits and characteristics include a risk taking ability, need for achievement, a locus for control, desire for autonomy, deviancy, creativity, opportunism and intuition (Kirby, 2004). Blume and Covin (2009) argue that intuition has a big influence on human decision making. They have made three deductions about what intuition is made up of. Firstly that it originates beyond the conscious thought, secondly it includes holistic associations and lastly it results in affectively charged judgements (Blume and Covin, 2009). Those who have high levels of intuition are therefore said to make successful entrepreneurs.

Hood and Young (1993) have compiled four areas which entrepreneurs need to have developed in order to be successful. These areas are content, skills and behaviour, mentality and personality. These areas are further categorised into two parts, creative knowledge and personality characteristics. The creative knowledge contains the content, skills, behaviour and mentality. The content areas of knowledge are concerned with specific domains of business and commercial knowledge which includes traditional functional areas and ethical considerations (Hood and Young, 1993). It also focuses on traditional management education as well as the knowledge of business creation. There is an emphasis on profit and growth in the early stages of a business's development.

In terms of the skills and behaviour aspect the "skills necessary for successful entrepreneurship may include oral presentation skills, interpersonal skills, and the ability to prepare and present a business plan" (Hood and Young, 1993:120). The mentality aspect is the "development of a world view" (Hood and Young, 1993:120). This aspect includes resourcefulness and the ability to recognise potential in different situations. It focuses on both divergent and convergent thinking which is important for an entrepreneur to master (Hood and Young, 1993). The personality characteristics include the need for achievement, internal locus of control, the need for autonomy, dominance and finally independence (Hood and Young, 1993). Hood and Young (1993) conducted a study involving these four areas and they

were used in a survey given to top executives from successful entrepreneurial firms. These executives were required to determine; under each area, which aspects were most important (Hood and Young, 1993). The top five results for content, starting from the most important aspects were finances/cash management, engineering, accounting, marketing and sales. The top five skills were leadership, communication skills (oral), human relations, communication skills (written) and management skills. The top five mentality results were creativity, opportunistic thinking, vision, positive thinking and concern for others. Finally the top five personality results were self motivation, risk taking, common sense, values and competitiveness/aggressiveness (Hood and Young, 1993).

The results from the surveys indicated that all of the above can be developed except for self motivation and common sense (Hood and Young, 1993). Oral communication and leadership skills are very rarely covered in higher education programmes. Leadership skills are specifically important in order to become a successful entrepreneur (Hood and Young, 1993). “The key to initiating the process of entrepreneurship lies within the individual members of society and the degree to which a spirit of enterprise exists or can be stimulated” (Morrison, 2000:59).

Bosma, Levie, Bygrave, Justo, Lepoutre and Terjesen, (2010) identified three main components that make up entrepreneurship. These are entrepreneurial attitudes, entrepreneurial activity and entrepreneurial aspirations. Entrepreneurial attitudes has been described as “the extent to which people think there are good opportunities for starting a business or the degree to which they attach high status to entrepreneurs might be termed entrepreneurial attitudes” (Bosma *et al.*, 2010:10). These attitudes include the degree of risk that these individuals are willing to take, an individuals’ perception of their own knowledge, skills and business start up experience. If an individual knows someone who has started a business, their attitude will reflect them viewing this choice as legitimate activity. Therefore networking will affect their views on starting up a new business. Entrepreneurial attitudes are important as they reflect a populations feeling towards entrepreneurship. If their attitudes are positive towards entrepreneurship, this will “generate cultural support, help, financial resources and networking benefits to those who are already entrepreneurs or want to start a business (Bosma *et al.*, 2010:10).

One important aspect of entrepreneurial activity is the “extent, to which people in a population are creating new business activity, both in absolute terms and relative to other economic activities, such as business closure” (Bosma *et al.*, 2010:10). There a number of different entrepreneurial activities that can be explored for example businesses vary in the size and type of industry that they operate in.

Entrepreneurship aspiration focuses on the qualitative nature of any entrepreneurial activity. “Entrepreneurs differ in their aspirations to introduce new products, new production processes, to engage with foreign markets, to develop a significant organization, and to fund growth with external capital” (Bosma *et al.*, 2010:11). If an individual realises these aspirations, they will significantly impact the economy and there will be improvements to innovation and growth.

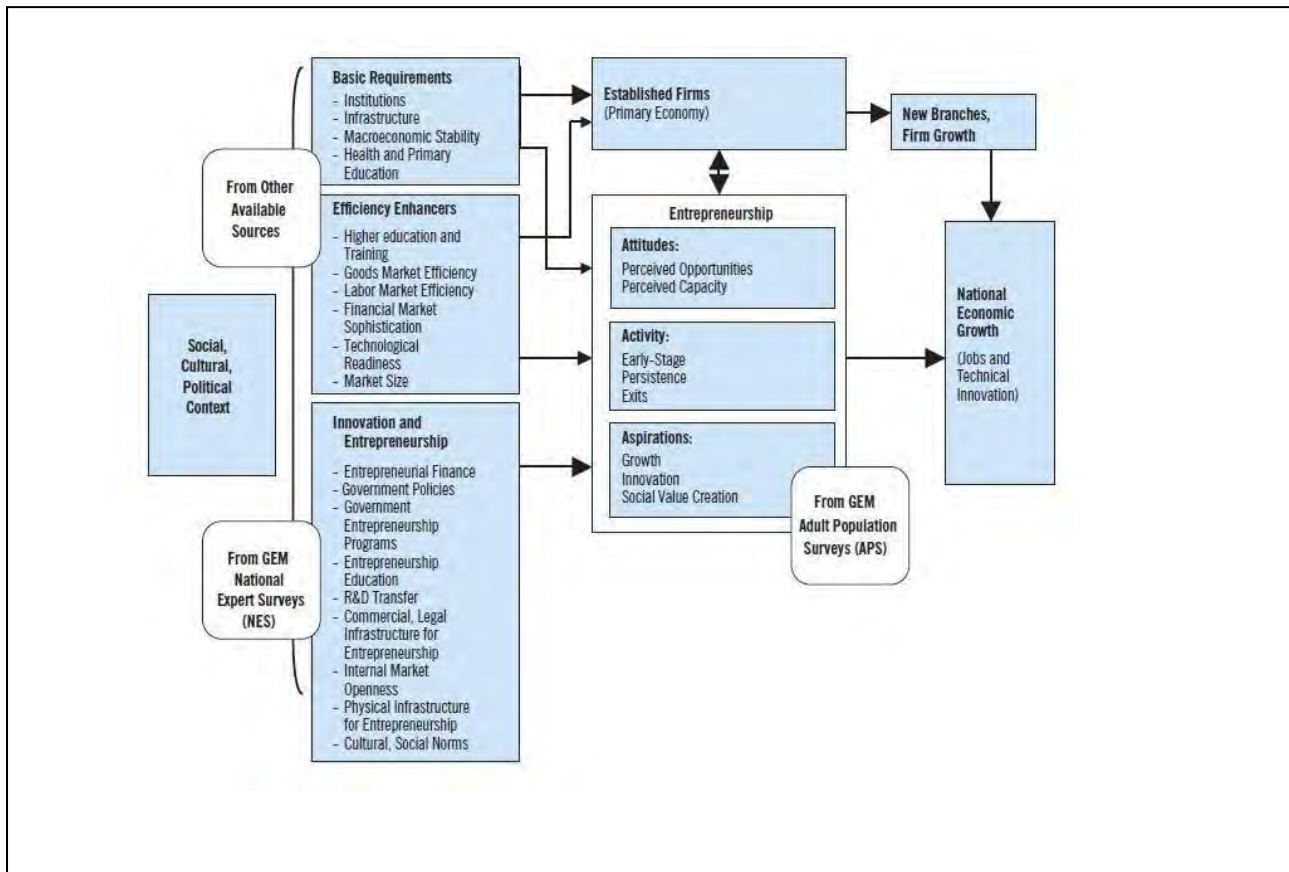
2.4 ENTREPRENEURIAL ACTIVITY

Every year the Global Entrepreneurship Monitor (GEM) survey is conducted and its results are a good indicator of any increase or decrease in entrepreneurial activity (Herrington, Kew and Kew, 2010). The purpose of the GEM survey is to “explore and assess the role of entrepreneurship in national growth, through the creation of relevant cross-national harmonised data sets on an annual basis” (Herrington *et al.*, 2010:8). It focuses on small to medium sized enterprises and the role they play in the economy. The GEM model can be found in figure 2.1. This figure outlines the processes involved in calculating the national economic growth rate for each country (Bosma, *et al.*, 2010).

The GEM model outlines three major phases of economic development and the role entrepreneurship plays in each one. The first is entrepreneurship in factor-driven economies. “Economic development consists of changes in the quality and character of economic value added. These changes result in greater productivity and rising per capita incomes, and they often coincide with migration of labour across different economic sectors of society” (Bosma *et al.*, 2010:9). If there are low levels of economic growth, there tends to be a large agricultural sector. This will change once industrial activity begins to develop as economic growth will then be triggered. At this phase, there is a need to get basic requirements such as

health and primary education right which will contribute to the next generation (Bosma *et al.*, 2010).

Figure 2.1. The GEM Model



(Source: Bosma *et al.*, 2010)

The second phase is entrepreneurship in efficiency-driven economies. The industrial sector becomes more developed with increased support from institutions. These “institutions start to emerge to support further industrialisation and the build up of scale in the pursuit of higher productivity through economies of scale” (Bosma *et al.*, 2010:9). With the increase in industrialisation, there is also financial capital formation and opportunities for small to medium enterprises to enter into the market. There is a need to nurture these economies of scale so that both growth-orientated entrepreneurs and technology-orientated entrepreneurs emerge, which will assist in increasing employment opportunities (Bosma *et al.*, 2010).

The final phase is entrepreneurship in innovation-driven economies. “As an economy matures and its wealth increases, one may expect the emphasis in industrial activity to gradually shift toward an expanding service sector that caters to the needs of an increasingly affluent population and supplies the services normally expected of a high-income society” (Bosma *et al.*, 2010:9). There is an increase in research and development and knowledge. Financial institutions are better able to support and encourage entrepreneurial firms. The focus is to keep stimulating “new combinations of products and markets” (Bosma *et al.*, 2010:11). It must be noted however, that all three phases are to some degree present in all economies but it is their contribution to the economy that differs.

South Africa has taken part in the GEM since 2001 (Herrington *et al.*, 2010). Results from the 2010 GEM reflect that South Africa’s scores are below average. For example, South Africa’s total early stage entrepreneurial activity (TEA) is 8.9%, which is below the average of 11% of the 59 countries who participated in the survey (Herrington *et al.*, 2010). This is an improvement when compared to 2009 where South Africa had a TEA rate of 5.9%. However, “according to the GEM data, a country at South Africa’s stage of economic development would be expected to have a TEA rate in the order of 15%, over 60% more than South Africa’s actual rate of 8.9%” (Herrington *et al.*, 2010:4). South Africa also has below average scores in entrepreneurial attitudes and perceptions and “ranks in the bottom third of all efficiency-driven economies” (Herrington *et al.*, 2010:4).

The below average scores also suggest that “South African entrepreneurs may lack the confidence in their ability to perceive, as well as to exploit, potentially lucrative opportunities” (Herrington *et al.*, 2010:4). The age group that accounts for between 50-60% of all early stage activities are individuals between the ages of 25 and 44 (Herrington *et al.*, 2010). South Africa has a low rate of 2.1% of new firm and established business prevalence. This indicates that small to medium sized enterprises are unable to contribute effectively to “job creation, economic growth and more equal income distribution” (Herrington *et al.*, 2010:4).

An interesting point to note is that although there is no difference between men and women in terms of self-efficacy, there is a difference with regards to the intention of becoming an entrepreneur (Zhao *et al.*, 2005). Females are less likely to become entrepreneurs and this is problematic because it has global implications. Women are more susceptible to poverty and therefore starting a business is an occupational channel for women to advance economically. Women entering into entrepreneurship may boost national economic growth for countries that encourage this (Malach-Pines and Schwartz, 2007).

2.5 REASONS FOR ENTERING INTO ENTREPRENEURSHIP

There are a number of reasons as to why individuals enter into entrepreneurship. There are push and pull factors that will affect an individual's entrance into entrepreneurship (Matlay, 2008; Nieman, Hough and Nieuwehuizen, 2003). Pull factors are the attraction of independence, achievement and recognition. Factors pushing individuals towards entrepreneurship are job insecurity and unemployment. There are also other factors that need to be taken into consideration when understanding why individuals enter entrepreneurship. One's family business background, a difficult childhood or frequent relocation will have an impact on an individual's intention to enter into entrepreneurship (Drennan *et al.*, 2005). The impact a family business has on an individual will depend on the quantity and quality of the exposure to this business. If a family business fails, an individual may be less likely to enter into entrepreneurship (Drennan *et al.*, 2005). It has been found that individuals who have parents or relatives, who are entrepreneurs, are more likely to follow suit. Individuals between the ages of 35 and 45 tend to be the most likely to open their own businesses (Nieman *et al.*, 2003).

A difficult childhood may be characterised by a number of things including insecurity, neglect, personal tragedies, poverty, family financial difficulties and serious illness. These individuals may have feelings of rejection and remoteness and therefore have increased self reliance and higher levels of initiative and independence. By having a difficult childhood, these individuals are better able to cope with the risks and uncertainties of starting up their own businesses (Drennan *et al.*, 2005). By relocating frequently as a child, an individual has better adaptability skills to new locations and situations. They will have an increased confidence in their ability to be self-employed (Drennan *et al.*, 2005).

Gurol and Atsan (2006) put the three reasons for entering entrepreneurship into three different sections. These are individual, social and environmental factors. Individual factors include traits, attitudes, personality characteristics and values. Social factors include personal background, family background, stage in career, early life experiences and growth environment (Gurol and Atsan, 2006). Finally environmental factors include value of wealth, tax reduction, indirect benefits, timing of opportunities in career process, impact of market conditions, social upheaval and supportive social and economic culture (Gurol and Atsan, 2006).

Hynes (1996) conducted a survey of American professors and found that 93% of the sample felt that entrepreneurship could be taught. This study showed that there was a positive attitude from the students towards entrepreneurship and small businesses (Hynes, 1996). In line with this, there has been a shift from enterprise education to entrepreneurship in higher education programmes (Henry, Hill and Leitch, 2005b).

A way in which to increase the number of entrepreneurs entering into entrepreneurship is to offer entrepreneurship education (Matlay and Carey, 2007). In a study conducted by Luthje and Franke (2002), it was found that self-employed individuals tend to have a tertiary background. Other findings show that academic entrepreneurs tend to make higher investments and hire more people than their non-academic counterparts (Luthje and Franke, 2002). Therefore studies show that entrepreneurship education has a positive effect on business start ups (Luthje and Franke, 2002). “Entrepreneurship education could prepare people to be more responsible, to become entrepreneurs or entrepreneurial thinkers, and to contribute to successfully addressing the entrepreneurial challenge within the EU (European Union)” (Urbano, Aponte and Toledano, 2008:337).

2.6 ENTREPRENEURSHIP EDUCATION

Entrepreneurship education is also seen as an effective tool in helping the graduate population transition more effectively into self-employment or salaried work (Matlay and Carey, 2007). As indicated in the introduction, in 2006 Co and Mitchell found that South

African graduates were experiencing difficulties finding employment. This therefore suggests that there is a need to train and educate young people in the field of entrepreneurship. In 2009, Trevor Manuel acknowledged that “SA's economy needs to create entrepreneurs so that it can lessen its dependence on commodities” (Reuters, 2009). “Entrepreneurship education can be a proxy for an indicator of success for the economy based on: the number of postgraduates starting a business; indicators about business size in terms of employment, sales and perhaps even choice of industries and indicators of growth and success over time” (Dominginhos and Carvalho, 2009:155).

There has been an increase in demand for entrepreneurship programmes, so it is important to understand how Higher Education Institutions (HEI) are meeting the demands of graduates (Co and Mitchell, 2006; Hynes, 1996). If the business birth-rate can be enhanced in a nation through supporting graduates and students in their entrepreneurial activities, it is therefore worthwhile to examine the current status of entrepreneurship education (Luthje and Franke, 2002). In their study Luthje and Franke (2002) found that 76% of the participants said that their entrepreneurship course had a very large effect upon their founding decision to start up a business. They said their courses provided them with an incentive to start a business earlier than they had intended. They also found that it help them to make better decisions in the start-up process (Luthje and Franke, 2002). “The education system is one of the few factors advantageous to the economy that is controllable by governments” (Clinch, Convery and Walsh, 2002; cited by De Faoite, Henry, Johnston and Van de Sijde 2003:431).

2.7 SUMMARY

As seen above, entrepreneurship improves the economic development of a country (Nabi *et al.*, 2006). South Africa needs to find ways to increase the number of people entering into entrepreneurship and one way of doing this would be to offer entrepreneurship programmes at a tertiary level (Olawale and Garwe, 2010). The major themes that are currently experienced with entrepreneurship are; firstly that entrepreneurial spirit is universal. Secondly, there are greater social and economic contributions from entrepreneurial firms than from large companies. Thirdly, there are various types of entrepreneurs who use a variety of methods to be successful (Kuratko, 2004). Fourthly, entrepreneurship is key for economic

development (Bosma *et al.*, 2010:9). The next chapter will expand on entrepreneurship education in terms of its importance and the design and implementation of an entrepreneurship programme. The various learning approaches, programme objectives and finally programme evaluation will be explored.

CHAPTER 3

ENTREPRENEURSHIP EDUCATION

3.1 OVERVIEW

The previous chapter explored entrepreneurship and the critical role it plays in developing and improving an economy and focused on South Africa's current entrepreneurial state. A way in which to increase the number of individuals entering into entrepreneurship is to provide entrepreneurship education (Matlay and Carey, 2007). Entrepreneurship education is very important for the success of future entrepreneurs. It is important to understand the factors which influence the effectiveness and quality of an entrepreneurship programme. There are also a number of challenges that may occur while developing an entrepreneurship programme and while the programme is being implemented. Within this chapter, entrepreneurship education will be explored in order to develop a better understanding of how these programmes are developed and function.

3.2 DEFINING AND EXPLORING ENTREPRENEURSHIP EDUCATION

Entrepreneurship education can be described as "the process of providing individuals with the ability to recognise commercial opportunities and the insight, self-esteem, knowledge and skills to act on them" (Jones and English, 2004:416). Entrepreneurship education and training is very important for a number of reasons (De Faoite *et al.*, 2003). These programmes help to improve the quality and quantity of future entrepreneurs entering into the business world (De Faoite *et al.*, 2003; Matlay and Carey, 2007). Entrepreneurship educational programmes have had a number of benefits and once completing a programme, Dominginhos and Carvalho (2009) argue that even if one decides to be an employee, they will more than likely have a higher salary as well as having more responsibilities and autonomy. De Faoite *et al.*, (2003), argue that there are benefits of those entering into entrepreneurship such as there being an increase in technology, there is an opportunity for experimenting with pedagogy and curricular and finally, there is the "promotion of new business creation and decision making skills" (De Faoite *et al.*, 2003:431).

HEI's have the ability to assist young people by helping them to understand the risks and rewards associated with entrepreneurship as well as assisting them to seek out possible opportunities and giving them the skills to start and end a business (Co and Mitchell, 2006). The skills that are taught in entrepreneurial courses need to be transferable to all jobs as there is greater competition in the job market due to there being an increased number of individuals attending HEI (Collins, Hannon and Smith, 2004).

There are three areas of entrepreneurship education, namely education about entrepreneurship, education for entrepreneurship and education through entrepreneurship (Co and Mitchell, 2006; De Faoite *et al.*, 2003). Education about entrepreneurship focuses on creating an awareness about entrepreneurship and how it is important for economic and social change (Co and Mitchell, 2006; Kirby, 2004). Education for entrepreneurship is concerned with training potential and existing entrepreneurs so that they have the skills to start up a new venture (Co and Mitchell, 2006; De Faoite *et al.*, 2003; Kirby, 2004). Education through entrepreneurship focuses on using "teaching styles which use entrepreneurial situations, such as projects as part of the education process" (De Faoite *et al.*, 2003:432).

Entrepreneurship courses need to be careful of teaching students to become good employees as opposed to successful business owners (Kirby, 2004). Stevenson (2000) noted that "entrepreneurial educators must be more than a cheerleader. We can no longer simply say 'entrepreneurship is different'" (Stevenson, 2000 cited in Kuratko, 2004:7). In other words, the lecturers need to encourage entrepreneurship education in an active manner which will result in the students starting up their own businesses.

"New venture creation will be in line with the overall university mission to contribute to economic development" (Rasmussen and Sorheim, 2006:193). This is the mission put forward by five Swedish universities who have already developed entrepreneurship courses. Academic institutions act as catalysts for business start-ups (Raichaudhuri, 2005). Findings by Raichaudhuri (2005) indicate that entrepreneurship aspiration and success can be taught through suitable educational programmes. These programmes need to be carefully designed in terms of content and teaching methods (Raichaudhuri, 2005).

There has also been an increased emphasis on the role of government and HEI with regards to entrepreneurship programme development (Daly, 1998). In Hong Kong, universities use a Triple Helix network system (Mok, 2005). This system creates a relationship between the government, the university and the business sector which all encourage economic development. The Triple Helix network system is popular as it promotes entrepreneurship development (Mok, 2005).

There are still a number of Universities in the United Kingdom that do not offer any entrepreneurial courses (Matlay and Carey, 2007). There are a number of reasons for this. Firstly, there may be a lack of interest amongst the staff members. Secondly, there may be a lack of perceived demand amongst the students. Thirdly, there may be shortages in the relevant funding that is required to run an entrepreneurial course effectively (Matlay and Carey, 2007). In Scotland and Wales, there are cultural and regional restrictions that prevent entrepreneurship courses from being implemented. This occurs specifically in “rural areas where agriculture and hill farming dominate the socio-economic landscape” (Matlay and Carey, 2007:258). Hills (1988) indicates that other reasons for poor development of entrepreneurship at universities is due to entrepreneurship being viewed as a fad and that there is a record of mediocre quality research.

In South Africa, there are a number of places that one can attend an entrepreneurship programme. At the University of Cape Town (UCT), one is able to go to the Centre of innovation and Entrepreneurship at the Graduate School of Business (The Graduate School of Business at the University of Cape Town, 2012). UCT has a number of programmes from which a student can choose. The Witwatersrand University (WITS) in Johannesburg has a Centre for Entrepreneurship which offers a number of entrepreneurship courses which range from starting your own business to growing it further (WITS Business School, 2012). Within the Management Department at Rhodes University, there is a course called the Postgraduate Diploma in Enterprise Management which is currently available for graduates without a commerce background (Department of Management, 2009).

3.3 DESIGN AND IMPLEMENTATION OF AN ENTREPRENEURSHIP PROGRAMME

3.3.1 Designing an entrepreneurship programme

Entrepreneurship programmes can be very complex in terms of their design and implementation (Smith *et al.*, 2006). The design of a programme is done before the programme commences and the implementation of this design occurs once the programme commences (Smith *et al.*, 2006). The curriculum for an entrepreneurship programme needs to be different to that of management programs. McMullan and Long (1987) argue that there is a need to attract successful entrepreneurs to become part time or full time teachers as they will serve as good role models. A study done by Borasi and Ames (2007) reflects the above view by saying that it has “become even more important for colleges and universities to seek academic leaders who can be effective agents of change” (Borasi and Ames 2007:11).

When a University wishes to start an entrepreneurship programme, there is a great amount of financing that it requires to ensure that the course is well developed (Nurmi and Paasio, 2007). There may also be hidden costs such as fees of mentors which need to be taken into consideration (Henry *et al.*, 2005b). There are a number of factors that need to be taken into account when designing an entrepreneurship course.

Raichaudhuri (2005) suggests two stages for developing an entrepreneurship education programme. Firstly he suggests that one must create entrepreneurship education of value and secondly deliver the value by a proper system (Raichaudhuri, 2005). Creating an entrepreneurship programme of value will need to include the following items; developing creativity, skills development, creating networking facilities and intrapreneurship. Delivering value by a proper system includes items such as selection of audience, teaching methods, teaching staff and research (Raichaudhuri, 2005).

The use of a number of models and theories can assist an entrepreneurship programme developer to design a programme that will be beneficial to students. These are the Educational Models (Krueger, 2007); Shapero’s (1982) model of Entrepreneurial Event (SEE); and Bandura’s theory of self-efficacy (Shapero, 1982 cited in Krueger, 2007).

There are two models that make up the Educational model on how people learn (Krueger, 2007). These models assist with the design of an entrepreneurship programme as they help the creators of such programmes to understand the learning processes students go through. With this in mind while designing the entrepreneurship programme, the creators are able to ensure that optimal learning can take place (Krueger, 2007). The two models are the behaviourist model and the constructivistic approach model (Krueger, 2007). Put simply, the behaviourist model is concerned with an individual who will learn a fact and store it in their memory. When they learn a new fact, they will replace the old fact with this new fact. It's commonly known as 'find and replace' (Krueger, 2007). The constructivistic approach "offers explanations both for how structures evolve, as well as specifies the mechanisms individuals use in order to confront and resolve discrepancies and contradictions in their constructed knowledge base" (Krueger, 2007:125). The constructivistic approach says therefore that individuals with metacognitive capabilities are better able to „connect the dots“ (Krueger, 2007). It also says that entrepreneurs tend to have “above average skills with respect to self-directed learning” (Krueger, 2007:125).

Entrepreneurship programmes tend to be a mixture of both the constructivist and the behaviourist models (Krueger, 2007). However there is still a strong emphasis within entrepreneurship programmes on the behaviourist model which is teacher centred education. This essentially means that there is a transfer of knowledge and skills in a lecture setting without any action learning. This approach is not “supportive of the more complex learning needed to become an expert – especially an expert entrepreneur” (Krueger, 2007:126). Therefore when designing an entrepreneurship programme, one needs to ensure that they find the correct balance between behaviourist (teacher-centred) and constructivistic (learning-centred) in order to create a successful entrepreneurship programme. Programmes should therefore have traditional lectures which would give students the knowledge about each subject. They would also have a practical component which would allow students to practice the skills and utilise the knowledge they learnt during the lecture.

SEE is important when designing an entrepreneurship programme (Nabi *et al.*, 2006). It incorporates three components that influence entrepreneurship. These are perceived desirability, perceived feasibility and finally the propensity to act (Nabi *et al.*, 2006). The

perceived desirability is concerned with the attractiveness of starting a business, perceived feasibility is concerned with being capable of starting a new business and finally the propensity to act is concerned with the willingness to act on decisions.

An entrepreneurial programme must encourage the student to find an opportunity and exploit it (Shane and Venkataraman, 2000). The decision to exploit an opportunity depends on a number of factors. Firstly, it depends on the nature of the opportunity and whether the individual feels it is feasible to exploit it (Shane and Venkataraman, 2000). Secondly, individual differences will determine whether or not they will exploit this opportunity (Shane and Venkataraman, 2000). For example, those who perceive their chances of success as being very high are more likely to exploit an opportunity. Individuals who have greater self-efficacy, locus of control and tolerance for ambiguity have a greater likelihood of exploiting opportunities (Shane and Venkataraman, 2000).

Entrepreneurial self-efficacy can be described as “an individual's confidence in his or her ability to successfully perform entrepreneurial roles and tasks, was positively related to students' intentions to start their own business” (Zhao *et al.*, 2005:1265). This is in agreement with Bandura's theory of self-efficacy (Ashley-Cotleur, King and Solomon, 2003). Students must be encouraged during the programme to find opportunities and exploit them. Students need to know what to apply to a situation in order for them to be able to exploit an opportunity most effectively. For example, students need to learn which resources to use in order for them to be able to decrease their costs and increase their profits (Shane and Venkataraman, 2000). Kolvereid and Isaksen (2006) argue that there are four different entrepreneurship self efficacy factors associated with self-employment intentions. These are opportunity recognition, investor relationships, risk taking and economic management.

Each entrepreneurship programme has different objectives; however, there are a few objectives that appear to be universal. These objectives include items such as reinforcement of creativity, innovation, autonomy and flexibility (Garavan and O'Cinneide, 1994a). There has been an increased awareness and emphasis placed on starting and running a business (Henry, Hill and Leitch, 2005a). There is a general consensus that there needs to be a shift in

attitudes, and an improvement of knowledge and skills within the field of entrepreneurship (Garavan and O'Conneide, 1994a; Henry *et al.*, 2005a). Garavan and O'Conneide (1994b), argue that there are three main components that make up an entrepreneurship course. These are formulation, development and implementation of a business idea. Urbano *et al.*, (2008) observed that many authors had made suggestions on what needs to be included and implemented in entrepreneurship programmes. These are; skill building courses in negotiation, behavioural simulations, business plans, consultation with practising entrepreneurs, leadership, creative thinking, and exposure to technological innovation, computer simulations and interviews with entrepreneurs.

Jones-Evans, Williams and Deacon (2000) conducted a study at the University of Glamorgan Business School focusing on the Diploma in Entrepreneurial Practice (DEP). They found that this programme utilised three management development techniques. These were a mixture of hands on consultancy assignments, limited traditional education and training in key skills (Jones-Evans *et al.*, 2000). The programme uses learning sets which are crucial for action learning. These sets are when the students are working on the same problem and are required to resolve it amongst the group. These groups are usually between four to six people (Jones-Evans *et al.*, 2000). They found that the role of tutors and mentors were important, especially with regards to assessment, appraisal of performance and the taught courses.

An entrepreneurial programme should include various initiatives. Hynes and Richardson (2007) place emphasis on four particular initiatives. These are; business consulting, listening to what experts have to say, having role model presentations and technology transfer. The reasons for these initiatives is because it results in a number of benefits for the students, the faculty members and the education institution, for small firm owners or managers and finally, for researchers (Hynes and Richardson, 2007). The students gain skills and develop a higher degree of self-awareness; the faculty members and the education institution develop an enhanced image and reputation. For firm owners and managers, their staff are better equipped to prepare specific documents such as business plans. Finally, researchers have an increased benefit as they have a broadened knowledge base (Hynes and Richardson, 2007).

Students today have a great amount of exposure to entrepreneurship role models yet levels of entrepreneurship action are very low. During entrepreneurial courses, students should be exposed to various types of learning experiences so to increase their levels of entrepreneurial self-efficacy (Zhao *et al.*, 2005). Rae (1999) identified three sources of entrepreneurship learning (Rae, 1999 cited in Edwards and Muir 2005:614). These were active (practical learning), social (learning from others) and formal learning (theoretical learning). A great concern for universities is that “Graduates were not particularly well fitted to operate their own businesses” (McLarty, 2005:235) and, it is “questionable whether the teaching of management-orientated modules were sufficiently well applied” (McLarty, 2005:235). Therefore the design of a successful entrepreneurship programme is vital so to ensure that graduates are able to run their own businesses effectively.

3.3.2 Implementation of an entrepreneurship programme

Once the design of a programme has been clearly outlined, the programme will then commence and the implementation of the design will take place (Smith *et al.*, 2006). This is a very important aspect of the programme as it needs to implement the design properly in order for the programme to be successful (Smith *et al.*, 2006). The implementation of the programme needs to ensure that the correct students are selected, the correct lecturers are employed and the teaching methods outlined in the design are implemented without problems (Luthje and Frank, 2002).

The implementation of the programme needs to ensure that the objectives have been met and the correct development techniques have been utilised (Jones-Evans *et al.*, 2000). The lecturers need to ensure that the correct learning approaches are put into place so that students are able to develop the skills required for starting and running their own businesses (Garavan and O'Conneide, 1994b).

Luthje and Frank (2002) echo Raichaudhuri (2005) with regards to the selection of the students and the staffing of the faculty. Luthje and Frank (2002) indicated that the selection of students is important as you want the right students for example those with the propensity to be high risk takers. Therefore the selection of students needs to be done strictly and

carefully (Luthje and Frank, 2002). The academic staff who take part in the course need to be role models for the students, so preferably successful business practitioners should be employed. Secondly they need to establish a stimulating atmosphere and finally exposure to real world entrepreneurs is more than likely going to support the transfer of tacit knowledge between entrepreneurs and students (Luthje and Frank, 2002). “Today's graduate currency or value is in the ability to manage and apply knowledge in an action and in an entrepreneurial context, and not only in the ability to acquire and assimilate knowledge” (Collins *et al.*, 2004:454).

There are a number of outcomes that have been identified as requirements for entrepreneurship education (Hegarty, 2006). In a study done by Hegarty (2006) in Ireland, it was found that the main outcomes of entrepreneurial courses were firstly to encourage students to seek out opportunities. There was also an emphasis on being able to source and responsibly use resources”, as well as being able to make the opportunity-resource link. Students must then be able to implement the business idea effectively and be able to build a team and supportive network (Hegarty, 2006). By having a supportive network, their businesses will be able to function effectively.

During the course, there needs to be a certain level of learning that takes place (Rae and Carswell, 2000). Learning in the entrepreneurial context has been described as “an experiential process through which concepts are derived from and modified by experience (Rae and Carswell, 2000:221). Items that ranked highly in increasing ones learning include motivation, personal values and goal setting (Rae and Carswell, 2000). “Successful programmes had the ability to integrate learning across the general educational experience of the student and those introducing enterprise education into other non-business disciplines” (Hynes and Richardson, 2007:734). This is referring to a study done by Hytti and O’Gorman (2004) that evaluated and assessed a number of entrepreneurship programmes which focussed on the programme itself, the students and the educators delivering the course (Hytti and O’Gorman, 2004 cited in Hynes and Richardson, 2007). One aspect that could be implemented in Universities that offer entrepreneurship programmes is the encouragement of internships (Honig, 2004). Internships help teach students important skills as they are exposed to the business environment and therefore action learning (Honig, 2004) is able to

take place (Co and Mitchell, 2006). It was found that the highest entrepreneurial levels occur from universities that invest a great amount of guidance and education for their students (Fayolle *et al.*, 2006).

Edwards and Muir (2005) completed a study focusing on the Post Graduate Diploma and MSc in Entrepreneurship Practice (DEP) programme at the University of Glamorgan Business School. There was huge emphasis placed on informal entrepreneurial learning activities. These include workshops, business plans, competitions and individual coaching for students wishing to start a new business. In Solomon's (2007) study, he observed that students found the creating of business plans to be one of the most useful parts of the entrepreneurship programme. Students tend to be placed into groups for their businesses; however the individuals that they are placed with are not necessarily individuals that they would have chosen if they were starting their own business (Solomon, 2007).

In a study done by McMullan and Boberg (1991), it was found that a more active based learning approach was better for teaching entrepreneurship courses (McMullan and Boberg, 1991 cited in Henry *et al.*, 2005). Timmons and Stevenson (1985) have suggested that "entrepreneurship is an ongoing lifelong learning experience with formal educational activities" (Timmons and Stevenson, 1985 cited in Henry *et al.*, 2005:107). There are certain subjects that should be taught in formal educational activities. These are accounting, finance, marketing, management information systems and manufacturing (Henry *et al.*, 2005a). Programmes that include the above with the inclusion of aspects such as business plans and guest speakers have been found to be successful entrepreneurial programmes (Gartner and Vesper, 1994). Practical programmes that "provide real-world experience seem particularly useful in enhancing intentionality through increased perceived desirability and feasibility (Honig, 2004:258).

Social networking is also very important for students (Aidis, Estrin and Mickiewicz, 2008). Networks and links to industry are also important as they establish strong links between the university and the entrepreneurial community. A student's network is an important potential source for new ideas and it can improve the number of opportunities that an entrepreneur will

perceive that are available (Muzychenko, 2008). The reason for this is that one's cognitive mechanisms have only a limited capacity to perceive and interpret the information received. Therefore, if they are exposed to other entrepreneurs, they are able to discuss their ideas with these individuals. They are then able to develop a broader perspective on their idea and how to make it successful. Secondly, one's analytical processes are subjective. The process of cognitive activity can be divided into four types which assist in the process of developing opportunities as they rely on various networks (Muzychenko, 2008). These four types are information scanning, information seeking, thinking through talking and assessing resources (Muzychenko, 2008).

Shepherd (2004) indicates that learning to deal with business failure should be included in the programme curriculum. Failure is an important factor to learn even though it can be very stressful and difficult (Shepherd, 2004). There is said to be a recovery process that needs to take place or the grief of failing will prevent any learning from occurring. Shepherd (2004) argues that there are ways of teaching students how to cope with failure. This can come in the form of lectures, indirect experiences and direct experiences. Within lectures, students should try to explore the emotions that may be felt after the failure of a business. They can also look at texts to analyse what the effects of this failure have been (Shepherd, 2004).

Indirect experiences include getting guest speakers to talk about their failed businesses. This however may be difficult as owners of failed businesses are very difficult to find and they may not be willing to share their experiences (Shepherd, 2004). Direct experiences include role playing, simulations, reflections on grief and death education. However if death education is used, a specialist is needed to counsel the students. It is important that failure is included in entrepreneurial programmes even if the result is increased anxiety and decreased intention to start up a business (Shepherd, 2004).

There are a number of issues and challenges that have to be dealt with when teaching entrepreneurship (Smith *et al.*, 2006). Through the process of teaching the course it may be very difficult to replicate a real world experience of entrepreneurship. Universities therefore need to diversify the course outline to try and accommodate this challenge. Another challenge

that educators face is that the course can be very time consuming if it has been implemented properly (Smith *et al.*, 2006). Lecturers need to be flexible and adaptive to changes in the environment and be able to relate this to the course. This is primarily concerned with the curricular which needs to be accurately adapted to the environment (Nurmi and Paasio, 2007; Garavan and O'Connell, 1994b). Entrepreneurship courses are generally intensive and require high levels of energy. Therefore they require a great amount of work to make them effective (Smith *et al.*, 2006). There is a need for different learning styles and extensive use of learning experiences such as role playing (Garavan and O'Connell, 1994b).

The dilution effect is a great cause for concern. The dilution effect simply means that there tends to be a diluting of the real meaning of entrepreneurship. The definition of entrepreneurship has become so broad that everything is becoming entrepreneurial. Educators need to ensure that entrepreneurship is rather broken down into different aspects such as entrepreneurial finance to decrease the dilution effect (Kuratko, 2004). However, in doing this educators need to ensure that entrepreneurial finance is actually entrepreneurial and relates to the entrepreneurship process. The security-risk dilemma is a big problem within entrepreneurial courses. Universities tend to be risk averse and would rather offer a course that is risk free and therefore students don't learn what it means to become a calculated risk taker (Kuratko, 2004). It is important to expose students to risk while they run a business during the programme.

Cheng, Chan and Mahmood (2009) found a number of issues that students had with entrepreneurship education in Malaysia. Students felt that lecturers lacked the necessary skills and experience to teach certain subjects. Inappropriate teaching methods and approaches were utilised as well as some courses being too exam focused. There was also the problem of a narrowed concentration on entrepreneurship theory as well as there being a lack of emphasis on the practical side of entrepreneurship (Cheng *et al.*, 2009). These students prefer a more personalised and individualistic teaching format. In a study done by Edwards and Muir (2005), they found that there was a need for “more career entrepreneurship academics who can comfortably span the world of business and academe, who can teach for entrepreneurship and research about entrepreneurship at a level which commands respect amongst their fellow academics” (Levie, 1999:12, cited in Edwards and Muir, 2005:616).

3.4 ISSUES GRADUATES EXPERIENCE DURING AND AFTER THE PROGRAMME

A study was conducted at the National Technical University of Athens where a number of problems were uncovered (Papayannakis, Kastelli, Damigos and Mavrotas, 2008). These were; the course did not cover all areas of business start-ups, the subjects needed to be integrated into the faculty better and that not all of the educators were specialised in the field of entrepreneurship.

There are a number of issues that have been analysed in a study done in the United Kingdom by McLarty (2005). He investigated the problems experienced by graduates starting up a business once their programme had been completed. These are; business establishment, location/premises, issues of concern, advice utilisation, education and training and finally, future support requirements. The business establishment is concerned with what motivated the graduates to start their own businesses.

The location issue was concerned with the “relevance of the location decision and how to determine how access to customers and suppliers was developed” (McLarty, 2005:224). There were a number of reasons as to why a certain location was decided upon. The main reasons were due to; a low cost premises, the availability of premises and links with family. 37% of the graduates operated from home initially (McLarty, 2005). There were graduates who had regretted their selection of premises and therefore preferred to travel to their customers. The issues of concern focussed on the start up of a business and its development. It focuses on which issues were most significant. It was found that there were two issues that were more difficult for the graduates. These were marketing and finance (McLarty, 2005).

The next issue is advice utilisation. Advice utilisation is concerned with the quality of the advice and sources that advice was received from (McLarty, 2005). It was found that 81 per cent of the graduates sought advice when they were starting up their business. They were also asked to rate the quality of advice they received from seven different sources. There was a dominant source which had the best quality of advice (McLarty, 2005). In the testing that was done, the graduates indicated that they felt operational competencies were most important.

Operational competencies include education, training, technical understanding and experience. In terms of personal competencies, ambition, risk-taking and creativity are ranked the highest (McLarty, 2005).

The final issue is support requirements. This is concerned with making recommendations to the above issues. It was found that in their first year of business, graduates tended to perform poorly (McLarty, 2005). In terms of advice utilisation, sources need to be consistent in their support towards graduates who have just started up their businesses. Specifically cognitive support was lacking for these businesses.

In some cases, once a course has been completed, students may not enter into a business due to a number of reasons (Dominginhos and Carvalho, 2009). Firstly, the students may lack the motivation to start up a business. Secondly, their evaluation of the opportunity versus the cost of start up might not be feasible. Thirdly, the students may not have the financial resources that are required to start up and run a business (Dominginhos and Carvalho, 2009). In a study done in Ireland (Hegarty, 2006), it was observed that entrepreneurship was hindered by a number of factors. Firstly, the traditional perceptions and attitudes of the Irish community did not encourage entrepreneurial thinking. Secondly, there was a fear of failure which resulted in less business start ups (Hegarty, 2006). Thirdly, the Irish community also has a parochial attitude towards risk. Fourthly, in terms of the high earners in Ireland, entrepreneurs make up a very low percentage of this group. Finally, there are very low levels of female entrepreneurs in Ireland (Hegarty, 2006).

Gurol and Atsan (2006) found that there were other reasons for students not intending to enter entrepreneurship. These included economic, social and political instability of a country, therefore students preferring to find salaried jobs. Secondly, there is a lack of incentives towards entrepreneurship and a lack of sound entrepreneurship vision among these students (Gurol and Atsan, 2006).

Both the issues that occur while a course is being implemented and challenges that graduates experience after graduating from an entrepreneurship programme need to be considered when designing and implementing an entrepreneurship programme. This is important in order to improve the quality of an entrepreneurship programme and to ensure that students are fully equipped for starting a business once the programme has been completed.

3.5 PROGRAMME EVALUATION

In Hong Kong, they have put emphasis on having curricular reforms to improve their courses (Mok, 2005). They try offer “out of discipline courses to broaden students' academic horizon, promoting international student exchange programmes and organizing cross-cultural learning science or tours to enrich students' experiential learning” (Mok, 2005:546). The personal theory would be very useful to assist with curricular reforms as it looks at a number of factors that will affect the individual (Rae and Carswell, 2000). The personal theory “relates to the ways in which the meanings derived from learning episodes are organised and used by individuals in their decision making and result-oriented behaviour” (Rae and Carswell, 2000:223). The personal theory is divided into four areas namely vision, growing, balancing and managing. Vision is concerned with planning and decision making; growing is concerned with growing a business through being close to the target market; balancing is concerned with the balance between control and letting go and finally managing is done through people (Rae and Carswell, 2000). There is also an emphasis placed on knowledge capabilities as the individuals gain experience, active learning through experience and relationships with customers and employees while learning from other individuals (Rae and Carswell, 2000).

“The challenge to educators will be to craft courses, programmes and major fields of study that meet the rigors of academia while keeping a reality based focus and entrepreneurial climate in the learning experience environment” (Solomon, 2007: 168). In a study conducted by Garavan and O'Conneide (1994a), there were a number of points observed while focusing on entrepreneurship education evaluation. Firstly, they found that there is very little research that has been conducted on entrepreneurship education and training. Although there has been some development within the research of entrepreneurship education programmes over the last few decades, the research put forwards tends to be “fragmented and with an exploratory, descriptive orientation (Garavan and O'Conneide, 1994a:4).

Secondly, they have found that entrepreneurship programmes tend to be much shorter than other educational programmes such as a degree in Economics or Management which take three years to complete (Garavan and O'Connell, 1994a). Garavan and O'Connell, (1994a) believe that entrepreneurship has many complex components which need to be covered. Therefore, entrepreneurship programmes need to be made longer than the range of 25 days to 12 months observed in order for students to develop a more holistic view on the concept of entrepreneurship (Garavan and O'Connell, 1994b).

Assessing an action learning programme is very difficult to do (Jones-Evans *et al.*, 2000). The DEP programme has broken down assessment into two parts (Jones-Evans *et al.*, 2000). Firstly, the information taught during class is assessed by using a “mixture of group and individual attainment criteria and likewise a mixture of theory and application of understanding” (Jones-Evans *et al.*, 2000:234). The second part uses individual learning agreements, “these agreements take the form of a reflective document „written up“ after the successful conclusion of the assignment” (Jones-Evans *et al.*, 2000:285). This focuses on the individual in an attempt to see if there has been any knowledge, skills or attitude developments. The appraisal or performance is concerned with monitoring the students as they reflect on their own development (Jones-Evans *et al.*, 2000). With regards to the taught courses, there are two elements; the strategic management model and the change management model (Jones-Evans *et al.*, 2000). These elements are introduced to the course at different parts of development; the strategic management model is introduced at the beginning and the change management model at the end of the course. For the strategic management module, “learning is advisor-led, based on a series of papers prepared by the advisors along guidelines established by the module tutor” (Jones-Evans *et al.*, 2000:285). The change management module focuses on and explores the key issues experienced during assignments.

As seen from the above, there is a need to evaluate entrepreneurship programmes (Henry *et al.*, 2005b). “Programme evaluation research is concerned with establishing whether social programmes are needed, effective, and likely to be used” (Terre Blanche, Durrheim and Painter, 2006:410). Social programmes may range from industrial companies to political activities. However, programme evaluations are generally used in educational or social

development. If programmes are not evaluated, it is very difficult to determine whether they are teaching students the correct information and one will not be able to make informed decisions relating to the programme. The results from completing a programme evaluation can be used to assist in developing the programme further (Terre Blanche *et al.*, 2006:410).

There are three types of evaluation approaches namely positivist, interpretive and critical-emancipatory (Terre Blanche *et al.*, 2006). The positivist approach limits itself only to “those aspects of social programmes that can be objectively observed and tested” (Terre Blanche *et al.*, 2006:411). There are four approaches that are used with the positivist evaluation research. The first is the needs assessment approach. The needs assessment approach uses techniques such as questionnaires and interviews to determine which area of the programme needs to be improved. It also looks at previous research to compare to the results received.

The second positivist approach is programme planning. Programme planning focuses on the “process of programme conceptualization and on the feasibility of programme plans” (Terre Blanche *et al.*, 2006:411). It looks at the aim and purpose of the programme being evaluated and determines whether the planned intervention is feasible. The third positivist approach is formative evaluation. Formative evaluation focuses on the design and implementation of a course in terms of which areas were successful and which areas need to be improved upon. The Context, Input, Process and Product model (CIPP) is often used in formative evaluations (Stufflebeam, Mckee and Mckee, 2003). It will be explored further in this methodology chapter. The final positivist approach is summative evaluation. Summative evaluation focuses on the outcome of a programme which is done through observation or measurement. It measures the effectiveness of the programme.

“Interpretive evaluation designs drew on the research traditions of participant observation, case studies, qualitative interviewing and analysis, ethnography and multi-method approaches involving triangulation between different investigators, methodologies, data sources, time frames, and levels of human interaction” (Terre Blanche *et al.*, 2006:414). This approach focuses on an insider position taken by the evaluator so that they are personally involved and better able to understand the social environment that they are evaluating.

The critical-emancipatory approach to evaluation places an “emphasis on the social concerns and agenda”s of the involved as participants in social science research” (Terre Blanche *et al.*, 2006:419). This approach is usually an action orientated evaluation which focuses on improvement and involvement in a course.

Evaluations of programmes have been “identified as a major issue by practitioners” (Gregory and Watson, 2008:337). These evaluations tend to take up a considerable amount of time and therefore tend to be avoided by departments. It is very important to measure the effectiveness of an entrepreneurship programme (De Faoite *et al.*, 2003). “An effective programme must show students how to entrepreneurially behave and should also introduce them to people who might be able to facilitate their successes” (Kuratko, 2005). One of the important aspects is that the benefits of the programme need to be higher than the costs and risks of running the programme (Henry *et al.*, 2005b). There are some courses that have been measured in terms of the skills and knowledge, which is done through examinations. Lecturers have also evaluated entrepreneurship education through student evaluation surveys. Finally other ways of measuring the effectiveness of a programme can be done by looking at the type of employment the students have undertaken as well as their income status (Henry *et al.*, 2005b).

Issues in evaluating entrepreneurship programmes include the fact there is a lack of research in terms of evaluating these programmes (Fayolle *et al.*, 2006). Fayolle *et al.*, (2006) identified two key challenges to evaluating entrepreneurship education. Firstly, there is the challenge of selecting evaluation criteria. Secondly, one needs to decide on what will be an effective way of measuring the programme. When measuring student satisfaction, criteria such as attendance rates, participation and student motivation need to be considered (Fayolle *et al.*, 2006).

3.6 SUMMARY

“The constant evolution associated with the programme must not be seen as an educational weakness but rather a desired and expected strength” (Jones *et al.*, 2000: 287). There are a

number of aspects that should be included in the design of an entrepreneurship programme including creating a programme of value. The implementation of an entrepreneurship programme needs to be done properly to ensure that the students are educated in the area of entrepreneurship and once finishing the programme, are able to run their own businesses. Educators need to attempt to employ an action-learning approach to the programme and make sure that all the relevant entrepreneurial business skills are taught. The methodology chapter will outline how the study will take place and what type of evaluations will be used.

CHAPTER 4

METHODOLOGY

4.1 OVERVIEW

The previous chapters examined the relevant literature which outlines entrepreneurship and the importance of increasing the number of individuals entering into entrepreneurship which will improve a countries economy. Entrepreneurship education has been defined clearly by focusing on the different learning approaches entrepreneurship programmes use and what should be included in such a programme. The literature also elaborates on the design and implementation of entrepreneurship programmes and outlines what is needed in order for a programme to be successful. It illustrates the importance of having Entrepreneurship programmes and the benefits these programmes offer once a student has completed the course.

This chapter will focus on the methodology process of this evaluative research. It will focus on the research questions and objectives and will outline the research design, research framework and the sample chosen in terms of the technique used to decide on the correct sample. The data collection and analysis techniques will be explored and developed fully. Finally the validity and reliability, research limitations and ethical considerations will be outlined, indicating that there was strict adherence to these protocols so that the research was conducted properly.

4.2 RESEARCH QUESTION

“The PDEM course provides students with sufficient business and entrepreneurial acumen to successfully start and grow their own businesses when they leave university” (Department of Management, 2009:1). The PDEM course was designed to expose students to small business management entrepreneurship (Department of Management, 2009).

The aim of this research is to evaluate the design and implementation of the PDEM. Research questions include:

- How is the PDEM designed?
- How is the PDEM implemented?
- What is successful in the course?
- What changes need to be made?

There are a number of objectives for this study. The first objective is to explore the PDEM in terms of how each subject and the Alpha Project is designed and compares to the design of programmes explored in the literature. The second objective is to observe the approach taken by the lecturers to transfer business knowledge to the students during the implementation of the course. The third objective is to gather information from the students regarding their experiences of the PDEM course. The final objective is to determine whether or not the PDEM's aims and objectives, in terms of their design and implementation, are met. The research findings will then be compared to the literature. This will assist the researcher in determining how the PDEM course has been designed and implemented and what suggestions and comments can be made for improving the course. The researcher may encounter problems acquiring the relevant information to fulfil the above objectives. These challenges include not getting enough data to compare to the literature and students and staff being unavailable to take part in the study.

It must be noted that the researcher was a past student of the PDEM course; therefore the reason for this research was to assist in improving the quality of the PDEM which will improve the quality of entrepreneurs entering into new businesses.

4.3 RESEARCH DESIGN

“A research design is a strategic framework for action that serves as a bridge between research questions and the execution or implementation of the research” (Terre Blanche *et al.*, 2006:34). The research design has also been labelled as the „architectural blueprint“ of a research project (Terre Blanche *et al.*, 2006). The reason for this is that once the research

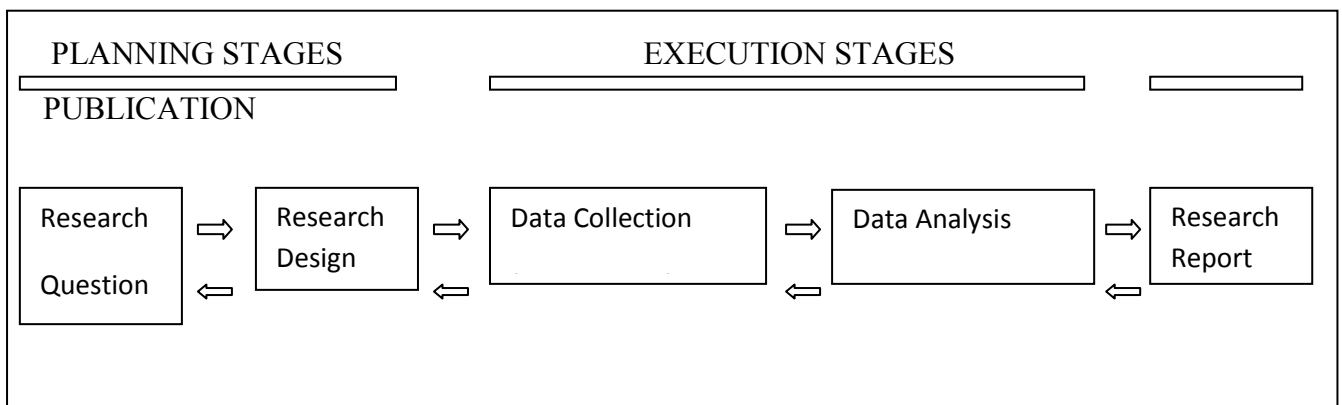
commences, the research design cannot and must not change, similar to that of blueprints. A building's blueprints cannot change once building commences.

According to Marshall and Rossman (1999), one needs to build a conceptual framework in terms of the topic, purpose and significance in order for the research design to be effective. The design section of any research must describe "how the study will be conducted and displays the writer's ability to conduct the study" (Marshall and Rossman, 1999: 23). Aspects that Marshall and Rossman (1999) consider to be important when doing the research design are as follows:

- Consulting with experienced researchers
- The type of data collection techniques that need to be implemented
- "Mapping sensitivities, norms and layout of my settings and populations" (Marshall and Rossman, 1999: 31)
- Considering the time and intensity regarding the data collection
- Potential dilemmas
- Ways to ensure that the research is ethical

"Research designs are (1) fixed and specified in advance of execution, and (2) defined by technical considerations" (Terre Blanche *et al.*, 2006:35). However with qualitative research, the design tends to be more flexible and the research goes through an iterative process, as can be seen in figure 2. This process consists of five stages; defining the research question, designing the research, data collection, data analysis and writing a research report (Terre Blanche *et al.*, 2006). When designing a study, one needs to decide how the data will be collected and analyzed so that the research questions can be answered (Marshall and Rossman, 1999). When planning a research project, the research question and the research design work hand in hand in order to receive the desired result. One will start off with the research question and the research design will then be designed to answer that question (Terre Blanche *et al.*, 2006).

Figure 4.1: The Research Process



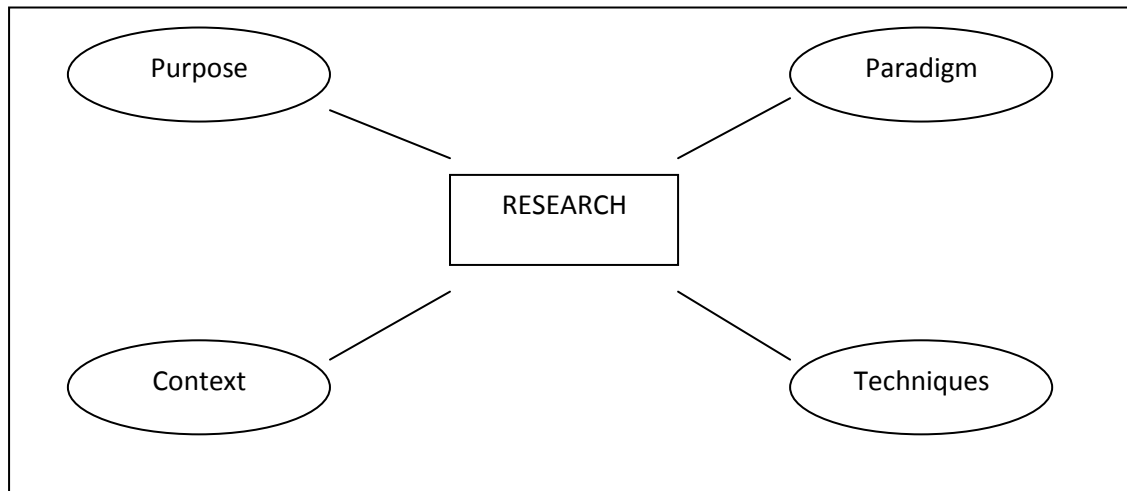
(Source: Terre Blanche *et al.*, 2006:34)

Figure 4.1 has bilateral arrows which represent different things. Firstly, the top arrows indicate the sequence of the research process and secondly, the bottom arrows indicate the decision process which moves back and forth between each stage. There are four principles of research decision making, namely purpose of the research, the context in which the study is carried out, the theoretical paradigm informing the research and finally the techniques for collecting and analyzing the data (Terre Blanche *et al.*, 2006).

These are all decisions that take place during the research design which affect the overall outcome of the research. As seen in figure 4.2, all four decision making dimensions affect the research design. “A good research design is both valid and coherent” (Terre Blanche *et al.*, 2006:38). The design validity needs to ensure that the research findings are valid and believable. Design coherence also relates to figure 4.1 in that the four dimensions need to fit together logically and be able to answer the research questions once the study is complete (Terre Blanche *et al.*, 2006).

The paradigm in this research is qualitative in nature. “Qualitative methods allow the researcher to study selected issues in depth, openness and detail as they identify and attempt to understand the categories of information that emerge from the data” (Terre Blanche *et al.*, 2006:47).

Figure 4.2: The four dimensions of decision making.



(Source: Terre Blanche *et al.*, 2006:37)

The research design will be outlined below in the research framework, the sample, the data collection methods and the data analysis.

4.4 RESEARCH FRAMEWORK

4.4.1 Determining the type of evaluation

“Programme evaluation research is concerned with establishing whether social programmes are needed, effective and likely to be used” (Terre Blanche *et al.*, 2006:410). Programme evaluations focus on the social or educational development of a specific programme (Terre Blanche *et al.*, 2006). As indicated in the literature, there are a number of approaches to evaluation. The evaluation most suited to this research is formative evaluation (Terre Blanche *et al.*, 2006). Formative evaluation relates to the “development and implementation of a programme” (Bless and Higson-Smith, 2000:51) and is therefore most appropriate to use for this research project.

4.4.2 Method of evaluation

The review of literature has introduced the concept of programme evaluation. The approach most suited to this research is the formative approach as this research is concerned with the design and implementation of the PDEM course. In order to understand the design and implementation better, the CIPP model will be adapted and utilized within this research (Stufflebeam *et al.*, 2003). The CIPP model will assist in evaluating the PDEM course. The Product aspect is not relevant to the goals and objectives of this study and therefore will not be used. The reason for this is that product evaluations “identify and assess the outcomes” (Stufflebeam *et al.*, 2003:3) which does not fall within the objectives of this study.

Context evaluations help to define goals and priorities. It focuses on the philosophy and the goals of the programme. It also assists the other three evaluations (input, process and product) to focus on the goals and priorities of an entrepreneurship programme (Stufflebeam *et al.*, 2003). “Decision makers use input evaluations in choosing among competing plans, writing funding proposals, allocating resources, assigning staff, scheduling work, and ultimately in helping others judge an effort’s plans and budget (Stufflebeam *et al.*, 2003:3). Process evaluations focus on assessing the implementation of goals and the programmes performance (Stufflebeam *et al.*, 2003)

4.4.3 Development of research questions

When generating research questions a model should be used in order to evaluate the PDEM course, the CIPP Model was chosen as outlined above (Stufflebeam *et al.*, 2003). The research questions were generated by the researcher using the CIPP Model as well as using information from the literature review. The research questions can be seen below in table 4.1.

Table 4.1: Research Questions

Programme Evaluation Stage	Research Questions
Context Evaluation	<ul style="list-style-type: none"> ● What is the philosophy underlying the PDEM Course? ● What are the goals of the PDEM Course?
Input Evaluation	<ul style="list-style-type: none"> ● How is the PDEM Course designed? ● How are the subjects and the Alpha Project of the PDEM Course designed?
Process Evaluation	<ul style="list-style-type: none"> ● How is the PDEM Course implemented? ● How are the subjects and Alpha Project implemented? ● What are the attitudes of the PDEM students towards the subjects and the Alpha Project? ● How do the students understand the subjects and the Alpha Project? ● How do they go about completing the Alpha Project and subjects? ● What are their attitudes towards entrepreneurship? ● How do the staff understand entrepreneurship? ● How do the students perceive the running of the course?

(Source: Adapted from Amos, 1998:42)

4.5 SAMPLE

Qualitative studies aim to provide a greater understanding on complex social issues by answering humanistic questions such as why and how (Marshall, 1996). It is therefore very important to have suitable sampling so that a good quality study is able to take place (Gibbs, Kealy, Willis, Green, Welch and Daly, 2007). One needs to select a sample that represents the population that the study is based on. In other words for this study, a sample must be taken from the individuals who are involved with the PDEM. “Sampling is the selection of research participants from an entire population, and involves decisions about which people,

settings, events, behaviours, and/or social processes to observe” (Terre Blanche *et al.*, 2006:49). One needs to take a pragmatic and flexible approach when putting together a qualitative sample (Marshall, 1996). The size of a sample tends to be much smaller in qualitative studies as they are more concerned with an in-depth analysis as opposed to statistical analysis (Terre Blanche *et al.*, 2006).

There are three types of sampling; Convenience sampling, Random sampling and Purposeful sampling (Marshall, 1996). Convenience sampling is the least rigorous way of sampling. The most accessible subjects are used in the study; however the data received may not be as rich in comparison to the other sampling techniques. Convenience sampling is also the least costly of all the techniques. The reason for this is that it takes less time, effort and money (Marshall, 1996). Random sampling implies that any subject with the population has an equal chance of being selected for the sample (Marshall, 1996).

Purposeful sampling is the most commonly used technique. “This can involve developing a framework of the variables that might influence an individual’s contribution and will be based on the researcher’s practical knowledge of the research area, the available literature and evidence from the study itself” (Marshall, 1996:523). The sample is also selected for theoretical reasons, in that the subjects are good examples of the phenomenon (Terre Blanche *et al.*, 2006). In this study, the sampling scheme or technique is purposeful sampling and convenience sampling. The reason for this is that the study requires that those individuals, who have been involved with the PDEM in any way, participate in the process. Relevant data needed to be collected from the course coordinator, the academic staff, the current students and the past students.

The course coordinator was interviewed and all but two of the staff members were interviewed (see appendix 2 for the course coordinator interview schedule and appendix 3 for the staff interview schedule). Therefore, there were seven staff interviews that took place. Failure to have all the staff members interviewed was due to logistical difficulties as the eighth staff member was an international lecturer who had left Rhodes University and the ninth lecturer being unavailable at the time of the interviews. The 2009 PDEM class

consisted of 14 students. The class was divided up into three Alpha Project groups. Two of the three groups, which were between three and four individuals per group, were available to take part in a focus group. There were five past students that were selected through the process of convenience sampling. A list of past students was given to the researcher from the Development and Alumni Division, Rhodes University. Those students who had the most detailed contact information were contacted to request their participation in the research. The reason for this was that not all the contact details were correct, therefore by having a number of ways to contact a potential participant was important so that the research could be completed in a timely fashion.

4.6 DATA COLLECTION

In this research project, qualitative data collection procedures were used to get rich information in order to answer the research questions in table 1. The research site was in the Management Department at Rhodes University, Grahamstown. The reason for this was that the course is based within the Management Department. Due to the author being registered in the Management Department, it was easy to access the relevant information pertaining to the students and lecturers as well as setting up meetings. A researcher needs to remember that the data collected has been influenced by them so it is important to be as objective as possible by not imposing any biases within the questions or during the interview process (Ruona 2005, cited in Swanson and Holton, 2005). There were three types of data collection procedures used in this research (Terre Blanche *et al.*, 2006). The first is an interview data collection procedure and the second is a focus group data collection procedure. The third data collection procedure was the collection of documentary sources.

4.6.1 The interview

“An interview involves direct personal contact with the participant who is asked to answer questions relating to the research problem” (Bless and Higson-Smith, 2000:104). These interviews provide rich qualitative data (Bless and Higson-Smith, 2000). Before starting the interview process, the researcher needs to plan for the interview. The researcher needs to decide on the type of interview they will be using for example structured, semi-structured or unstructured interviews (Terre Blanche *et al.*, 2006). The researcher needs to determine

which type of interview will be most suited to their research requirements. Semi-structured interviews tend to be the most popular choice (Terre Blanche *et al.*, 2006).

If the researcher requires an audio copy of an interview, they need to ensure that the participants consent has been given. The researcher needs to consider a number of factors during the interview process including listening more and talking less, asking follow up questions and exploring rather than probing the participants' answers (Terre Blanche *et al.*, 2006). There are a number of things that the researcher should not do; including having closed questions, too many questions and asking leading questions (Terre Blanche *et al.*, 2006). When the researcher decides that the interview needs to come to a close, they should finish it off by asking the participant if they have anything else to add. Once the interview is over, the researcher should transcribe the interview so that it is easier to analyze (Terre Blanche *et al.*, 2006).

Semi-structured interviews lasting between fifteen and thirty minutes were conducted and recorded with the consent of the participants. There were separate questions for the course coordinator, the academic staff and for the past students. One lecturer was unavailable for a face to face interview and therefore a telephonic interview was done with him to ensure all the relevant data was collected (see appendix 2 and appendix 3 for the course coordinator and staff interview schedules). Past students were interviewed over the telephone and in some cases this was not possible so an e-mail was then sent to the student with the interview schedule. When this occurred, the students could then e-mail their answers back to the researcher. With regards to the telephone interviews, the answers that the students gave were written down by the researcher (see appendix 4 for past student interview schedule).

4.6.2 Focus group interviews

“A focus group is typically a group of people who share a similar type of experience but a group that is not „naturally“ constituted as an existing social group” (Terre Blanche *et al.*, 2006: 304). The participants would need to fit within a certain criteria, for example, questioning participants that have attended a particular course which is now being evaluated.

Therefore, the sampling of these participants would be done through purposeful sampling as it is seeking a particular type of participant (Terre Blanche *et al.*, 2006).

It is sometimes necessary to give the participants refreshments so that they see how their participation is appreciated and it can improve motivation to participate in the study (Terre Blanche *et al.*, 2006). Those participating in the study need to have a clear understanding as to what is expected of them during the interview process and what the procedure the interviews will follow. According to Terre Blanche *et al.*, (2006) there are four components to a focus group namely procedure, interaction, content and recording.

Procedure is concerned with the structure and limits of an interview, for example ensuring confidentiality once the interview is over. The interaction component focuses on the researcher finding suitable ways for the participants to interact with them and with each other. A good way to start this off would be to have an „ice-breaker“ exercise to help the participants feel more comfortable (Terre Blanche *et al.*, 2006). The content component focuses on the information that is passed on during the interview. It tends to be in a semi-structured interview format. The final component is recording which can be done with the use of an audio recorder. Note-taking during the interview can assist the researcher in obtaining richer data as sometimes the audio recordings can be affected by background noises (Terre Blanche *et al.*, 2006).

Focus groups are very useful for collecting qualitative data (Bless and Higson-Smith, 2000). The advantages of focus groups are that participants are able to discuss the issues with each other, therefore encouraging different ideas (Bless and Higson-Smith, 2000). Another advantage is that participants are able to learn from each other (Bless and Higson-Smith, 2000). The researcher needs to ensure that the focus group produces data that is aligned with the goals of the research. One problem with focus groups is that it's not always logistically possible for all of the required participants to attend (Morgan, 1996).

In this research, there were two focus groups consisting of three and four current students respectively (see appendix 1 for focus group interview schedule). The students were contacted via e-mail to request their participation in the research project. As indicated above in the sampling section, the current students were already divided into three groups as per their Alpha Projects and two of the three groups indicated that they were available for the focus group sessions. The focus groups lasted between twenty and thirty minutes. These interviews were recorded by an audio recorder with the participants' consent and were transcribed after the interview was completed. Refreshments were made available for the participants and they each signed a consent form before the interviews commenced (see appendix 5 for the consent form).

4.6.3 Preparation for the interviews

In terms of preparing for the interviews, the researcher needed to hire an audio recorder and have the different interview schedules ready for each interview. Consent forms needed to be present at each of the interview sessions. The researcher needed to have a clear plan of how they wanted to conduct the interview in terms of the start, the questions and finally ending it off.

4.6.4 Documentary sources

Documentary Sources can be very useful when conducting qualitative research and has been considered to be easier than doing interviews or participation observations (Terre Blanche *et al.*, 2006). "One does not have to think on their feet as in an interview, nor engage in the tedious process of transcribing everything" (Terre Blanche *et al.*, 2006: 316). The PDEM course brochure and handouts were collected and analysed (see appendix 6 for the PDEM 2009 course handout).

4.7 DATA ANALYSIS

Before beginning the process of data analysis, there are a few factors that need to be taken into consideration. The data collected is formed from responses derived from interviews and documents (Ruona 2005, cited in Swanson and Holton, 2005). The researcher needs to have a conceptual idea of what data analysis is. "The purpose of data analysis is to search for important meanings, patterns and themes in what the researcher has heard and seen" (Ruona

2005, cited in Swanson and Holton, 2005:236). According to Bless and Higson-Smith (2000) “analysis is conducted so that the researcher can detect consistent patterns within the data” (Bless and Higson-Smith, 2000:137). There are many ways to analyze qualitative data; however one must be cautious not to simply use one method (Amos, 1998). The researcher needs to be confident enough to develop different groups and categories from the data and from that, be able to make various comparisons and contrasts (Amos, 1998).

4.7.1 Data analysis process

There are five processes to qualitative data analysis; sensing themes, constant comparison, recursiveness, inductive and deductive thinking and interpretation to generate meaning (Ruona 2005, cited in Swanson and Holton, 2005).

4.7.1.1 Sensing themes

Sensing themes is concerned with trying to make sense out of the data collected (Ruona 2005, cited in Swanson and Holton, 2005). A researcher needs to become immersed within the data collected by re-reading transcripts and re-listening to the recordings (Terre Blanche *et al.*, 2006). The researcher becomes immersed in the data through a process of reading through their transcribed notes and also by re-listening to the recordings conducted in the interviews. To start the process, the recordings were first listened to and then transcribed so to get a better understanding of the data collected. This was done for each of the interviews namely the staff, the course coordinator and the current students. The researcher then focused on the staff interviews, followed by the course coordinator, then current students and lastly past students. The researcher then started to develop ideas with the use of diagrams and brainstorming using the data gathered (Terre Blanche *et al.*, 2006).

4.7.1.2 Constant comparison and coding

The constant comparison is one of the most important parts of the process. Coding “means breaking up the data in analytically relevant ways” (Terre Blanche *et al.*, 2006:324). The data is organized into different categories so that it is easier to understand (Ruona 2005, cited in Swanson and Holton, 2005). Comparisons are done within the data until a theory can be formulated. This constant comparison leads to the data being placed into groups and therefore

being categorized and coded (Ruona 2005, cited in Swanson and Holton, 2005). Once there are a sufficient number of themes, one needs to code them in order to make the process of the data analysis more efficient. Areas in the data that are relevant to each other must be coded so to make reading the data more easily (Terre Blanche *et al.*, 2006). Different parts of the data are coded into categories; therefore different sections which have similar themes will be coded so that the researcher knows which areas of the data relate to each other. The researcher can code an entire paragraph, a sentence or a phrase. “One will find that there are all sorts of ways in which extracts that you have grouped under a single theme actually differ or that there are all kinds of sub-issues and themes that come to light (Terre Blanche *et al.*, 2006:326). These paragraphs, sentences or phrases can have more than one code if it relates to a number of themes (Terre Blanche *et al.*, 2006). “In coding, we break down a body of data (text domain) into labelled, meaningful pieces, with a view to later clustering the bits of coded material together under the code heading and further analyzing them both as a cluster and in relation to other clusters” (Terre Blanche *et al.*, 2006:325). Themes and codes blend into each other in that the themes used change the process of coding as one understands their data better.

There was a great amount of data which was generated through the interviews and focus groups. “The researcher must think in terms of condensing, excising and even interpreting the data, so that it can be written up as a meaningful communication” (Amos, 1998:48). A bottom up approach is useful to utilize to help create themes and categories. The researcher needs to try use the same language that was used by the participants when labelling the categories so that the data is as accurate as possible. The researcher will need to think in terms of the “processes, functions, tensions and contradictions” when working through the each participants’ interviews (Terre Blanche *et al.*, 2006:323). It is important that there is a balanced number of themes, not too many or too few are found. These themes need to be played around with and continuously compared to the aims and objectives of the research (Terre Blanche *et al.*, 2006).

4.7.1.3 Recursiveness

This step suggests that the data should be analyzed as it is collected (Ruona 2005, cited in Swanson and Holton, 2005). The reason for this is that it will help the researcher make “(1)

decisions that narrow or widen the study; (2) make decisions about the type of study that you want to conduct; (3) identify „leads“ to pursue and plan further data collection; (4) develop additional questions to ask participants; (5) try out ideas and themes on other participants; (6) reflect on your observation learning’s and biases; (7) play with metaphors, analogies, concepts, visual maps and so on; (8) stimulate your reading of the literature” (Ruona 2005, cited in Swanson and Holton, 2005:237). This part of the process will ensure that the researcher always reflects on the data critically and there is constant learning which results in better research being conducted. To ensure that there isn’t too much data collected; the researcher needs to ensure that the research questions have been attended to. On the whole, recursiveness was not utilised fully by the researcher. The researcher read over the data collected immediately after each collection in order to see if there were any similarities and themes that were appearing. The researcher also re-read the literature to ensure that there was enough detail that could be compared to the data collected. There were not, however, any other leads or further questions that were developed and there were no further ideas or themes used for other participants.

4.7.1.4 Inductive and deductive thinking

Qualitative data collection uses both inductive and deductive reasoning. The inductive reasoning is used when creating themes from the data; deductive reasoning is used as the researcher progresses in their analysis as their research questions need to be checked against the data. Therefore, the process continually moves back and forth between deductive and inductive reasoning (Ruona 2005, cited in Swanson and Holton, 2005). The researcher analysed the data to create themes and the research questions were then checked against the themes found in order to see if the questions have been answered. The researcher then moved back and forth between the themes and the research questions to gather as much information from the data as possible and to ensure that it is relevant to this research.

4.7.1.5 Interpretation to generate meaning

As mentioned above, constant comparison is a very important part of the process. This part of the process will focus on using all the themes and categories and attempt to generate meaning from them. The researcher needs to refocus on the data to ensure that it is as objective as possible and that all the data has been divided up correctly (Terre Blanche *et al.*, 2006). This

final stage requires that the researcher “use the themes you’ve arrived at during your analysis and think with them” (Ruona 2005, cited in Swanson and Holton, 2005:245). The researcher needs to see whether or not the themes are connected to the literature or prior research. The researcher developed the themes, first based on the data collected and then compared it to the themes outlined in the literature review. The researcher then generated meaning from the results.

4.8 VALIDITY AND RELIABILITY

Both reliability and validity are “conceptualized as trustworthiness, rigor and quality in the qualitative paradigm” (Golafshani, 2003:8). In the 1980’s there were authors who rejected validity and reliability in qualitative research. Reliability and validity were then substituted by the concept of trustworthiness (Morse, Barret, Mayan, Olson and Spiers, 2002). Trustworthiness then evolved into four aspects namely credibility, transferability, dependability and confirmability (Morse *et al.*, 2002).

However, in more recent years the term „verification“ has come into use for testing the reliability and validity of a study (Morse *et al.*, 2002). “In qualitative research, verification refers to the mechanisms used during the process of research to incrementally contribute to ensuring reliability and validity and, thus, the rigor of a study” (Morse *et al.*, 2002:17). When planning a study, one must continuously check each step of the research process to correct any errors before they are included in the research model. As mentioned in the research design, one needs to be iterative. For example moving back and forth between the different steps of the research project so to ensure that all areas are congruent. This will assist in ensuring that the focus is maintained throughout the study. By following through with this process reliability and validity will be achieved (Morse *et al.*, 2002).

There are five verification strategies that assist in ensuring that one’s study is both reliable and valid (Morse *et al.*, 2002). The first is methodological coherence which is ensuring that there is coherence between the research question and the method. The second strategy is that the sample needs to be appropriate. The subjects chosen for this study need to have knowledge of the research topic. The third strategy is “collecting and analyzing data

concurrently forms a mutual interaction between what is known and what one needs to know” (Morse *et al.*, 2002: 19). This connects with the iterative interaction mentioned above which is essential for attaining reliability and validity. The fourth strategy is thinking theoretically. New ideas will emerge from the data which need to be verified by the data that has already been collected. The final strategy is theory development, therefore comparing the data to the theory.

“Together, all of these verification strategies incrementally and interactively contribute to and build reliability and validity, thus ensuring rigor. Thus, the rigor of qualitative inquiry should thus be beyond question, beyond challenge, and provide pragmatic scientific evidence that must be integrated into our developing knowledge base” (Morse *et al.*, 2002: 19). In terms of the reliability and the validity of this study, the research procedure is clearly outlined and documented. Reliability is also enforced in that the methods used to gather the data were standardized methods. Within this study, there were standard interview schedules which were based on the CIPP model and the interview schedules were followed according to the sequence of questions. These interview schedules are documented at the end of the research paper (see appendix 1 to 4).

4.9 RESEARCH LIMITATIONS

The main research limitation was that not all of the lecturers were available to be interviewed as well as the third Alpha Project group. The data collected from the other participants may have enriched the results of the study further. In terms of using the CIPP model, there is a limitation in that the product aspect is not used. The reason for choosing not to use this aspect was due to the study not focusing on identifying of the course outcomes but rather the design and implementation of the course. Therefore the full effectiveness of the model is not utilized (Cooksy, Gill and Kelly, 2001).

4.10 ETHICAL CONSIDERATIONS

When initiating interviews, factors that need to be considered are informed consent and explicit confidentiality (Terre Blanche *et al.*, 2006). Each of the subjects were given information about the research and the procedures, which are needed to “facilitate their

giving fully informed consent” (Department of Management, 2009:1). With regards to focus groups, there needs to be a high level of confidentiality. This is not only between the interviewer and the participants but also between the different participants (Terre Blanche *et al.*, 2006). The subjects were informed that the information collected during the focus groups needed to remain confidential; this was indicated on their consent form as well. “The subject's anonymity will be strictly protected and all the data collected will remain absolutely confidential” (Rhodes University, 2009:5). Once the participants understood what was required of them and what the research was about, they were requested to sign the consent form. By signing this consent form they were agreeing to keep all that occurred in the focus group confidential and indicating that they understood that their participation was voluntary and anonymous. The names of those involved with the course are known to the researcher but will not be identified within the research thesis. As indicated above, there is strict anonymity amongst each of the subjects.

The findings of this research may result in embarrassment for the Management Department as a number of issues were discovered. However, these findings and recommendations that result from the research will assist with improvements to the course which will in turn make the course more valuable. The nature of this research is not to place any blame on those involved with the PDEM course. This research paper will be available to all who participated in the research, through the Rhodes University library. The above ethical considerations were adhered to and the correct courses of action took place before the interviews and focus groups commenced.

4.11 SUMMARY

This chapter outlined in detail the methodology of this research in terms of its main objectives and aims, these being an analysis of the design and implementation of the PDEM course. A formative evaluation was chosen which utilised the CIPP model when developing the research questions. The sample consisted of two focus groups with four and three participants taking part; there were seven staff interviews, one course coordinator interview and five past student interviews. The data was analysed and a number of themes were developed. The researcher ensured that the research was reliable and valid through having research that is congruent. The research was ethical at all times for example, there was

absolute confidentiality of each participant and the information gathered from their focus group or interviews. The next chapter focuses on the research findings which are based on the data collected during this methodology process.

CHAPTER 5

RESEARCH FINDINGS

5.1 OVERVIEW

The aim of this chapter is to provide a description of the findings collected during the data collection stage of this research. To enhance the data provided in this chapter, direct quotations have been used. The sources of these quotes will be kept anonymous in accordance with the ethical considerations relating to this study. As there is only one course coordinator of the PDEM, there will be no direct quotations taken from that interview so to protect the individual's anonymity. The structure of this chapter will follow the separate areas of the CIPP model used in the methodology chapter. These areas include programme context, input evaluation and process evaluation. Each area will be broken down into subsections, which outline the research findings in great depth.

5.2 COURSE CONTEXT

5.2.1 The PDEM

The PDEM was started in 1996. The reason for it coming into place was firstly to promote self-employment and secondly to give students who don't have a commerce background, a broad business understanding. The reason for this is that there were a number of students who were finishing their degrees and needed an option which allowed them to improve their business skills. The individuals who developed this course felt that an entrepreneurship course would meet those needs. The course is broken up into eight subjects, one practical subject and the Alpha Project (see appendix 6). These will all be explored later in the chapter.

5.2.2 Philosophy of the course

The philosophy of the course is primarily concerned with an action learning approach. Students learn by doing, by taking part in to the Alpha Project. The course must have practical activities in the classroom but also challenge the students academically. There needs to be an emphasis placed on small business management and entrepreneurship. A culture of sharing information and experiences is vital, so to enhance the students experience of doing

the course. Students also need to be exposed to small businesses either through guest speakers or excursions. This is very important for the entrepreneurial development of the students.

5.2.3 Objectives and approaches in developing students

There are two main objectives that were found from the interviews. These objectives attempted to identify what the course was aiming to achieve. The first objective was to try and equip students to think realistically in terms of starting their own business. This will in turn encourage students to create their own employment or assist students who are seeking employment through other companies.

The second objective is to enhance the students' knowledge and skills so that they are better able to find employment in corporate and governmental sectors. The main focus of this course is to get students to start a business through creating a culture of entrepreneurship while the course is running. The culture of entrepreneurship will be outlined later in the chapter. The course does not attempt to make the participants specialists within each of the management subjects; it aims to develop the relevant specialising skills in order to start or manage a business.

The course can be broken down into a two prong approach. Firstly, students get experience in a business environment by starting up their own businesses. Secondly, they developed the skills which enable them to become self-employed. Lecturers need to assist students in becoming less risk adverse and help them build their confidence so that they want to start up their own business.

“It gives students who perhaps don't have a commerce or entrepreneurial background, the opportunity to learn a little something, a little bit about small business and um to perhaps prepare them for an entrepreneurial career after University in some small way.”

The PDEM course gives non-commerce students the tools to manage a business. There is also a transfer of knowledge from the lecturers to the students. This should give the students confidence and the necessary resources and skills to start their own business after University.

5.2.4 Development of business skills

During the course, students work through a variety of stages of entrepreneurship development and they are able to think about different areas of business more critically. It is also easier to identify where the areas of difficulty such as dealing with suppliers are when one is starting up and running a small business as part of the Alpha Project. The Alpha Project is said to be great course by the lecturers due to the learning by doing approach. One learns to “develop and to adapt to entrepreneurship skills” learnt during the course. An individual doing this course will be exposed to a wide spectrum of understanding of different forms of business. For example there is a greater understanding of the difference between big and small businesses.

Comments from current students regarding the business skills they feel they have developed include:

“Knowing where to start and knowing that you have a support network.”

“I didn’t know anything about how business worked, the way finances worked before I stepped into this course and now I have a solid grounding in that.”

“I’ve never done accounting before and I came here and now I have the basic premise of accounting. Also stuff like the law, it was stuff I would never have learnt from just sort of running a business except like if something came up like an issue.”

“Managing your own finances and knowing how the supply chain works and how like business works around you and how it effects people’s lives every day is really, really worthwhile.”

“We all learnt to work in a team which is something that I have never been exposed to before.”

A past student felt that there had been a great improvement in their presentation and numeracy skills. They learnt how to sell products more effectively, had improved knowledge of basic accounting and they found they were better able to manage their time. Another past student felt that it was great being able to put their commerce theory into practice by doing the Alpha Project. They were able to utilise the skills learnt in a practical manner. Another student felt that one of the lessons they had learnt was that if one solution did not work, one should persevere to find a solution that does work for the problem.

There were a number of aspects regarding the starting up of a business that the past students felt that they had gained from the course. They had learnt how to start up a business, run it and then close it down, from doing the Alpha Project. They learnt greater insight into how small businesses operate and which functional areas are vital in order for the business to be successful.

These past students felt that they now had the confidence to go out and start their own business; one student had already started working on a business plan for a business he wanted to start running within two years after completing the course. Therefore learning how to develop a business plan was a vital part of the course for this individual. This same student felt that they had learnt to use their own initiative to start a business and that since completing the course they had a better understanding in the processes involved in starting and running a business.

5.2.5 Developing an entrepreneurial environment

There are four main areas to focus on when understanding how an entrepreneurial environment is developed. Firstly, by encouraging students to think realistically about starting a new business, students are exposed to SMEs. Secondly, students are able to see what happens in a business through examples discussed in class and through the Alpha

Project. By being exposed to how businesses operate students are able to enhance their knowledge and skills so that they can effectively seek employment. Thirdly, the course has a great number of subjects and practical aspects which help to develop the students. Lastly, the course achieves its objectives through peer evaluations, portfolios and the Alpha Project.

As the course progresses, students move through different aspects of running a business. Entrepreneurship is stressed through each of the subjects. There is a process of learning by doing throughout the course as seen by the emphasis placed on the Alpha Project. The PDEM course attempts to equip students with the basic business skills, it goes through the different functions of a business and gives students the confidence and knowledge of how to find resources to start up a business. It also, to some degree, prepares the students for employment if they choose not to start up their own business.

5.2.6 Failures and successes in the implementation of the course

There were mixed responses from past students on their expectations of the course. One past student felt that the course and the Management Department was disorganised and that not all the lecturers were suitable for the course. He also felt that the students in his Alpha group let him down in terms of their contribution to the running of the business. A second past student felt that there were too many internal problems within the department which affected the running of the course. They felt that the course coordinator lacked confidence, experience and passion for the course which affected the quality of the course. From the comments above one can say that students felt that the administrative side of the course was not run effectively and this ultimately impacted on the quality of the PDEM course overall.

Those students, whose expectations of the course and the Management Department were met or to some degree met; found that the course was interesting and relevant. One student felt that the theory was well rounded and attempted to give as much information as possible to enable one to run a business successfully. This same student felt that the practical aspect was fantastic as it allowed them to put the theory into practice.

5.3 INPUT EVALUATION

5.3.1 Subjects offered

There are eight subjects that are offered in this course. These subjects are Entrepreneurial Law, Human Resource Management (HRM), Accounting for Small Business, Financial Management, Operations Management, Marketing Management, Strategic Management and Entrepreneurship. Turbo Cash is an extra subject taken which puts the theory learnt in Accounting for Small Business into a more practical scenario as it is done on the computer. The subjects focus on the very basics concerning the running of small businesses. Students gain the knowledge of the requirements, procedures and how to deal with issues that one must be aware of when running a small business.

5.3.2 Aim of the subjects

The lecturers aim to expose students to the important issues and considerations related to each subject which will be expanded on below. The PDEM course should lay a basic foundation in terms of skills and knowledge that the students can use to apply to any businesses. The subjects attempt to equip students to think realistically about starting a business. As an owner of a business, you will be exposed to a wide spectrum of challenges. In doing these subjects, the lecturers help to prepare the students for running a business. One lecturer felt that you have to push students to a point where they are able to make educated decisions.

The aim of Entrepreneurial Law is to get students to focus on the legal issues that are relevant to operating a small business. It focuses on taxation considerations, legal operations of a business and labour issues. Human Resource Management (HRM) aims to expose students to the different situations they may face in the work place. When one starts their business, they will need to employ people to help run the business more efficiently. In hiring new employees, there are a number of factors that one needs to take into consideration such as employee motivation and employee commitment which will affect their contribution to your business. There are also legal considerations regarding the hiring of employees that are covered during the lectures. Accounting for Small Businesses and Financial Management aims to transfer the relevant knowledge to help students manage their finances and understand the importance of running ones finances efficiently. Students need to understand

the importance of which financial records need to be generated and kept. The Turbo Cash module uses the skills learnt above to keep electronic records as well so that students are able to do their own financial statements when running their businesses.

Operations Management aims to give a clear understanding of what supply chain management, project management and operations management entails. It stresses the importance of forming relationships with customers and suppliers alike as this is seen as an important aspect of running a business. The Marketing Management course aims to lay a foundation of skills that students are able to apply to running a business so for example the information students have learnt during lectures can then be used to tackle marketing problems. An example of a skill would be to have the ability to market their product or service effectively.

Lectures do not give students absolute detail on each of the subjects; however they give students the information that is seen as “essential knowledge.” All of the lecturers agree that each of their subjects fit in very well with the course. One of the lecturers described their subject as an “essential ingredient” that makes up the course. The skills and knowledge they learn from these subjects can then be applied by doing the Alpha Project.

Students are given hand-outs that contain information relevant to a specific course. For example the Operations Management Course and Entrepreneurial Law reading books have a number of readings in them which are related to each of the topics covered in class. For some of the courses there are textbooks and exercise books prescribed, for example in HRM and Accounting for Small Business respectively. These books and readings are used to enhance the work done during the lectures and as in the case of Accounting for Small Business, use that knowledge to run their businesses as part of the Alpha Project more effectively and efficiently. One student felt that their business improved as the year progressed. The reason for this was because as the year progressed, they covered more subjects therefore gaining more knowledge about running a business which they could utilise in their business.

“I think we did better during the year because we knew what to do because we had done the courses.”

5.3.3 Classroom activity

All lecture periods are 45 minutes long and the type of work done in each lecture will vary from subject to subject. Above the aims of each subject were outlined, this sections aims to discuss what makes up each subject and what is done during class to stimulate the students.

Law is a very content driven course. It tries to give a basic idea of the South African legal system. The main areas that are covered during the lectures are:

- Forms of business enterprises
- Law of contract
- Labour law

During the law classes, students are required to partake in scenarios and case studies. Relevant examples are used throughout the course so as to enhance the students’ interests. The lecturers present to the class on the various topics and encourage students to participated through the above activities

In Human Resources, the lecturer presents to the class but also requests that the students do a number of presentations on the relevant sections. There are a variety of activities that are done in the classroom, these include but are not limited to the following:

- Role playing
- Interviewing and selection processes
- Creating adverts
- Lectures and tests
- Group and individual assignments
- Case studies
- Guest lectures
- Presentations

From the Accounting and Finance perspectives, there is a great amount of theory which also has a practical aspect to it. The lecturer presents to the class on the theory and the students are then required to do various exercises which utilises the theory that they have learnt. The course consists of lectures, tests and assignments.

Operations Management requires students to attend lectures, engage with the content by being encouraged to have discussions during lectures. The course is fairly flexible in terms of test and presentation dates. Lectures for Operations Management will have a discussion on the topic assigned for that day. The lecturer will present to the class and students are also required to do some presentations either on their own or in pairs.

Marketing lectures are made up of the lecturer presenting to the class as well as spot tests and case studies. Students are encouraged to think critically and are exposed to real life problems experienced in a local business through examples used by lecturers during class. This was done to engage the students and to keep their interest in the subject which hopefully leads to improved and increased learning. One lecturer has found the course to be a little “bitty” as it is difficult to get through all the work in such a limited amount of time.

5.3.4 The Alpha Project

Students were required to divide up into groups of four or five and to start and run a micro-business for the duration of the course. Students needed to present their businesses plans regarding their chosen business idea to a panel of judges who then decided if a loan of R5000 would be granted. This loan assisted with starting up and running of the micro-business. The loan, with 10% interest, needed to be paid back to the Management Department before the end of the academic year by the specified date. The Alpha Project groups were also required to meet with the course coordinator on a regular basis throughout the academic year. These meetings took place to ensure that there was increased action learning and also for continuous assessment purposes.

5.3.5 Level of assessment

As mentioned above, the types of assessments in each subject, varied from class tests, individual assignments, group assignments, presentations and examinations. A few of the lecturers however, were concerned with the level at which the students should be assessed. These students have never done management before yet they are at a postgraduate level. The subjects are pitched at first and second year level and one lecturer argued that they should perhaps be at a higher level than it currently is. This same lecturer felt that the students are spoon-fed and don't engage at a high enough level.

5.3.6 The role of staff

The role of the lectures is very important. Lecturers take on the role of a facilitator; they give the students direction. They are available for support and for students to consult with if they are experiencing any problems. One lecturer described the role of a lecture as a

“Facilitator to introduce the students to my subject(s).”

There needs to be a transfer of knowledge and experience from the lecturers to the students. Communication is also very important. Lecturers need to be able to present to the class, and there needs to be an active learning environment. The theory taught in the lectures must be relevant to the students so that they are able to apply it to their business in the Alpha Project, thereby learning by doing.

5.3.7 The role of the course coordinator

One lecturer felt that the course coordinator needs to make sure that he has a very close eye on the running of the course to ensure that everything runs smoothly. The course coordinator is responsible for all the administration work such as the team building week at the start of the year, the portfolios, timetabling, and selection of students to the course, peer evaluations, dealing with absences and handling the Alpha Project groups, just to name a few of the duties. These are important as it gives the students direction throughout the year. The team building week is held in Knysna and is an important start for the course as students get to

know one another before forming groups for the Alpha Project. There are also talks from entrepreneurs in the Knysna area who help to set the tone for what the students will be doing in their Alpha Project. One past student agreed that this was a very useful week as they felt motivated and excited about starting up a business. They also felt that there needed to be an increase in the number of talks throughout the year. These talks are presented by individuals who have started their own businesses. The talks explained to the students how these individuals started their own business, problems they had encountered, offered tips for starting and business and at the end there was time for students to ask questions about the business.

The portfolio of evaluations allow for students to give their feedback to the course coordinator about the running of the course, the subjects, guest speakers, excursions and any other comments on how to improve the course. Students hand this portfolio in at the end of each term on or before the given due dates. This is not for any marks; however they must be submitted in order to fulfil the duly performed requirements which will allow the students to write the examinations (see appendix 6).

One of the lecturers has suggested that the course coordinator needs to keep the groups focussed and to take on a monitoring role. Another lecturer described the course coordinator as being the “king pin” of the course. The course coordinator also needs to have reasonable business experience and not be risk averse. The students need to be pushed by the course coordinator to become more confident. Ultimately, the course coordinator is seen as a facilitator between the students and the lecturers. He runs the course which requires him to organise events and subjects as well as running the Alpha Project.

5.3.8 Labour intensive

A common theme amongst a number of the staff members was that the course is very labour intensive. One staff member mentioned that the Management Department is not 100% committed to the course for two reasons. Firstly, there is an influx of other students doing management courses that take up a great amount of time. A second reason, according to this same lecturer, is because there is zero research output. Another lecturer felt that there was too

much teaching time that was taking place in the course and that there are too many lectures and assessments that take place for each subject.

It has also been noted that the course coordinator is overloaded. One lecturer indicated that they felt there is too much spoon-feeding within the course which creates too much work for the course coordinator as he is also running the Alpha Project which is very labour intensive. The course coordinator is currently trying to find ways to decrease the amount of work that the lecturers have to do. Some of the suggestions made for decreasing the amount of work were as follows; firstly, the Alpha Project could be run by a small board that is set up to coordinate it. Secondly, the lecturers who are involved with the course could give advice that's relevant to their subject. One lecturer felt that the PDEM course should be moved to the business school as the Management Department is not equipped to deal with small businesses as the lecturers aren't specialised in certain topics.

5.4 PROCESS EVALUATION

5.4.1 Changes in attitudes

The students feel that they have learnt a great amount of knowledge throughout the year which has changed their attitudes towards starting up their own businesses. There were a number of comments as seen below, regarding this change in their attitudes towards starting up a business.

“I think I’ve learnt a lot, not only in sort of how to run a business and how to sort of think about when you want to start a business, just in terms people skills.”

“I think I would be much more confident to try start my own business than I would have been without doing the course.”

“Besides from learning the basic skills, I guess the application of it through the business is definitely something you learn a lot better that way I find.”

“If the opportunity arises I also like, gained the perspective of looking for opportunities, I suppose I would never have done that before and having the skills to actually go ahead with it and see where it takes you.”

Some students appear to find it overwhelming, however over all; the course appears to add value to the learning process. From the course coordinators perspective, the students gain skills and knowledge to run a business but the concern is whether the students will go and start up their own businesses once completing the course. The course coordinator would like students to use those skills and knowledge once they have completed the course to go start their own business.

The overall attitude to the course was that the students enjoyed the course immensely. Students mentioned that they had learnt a great deal during the year and one student went as far as to say,

“Without sounding arrogant, I feel like I am a step ahead of those who have just finished a BCom.”

Another student felt that it was great to meet people from different academic backgrounds as it added variety to their class. They also enjoyed the practical side of the course. Students appear to have felt that it was great to be able to implement the skills and knowledge that they had learnt, into a real business.

5.4.2 Successful aspects of the course

Past students put forward some positive feedback regarding the course. Firstly, they felt that the exemption initiative was a great incentive for students. The reason for this was that if students worked hard in their subjects and achieved above 75%, they would be exempt from writing the exam for that subject. Students could be exempt from a maximum of two exams

per semester if their marks for two subjects were 75% or above. Secondly, they found that the lecturers were interactive and the smaller class sizes were very beneficial for students to gain more knowledge. Thirdly, the team projects and the Alpha Project helped to emphasise the information gained during each of the courses. Fourthly, the amount of subjects covered during the year gave the students a greater base of knowledge for running a business.

Fifthly, the week in Knysna for the team building was said to be beneficial as it exposed them to the different entrepreneurs in the area. Sixthly, they felt that the feedback on the Alpha Project was useful as it gave them a better idea of what they could do to try improving their business and also putting forward a different way of thinking about or approaching various problems. Lastly, a couple of the students found that by having a general understanding of how business operates, they were better able to settle into their current work environments more comfortably and confidently.

5.4.3 Curriculum reforms

The lecturers have put forward a number of areas which are either are going to be changed within the curricular or are changes they would suggest. Lecturers attempt to have, where possible, an action learning approach during their lectures. In other words they attempt to encourage more discussions and interaction with the students during the lecture instead of just lecturing the students on each topic. There are a few areas of the course which were duplicated in a couple of the subjects however, these have now been rectified. There is a constant curricular reform every year to improve the quality of the course and remove unnecessary information.

One lecturer, who has been part of the PDEM course for a number of years, felt that the course had improved dramatically. It used to be the “biggest waste of time on this campus and it was the easy soft option for people who didn't want to leave Rhodes for whatever reason.” This same lecturer felt that it is now much more rigorous and tough. It takes on an action learning approach which the course never did in the past. The numbers in the class have become more restricted and the quality of students coming through the course, are of a better quality.

Changes to the curriculum include there being fewer presentations, accounting and turbo cash will be integrated together, the assessments of some of the subjects will be handled differently and in some cases the subject design will be looked at. One lecturer mentioned that they would try to engage with the students differently so that they are better able to understand the subject. Another lecturer mentioned that the Alpha Project needs to be tightly controlled in that it needs to be a life-long story and tangible proof of the work the students have done.

With regards to the guest lecturers, one lecturer indicated that it was very difficult to get business owners to come to Grahamstown to lecture the students about their experiences. This lecturer felt that the experiences from individuals who had started up their own businesses are the ideal candidates to talk to the students as they could describe the ups and downs they have experienced while running a business. One lecturer felt that some guest speakers may feel that “they are not sure if they are able to speak on their business experience to address a particular topic in a manner that the students will benefit.” The main problem with getting guest speakers is arranging the logistics in terms of how they will get to Grahamstown and who will pay for their expenses while they are staying in Grahamstown. Therefore, the Management Department needs to find a way in which to make having guest speakers more feasible.

5.4.4 Alpha Project Group organisation

At the beginning of the year students are divided up into the Alpha Project groups. One of the focus groups found the Alpha Project group division process was not very well done by the Management Department. They felt that the department could have given the students better support during this process. There were a number of problems that they highlighted. The first is that the students were organised according to racial and gender lines which created tension within the entire selection process.

“Well a lot of us have an issue with how we had to divide our groups along racial lines. We had to divide our groups along gender lines and that’s the way it had to be done. They are really categorising how we have to divide and I think they need to take a harder hand in this.”

Secondly, there were logistical problems that were not addressed during this selection process which resulted in this particular group struggling to get their products to campus and back to their storage point as none of the members in the group had a car.

“Our group didn’t have anyone with a car in it. Which would have been helpful and they didn’t think of who in the class has a car and we could have all been in separate groups. You know it’s things like that that they could have put more effort into how we were divided up into groups and how we sort of came to the final business idea.”

The third factor was that students in this particular group wanted to do different businesses but were forced to merge into one group. One student felt that a group idea that he did not want to do was “lumped” in with their idea by the course coordinator. The group members were then expected to work together to make their business successful. The initial ideas a few of the group members wanted to do soon fell away and they were then left with a business that they did not feel motivated to make a success of.

“And they were like everyone pick a group quickly and it sort of took five minutes and everyone randomly called out what the group they wanted to be in and then we actually found out that ah this is our group and we’ve got quiz night, soup and ice cream and we were like we can’t actually do both and the quiz night fell away and half of us joined to do the quiz night and the other half for ice cream. And so there were many problems that were because the whole year basically, because half of us weren’t really motivated, we were doing things we didn’t want to do.”

The final problem was that the students struggled to become part of a group of people that they did not know and they felt that they needed more time to get to know their classmates before being put in groups. Although they spent a week in Knysna doing team building, this particular group felt that they needed more time to get to know each other.

5.4.5 The Alpha Project and course subjects

According to the PDEM Course hand-out, the Alpha Project is broken down into three parts. The first is the business plan which is formally written and submitted and then presented to a panel of judges. The second part is the operation of the Alpha Project. The overall business performance is looked at, the students are required to attend meetings with the advisor, financial reports must be submitted and the peer evaluations completed. The third part of the Alpha Project is the report produced by each of the groups and submitted to the course coordinator (see appendix 6).

During the Alpha Project, the learning is significant as the students are able to learn from their mistakes and experiences as they run their own businesses. Students are also exposed to a computer component of accounting called Turbo Cash. This is an open source program which is beneficial for students who open up their own businesses after the course as they will have easy access to it. Students use this program for the running of their finances during the Alpha Project. Students are required to complete all their finances on Turbo Cash which is then presented to the course coordinator.

Majority of students had very positive feedback about the Alpha Project. Students felt that it made them aware of the factors they need to consider when starting up their own businesses. They had also become more aware of how the business world works and have gained valuable experience with having started their own businesses. A few of the students indicated that they now felt confident to go out and start their own business and that they had the skills to run it effectively. One student said that he felt that they were now more aware of how to spot an opportunity and to put the opportunity into action. Students found the course to be stimulating and now understood which steps need to take place in order to start their own business. One student felt that he wanted to start his own business soon after the course as he felt there was less risk than when one was older and possibly in the position of supporting a family. He felt that this was the purpose of the course, that students should try starting a business as soon as possible.

Another student argued with above remarks with regards to starting a company as soon as you have graduated. The reason for this was that many students want the security of money coming in straight away and are therefore more risk adverse. This same student felt that they could develop their skills more practically by working for a small business first before starting their own business. There was also the idea of starting ones business while working in order to get it profitable before relying on it solely for income.

An important lesson that students have learnt doing this course was how to work with other people. One student felt that they had improved their people skills and were better able to handle different types of people. Another student felt that it was a great amount of effort to work with other people and that there were many dangers of working with people.

“I think I’ve learnt that working with people is a lot of effort and really sometimes you just don’t want to do it.”

This same student also found that their group work was highly stressful as they were not conflict specialists. Therefore, he found that it could be difficult to be in a group working on assignments and the Alpha Project.

The past students found that they were better able to work with different types of people by being part of the Alpha Project. The students felt that they had improved greatly on their people skills due to them having to work with fellow class mates in trying to achieve common goals. One student felt that he had learnt to share ideas with people in the group but was also able to listen to what the other members had to say. This same past student felt that their conflict management skills had improved because of all the group work they were required to do as part of the Alpha group work. This in turn led to better communication which was positive for their groups’ progress.

The areas they found to be most beneficial was the Alpha Project in that they could put the theory into practice. This student felt they now understood the shortfalls of just having done theory without the practical aspect but also had learnt the risks of moving away from the traditional learning, so for example, not being able to gain in-depth knowledge on each subject, which would be useful for starting a new business. One student found the subjects to be more beneficial to him as there was less group work done and the subjects were better organised than the Alpha Project. Another student found HRM most beneficial as his current job utilised various principals gained through the course. This same student felt that the Operations course was useful but needed a lecturer more suited to the PDEM course. All the students agreed that each of the subjects were relevant to the course and to running a business.

Students felt that the Alpha Project was a huge learning experience. As the year progressed, the students were better able to apply the skills and knowledge that they had learnt in each of their subjects, to their businesses. A current student felt the following;

“I think the most important part is, for me, actually learning how to choose a viable business venture.”

Students learn the basic foundations of good communication and learn to take risks in order to run their businesses.

A concern that one student had was with Turbo Cash being done with the Accounting course. He felt that Turbo Cash was full of “bugs” and was unreliable. In other words it did not run as smoothly as the students would have liked and they encountered a number of problems. Some students struggled with the Accounting course and felt that it needed to be more extensive, one student even suggesting that perhaps it would be better if they did an accredited book keeping course so that they are better able to grasp the concepts. One student felt that the course needed a text book that explained the Accounting concepts better as the prescribed book they received was only an exercise book. Another student felt that the subjects that

stood out the most in terms of importance were Accounting, Finance and Law. The Marketing management was said to be very valuable as it assisted students with finding ways to increase their sales and thus attempting to make a success of their businesses.

The current students had the following to say about their subjects. There were a few issues that were found, including not having a proper textbook for their accountancy lectures.

“Strategy and Marketing both had a very corporate focus which wasn’t relevant for what we are doing especially for the business we were doing.”

“The theoretical side of marketing I don’t see the applicability of it half the time, I mean I know why they lumped it with strategy and making it strategic marketing, because the strategy course has more to it than the marketing. Even though we didn’t use strategy that much because in a short term project you can’t have time to develop something like that.”

“I think all of the subjects we did are pretty important for running a business.”

“I also struggled with (the) accounting course when we did that module. I think the main reason being that the textbook that we use is a textbook full of exercises, there’s nothing, no answers that explain.”

5.4.6 Support networks

The students found the Management Department to be very approachable. However, the students did find that on some occasions there was bad communication between the lecturers which resulted in confusion amongst the students. They found the course and the course coordinator to be very flexible. The course coordinator, they mentioned, was always very supportive and had their best interests at heart. One of the students however, did mention that he found the Alpha Project group meetings with the course coordinator to be a bit “flowery.”

He felt that the constructive criticism was not as in depth as they would have liked and that he was very systematic with his praise.

“He was like these are the good things you have done and then he would move onto the bad things we had done and I was like that's exactly what you taught us. He was using theory on us.”

In terms of other support systems, one focus group mentioned that his family had given him the most support during the year as they had helped their group with their logistical problems. Another student mentioned that their friends and classmates had given them great support while they ran their business.

5.4.7 Student recommendations

There are a number of recommendations that would improve the quality of the course. Firstly, one student felt that the department should take care when hiring a lecturer to lecture a subject in the PDEM course as some lecturers may not be suitable for the course. One student mentioned that they enjoyed having an international lecturer but felt that it would be better to have all local lecturers, so that for example, their marks were more easily accessible. Secondly, the course coordinator needs to be well informed at all times about the progress of the course and perhaps even a new course coordinator who would be more suited to the position, should be hired. Thirdly, a better peer evaluation system needs to be implemented to ensure that sound feedback is reaching the course coordinator. Fourthly, during the formation of the Alpha groups at the start of the course, students should not be placed into certain groups based on race or gender. The students in each group must have a genuine interest in the product or service that their business will be doing. The department needs to find a group division process that is more suitable so not to frustrate the students. Fifthly, to try and encourage students to come up with more innovative business ideas which are feasible and manageable for them and the department. This will make the course more exciting and may increase the students' motivation to make a greater success of their businesses.

The sixth recommendation is that students spend either one or two weeks working in an entrepreneurial firm so that they are better able to gain insight into how to run a business. A separate idea would be to have the students consult with an entrepreneur to obtain advice on whether or not their business plan is feasible before they go ahead with the business idea. A seventh recommendation was that there should not be any rewrites available on the tests written in class. The reason for this is that it's to the detriment of those students who have worked hard if other students who do not work hard have this option. There needs to be a stricter student selection process. This would ensure that the course is taken more seriously, is recognised as a difficult course to pass and to ensure that those entering the course are passionate about it and willing to work hard.

The eighth recommendation was to either start the businesses earlier in the year or to have a crash course in each of the subjects so to ensure that the students can consider all aspects of running a business even if they only do some of the subjects more thoroughly towards the end of the year. Some students found that they struggled to run their businesses initially as they didn't have any background in some areas and one group mentioned that they had to "make up a lot of the courses that were done later in the year." This would also assist the students by providing them more time to set up and run their own businesses and therefore greater chance of making a better profit. There needs to be an extended amount of time so to ensure that the optimal amount of profit can be made as some products with a high turnover may have a lower profit margin or a low turnover rate with a higher profit margin.

The ninth recommendation would be to make the accounting program Turbo Cash examinable. The reason for this would be so that all the students in each of the groups have a better understanding of the program. In the past students' group, he felt that the person in charge of running the groups finances was put under a lot of strain with having to do it all on their own. He felt that the rest of the group left the course with no understanding of how the Turbo Cash course worked which defeated the point of learning the program in the first place. The final recommendation was to change the course into a two year course so that students can do the theory in the first year and run their businesses in the second year.

“A year to two years would completely dedicate one year to like the theory side and one year to the practical.”

5.5 SUMMARY

The course exposes students to a variety of aspects regarding business and the factors affecting running a business. Overall, the past students enjoyed the PDEM course. They felt that it provided them with a general understanding of business which is relevant to either their current jobs or for the businesses they would like to start up. They felt that the course was great as it was practical and eye opening. They found that it was highly motivating for those who wish to start their own business as they now had the skills and knowledge to do it effectively and efficiently.

CHAPTER 6

DISCUSSION

6.1 OVERVIEW

Henry *et al.*, (2005b) feels that there has been an increased awareness and emphasis placed on entrepreneurial programmes. As indicated in the Global Entrepreneurship Monitor, South Africa has a very low small business growth rate (Bosma *et al.*, 2010). This can therefore be improved through entrepreneurship education, specifically at a tertiary level. Entrepreneurship courses assist in improving the quality and quantity of future entrepreneurs (De Faoite *et al.*, 2003). This chapter aims to compare the research findings to the review of literature. The focuses of this chapter are an action learning approach, creating an entrepreneurial environment, teaching entrepreneurship, design and implementation, outcomes of entrepreneurship courses, recommendations for the PDEM course and finally suggestions for further research.

6.2 ACTION LEARNING APPROACH

Rhodes University in Grahamstown offers the PDEM. The PDEM is a one year course that is not a mainstream postgraduate course as it focuses on an action-learning approach. It is also completely separate from the mainstream courses within the Department of Management as its focus is on students who do not have a commerce background but require a diploma that can give them a broad understanding of how to run a mirco-business.

As indicated in the research findings chapter, the PDEM philosophy is primarily concerned with learning by doing. The two main objectives of the PDEM are to firstly, attempt to equip students with ability to start their own business and secondly, to enhance their knowledge and skills with regards to running a business. Henry *et al.*, (2005a) agree with this approach as they feel that action learning is very important for entrepreneurship courses. This action learning approach will be explored in greater detail within the Alpha Project section.

6.3 CREATING AN ENTREPRENEURSHIP ENVIRONMENT

It is important to develop and research as to whether or not an entrepreneurial environment is being developed during an entrepreneurship programme (Solomon, 2007). The PDEM focuses on four areas which assist in developing an entrepreneurial environment. Firstly, the course attempts to encourage students to start thinking realistically about starting their own business. This is done through the Alpha Project which encourages students to think about possible business ideas, find a feasible idea and to exploit the chosen idea by starting up a mirco-business. Secondly, it attempts to expose students to the way in which businesses operate. Thirdly, it exposes students to a variety of management subjects such as accountancy and marketing which they are then able to apply to their Alpha Project businesses. Lastly, the course needs to do research on whether they are achieving the objectives of developing an entrepreneurial culture. This is done by receiving feedback from the students through peer evaluations, portfolio's and the Alpha Project. This feedback will allow the department to see if they are creating an entrepreneurship environment. If they are not, the feedback received will enable them to make the appropriate changes.

Luthje and Frank (2002) feel that the selection of students and staff needs to be done strictly and carefully. The department needs to ensure that there is a strict selection of students so to ensure that the correct „type“ of students are admitted into the course, for example, students who have a propensity to be high risk takers. Perhaps students could complete a survey or questionnaire which would indicate whether they would be suitable towards the course. With regards to the selection of staff, they need to be role models for the students. This was indicated by one of the past students who felt that it is important to have lecturers who were more suitable to this type of course. Raichaudhuri, (2005) agrees with this notion as he feels that in order to have a course that delivers value to the students, the selection process of staff and students is very important. Stevenson (2000) feels that lecturers are not just cheerleaders in a course such as this (Stevenson, 2000 cited in Kuratko, 2004). They need to be able to engage with the students so that the lectures become an interactive environment.

There needs to be a transfer of entrepreneurial knowledge from lecturers to students, therefore, lecturers should have the relevant experience to lecture this type of action learning

course (Luthje and Frank, 2002). One of the past students indicated that there were some of the lecturers who were not suitable to lecture in a course such as the PDEM. This same student felt that the department was disorganised which perhaps correlates with the PDEM lecturer who felt that the department was not 100% committed to the course. Another past student felt that the course coordinator lacked the confidence, experience and passion for the course which affected the quality of the course.

6.4 TEACHING ENTREPRENEURSHIP

Fayolle *et al.*, (2006) believes that a programme should develop students about, for and through entrepreneurship. Students are exposed to the three areas of entrepreneurship education during the PDEM course, namely about, for and through entrepreneurship. Students are exposed to the importance of entrepreneurship in terms of the changes it can bring about. Finally, the teaching styles that the lecturers have adopted help to encourage students to think more entrepreneurially.

Hynes and Richardson (2007) put forward four initiatives that can, to some degree, be observed during the PDEM course. These initiatives help to ensure that the students are able to learn a great deal regarding running a business through business consulting, listening to what experts have to say, having role model presentations and technology transfer. Business consulting was not relevant to this study.

The second initiative is listening to what the experts say. Students are required to present their business plan to the course coordinator before they will be granted a loan to start a business. This allows students to get the appropriate feedback regarding the running of their businesses. Students are also required to do numerous journal readings to gain a better understanding of each of their subjects. For example, in Strategic Management, students are handed a booklet with readings which they are required to read and do presentations on. Students also have prescribed text books. Current and past students felt that it was great to learn how to create a business plan as they viewed this as being an important skill. In terms of

the text books, the current students felt that there should be a better book prescribed for the course as the current book was simply an exercise book which did not have any explanations.

The third initiative is having role model presentations. Throughout the year students are required to attend presentations done by entrepreneurs. On their team building week away in Knysna students are exposed to a variety of entrepreneurs who give students insight into how they run their own businesses, what problems they have experienced and how they have overcome these problems. Past students found these presentations by the different entrepreneurs in Knysna to be very valuable as they would talk about the problems and successes of their businesses. The final initiative is technology transfer. Students are taught how to operate a computer program called Turbo Cash. This program will allow students to be able to record their finances while running their businesses. Due to it being an open source program, students are able to use it even after they have completed the course and have started up their own businesses. The current students find this program to be full of “bugs” and therefore did not run smoothly. This was a problem as they found it could be a challenge to do their financial statements as this program was unreliable.

As indicated in the review of literature, there are a couple of models that can be used for developing an entrepreneurship course. Firstly there are the educational models, behaviourist and constructivist (Krueger, 2007). These both apply to the PDEM course as the course is both teacher-centred and learning centred. These models balance the PDEM course in terms of the Alpha Project and the subjects taken during the year. Entrepreneurial self-efficacy has also been achieved as students have more positive intentions to start their own businesses (Zhao *et al.*, 2005).

6.4.1 Alpha Project

Students are required to look for a business opportunity for the Alpha Project and exploit it to the best of their ability within the academic year. Shane and Venkataraman (2000), outline a number of factors that will effect a student’s decision to exploit an opportunity. The first is that students need to decide whether the opportunity is feasible to pursue. This is done at the

beginning of the course when the students are placed into groups and a number of ideas are discussed during class. The second factor was individual differences. All business ideas are scrutinized before each group pursues one. Each group will look at the pros and cons of each idea to decide whether it has the potential to succeed. In past studies it was found that students who have high levels of self-efficacy tend to be able to exploit the opportunities more successfully (Shane and Venkataraman, 2000).

For the duration of an entrepreneurship course, students must feel that they have support which will enable them to be successful in their businesses (Hegarty, 2006). In terms of the design and implementation of the meetings with the course coordinator, students felt that although the course coordinator is very supportive, they did find the meetings to be on a superficial level. They felt that the feedback from the course coordinator was not as in depth as they would have liked and that the praise for work done was done in a very systematic way. In other words, the course coordinator followed a set routine when it came to praising each of the groups. One student felt that the course coordinator was using the theory they had learnt in Human Resource Management and repeating it back to them in the meetings. This led to one student labelling the meetings as being a bit “flowery” and therefore appearing to be insincere.

Entrepreneurship courses need to be careful that they don’t teach students to become good employees instead of successful business owners (Kirby, 2004). The Alpha Project is therefore a critical part of the PDEM course as it allows the students to utilise the formal learning they have received in class and transform it into active learning while they run their businesses. Although these businesses are very small, the students do get to experience some of the problems while running a business such as trying to get rid of stock and dealing with difficult suppliers. It gives the students an idea of what processes they need to go through in order to start up a business and to run the business properly. However, as one student pointed out, they did not have to rely on the money they received from their business to live on and therefore there was not as great a risk to forming a business. This could be a potential downfall of the course as this is the area that students consider to be the highest learning area due to the action learning taking place.

Past students felt that they had learnt a great deal on how to start up a business, run the business more efficiently and finally close the business down. With mistakes made during the course of running their businesses, these past students felt that now knew which areas were the most important for running a business. This included Accounting for Small Business and Financial Management. Past students felt that they now had the confidence to start a business once the course was complete. The current students felt that the Alpha Project was a very important part of the PDEM course. One current student mentioned that they did not know anything about running a business but now they feel they have a solid grounding on how to go about starting a business.

6.4.2 Entrepreneurial learning

Rae (1999) identified three sources of entrepreneurial learning, these being active, social and formal learning (Rae, 1999 cited in Edwards and Muir 2005). During the course, there is a great amount of active learning which is touched on at the beginning of this chapter. Students learn through starting up their own businesses and running them for the duration on the course for the Alpha Project. They also take part in interactive classes, for example in Human Resource Management; they are required to do a number of role plays, interviews and presentations. Therefore, the students are able to utilise the skills they have learnt through formal learning and practising the skills through a variety of activities. In terms of social learning, students are placed in small groups that they remain in for the duration of the year. There were issues regarding how the separation of students into the groups was done in terms of the criteria for forming the groups. In these groups, they will run their Alpha Project together and work on class assignments together that require group work. Students are then able to learn through the social interactions they have with their peers. Other social learning that can take place will be through potential clients and potential suppliers. Students are able to learn how to behave in different business environments.

There is also a great amount of formal learning that occurs during the course. Students are given a number of readings to do for most of their subjects. An example is in operations management which creates the basis for this formal learning to occur. They are also required to attend all lectures where they are exposed to the theory that the lecturer has prepared.

Guest speakers encompass all three sources of learning. Students learn from the guest speaker's experiences. They are also able to interact with the guest speaker on a social level and the learning therefore becomes active. The general consensus about the course, from the past students perspective, is that it is well rounded and the course allowed them to put theory into practice. Hood and Young's (1993) view on what creative knowledge is broken up into relates well to the PDEM course. These creative knowledge areas need to be included for an entrepreneurship course to be successful. These areas include course content, skills and behaviour. The students' formal learning is similar to the content in terms of the content that is taught to the students. The skills and behaviour areas relate to the active and social learning that occur during the PDEM course in that the students learn skills such as employee interviews which they are able to use in their businesses.

Henry *et al.*, (2005) believes that it's important to have guest speakers and business plans within the course so to ensure that it becomes a successful entrepreneurship course. As indicated in the research findings, a past student found that learning how to do a business plan was very important. Edwards and Muir (2005) believed that business plans are an important part of a programme after doing a study on the DEP programme at the University of Glamorgan Business School. Hood and Young (1993) agree with this as they believe that it is an important skill to have especially to be able to prepare and present it. They believe that it is a vital skill to have in order to become a successful entrepreneur. Gartner and Vesper (1994) believe that if a programme contains a section on how to draw up a business plan, it will be a successful entrepreneurship programme. One of the past students indicated that they were busy working on a business plan that they would like to implement within the next two years.

6.4.3 Entrepreneurship subjects

There are a number of studies which indicate what subjects are important for an entrepreneurial programme. Henry *et al.*, (2005a) felt that the following subjects were important to do; accounting, finance, marketing, management information systems and manufacturing. Hood and Young (1993) felt that finance, accounting, engineering and sales were important subjects that must be included in any entrepreneurship course. The PDEM

course offers Accounting for Small Business, Financial Management, Marketing Management, Operations Management, Entrepreneurial Law, Human Resource Management, Strategic Management and Entrepreneurship. As seen above, Finance and Accounting appear to be the most commonly chosen subjects. It's therefore an indication of how important these subjects are and that there is a need for them to be included in an entrepreneurship course.

Past students felt that due to these subjects, their presentation and numeracy skills had improved. They also had a better understanding of basic Accounting and were able to use the information learnt during class, in their Alpha Project businesses. Current students felt that they now had a better understanding of how to do their finances due to Accounting for Small Business and found Entrepreneurial Law to be very beneficial as it outlined the important considerations that need to be observed when running a business. Another current student found Operations Management to be very useful as they now had a better understanding of how the supply chain works and how it can be incorporated into their business.

Lectures aim to give students the "essential knowledge" of how to run a business. This is due to the course being a one year course. By only being educating the students with the "essential knowledge" knowledge, one lecturer felt that the course was "bitty." The level of assessment within each subject is a concern for a couple of the lecturers as they feel that it should be at a higher level than it is.

6.4.4 Developing entrepreneurial skills

There are a number of skills, as highlighted by Hood and Young's (1993) study that are viewed as being the most important in an entrepreneurial course. These were leadership, communication (oral), human relations, communication (written) and management skills. With regards to the skills that students will gain through doing the PDEM course, each of the areas are dealt with within each of the lecturer's courses. In the Alpha Project, the students had to develop a number of skills in order to run their businesses efficiently. A student would need to take control of the finances of their business and therefore they would be fulfilling a leadership role.

Within that leadership role the students would need to communicate orally to their group members about the financial position of the company and what financial changes would need to take place in order for the company to be successful. They would need to interact with a variety of individuals including bank clerks, suppliers, and customers. They would also be required to do written reports of the finances to the course coordinator so that he is able to follow their progress. This is a position that would require the student to have good management and leadership skills such as good time management skills in order for them to fulfil their duties properly.

From the student's perspective, there were a number of skills they found that they had gained or improved on. Firstly, some students felt that their people skills had improved which assisted them when dealing with suppliers and customers as well as dealing with their fellow group members. Secondly, they found that they now had the basic business skills to run a business more efficiently. Thirdly, one student found that their numeracy and presentation skills had improved dramatically. Lastly, that their understanding of accounting and how to draw up financial statements had been a great skill to have mastered. The students felt that the Alpha Project was a fantastic part of the course as it allowed them to use the formal learning they gained in class and apply it to a real business. After their study was complete, Hood and Young (1993) felt that oral communication and leadership skills are very rarely covered in higher education. Oral communication is emphasised strongly throughout the PDEM course through students doing presentations, role playing, practising interviews and meetings with the course coordinator. However the leadership skills could be developed further.

6.5 PDEM CHALLENGES

The design and implementation of any entrepreneurial course may be problematic (Henry *et al.*, 2005b). For example, there may be hidden costs that will come up during the year. Within the PDEM course the Management Department organises for guest speakers to come and give the students a talk about their own businesses. The problem comes in with the amount it will cost to get the guest lecturer to Grahamstown and to accommodate and feed them if need be. These would be extra expenses over and above what is allocated towards

readings and class trips. Another example of a design and implementation problem with the course is the process of separating the students into Alpha Project groups at the start of the year. Some students were not happy with the way in which groups were developed for the Alpha Project. They indicated that they were not happy with being divided into groups according to racial and gender groups. Some students found that they were put in groups at the start of the course that they had very little interest regarding the business idea. Therefore, the implementation of this process needs to be improved so that students are happier with the groups that they are allocated to and therefore have a greater amount of motivation to make a success of their business.

Entrepreneurship courses tend to be very time consuming and labour intensive for lecturers (Smith, *et al.*, 2006). This was echoed by a few of the lecturers of the PDEM course, one lecturer going as far as to say that the department was not 100% committed to the course. There is also a concern that there is no research output from the course, therefore this course does not benefit the Management Department in this regard. Lecturers find this course to be very labour intensive, which is problematic when they need to focus on the other management subjects that they lecture. Although the course coordinator is trying to reduce the amount of work that each of the lecturers put in, he is overloaded with the running of the course and the Alpha Project. There is the feeling that the PDEM course should rather be taught in the business school. One of the lecturers felt that this would be a better place for the course to be held as the lecturers are not all specialised in certain topics and therefore do not have the relevant business experience to be teaching parts of the course.

In terms of level of assessment, there is a concern that students have been assessed at a level that is lower than it should be. The reason for this concern is that the PDEM is a postgraduate course and therefore students should be assessed accordingly. This is a discussion that the lecturers have deliberated on because the students do not have an undergraduate degree in Management yet they are doing a postgraduate course in the Management Department. A compromise needs to be met in order for the students to be evaluated at an appropriate level.

A second challenge that Smith *et al.*, (2006) noticed was that the lecturers need to be flexible and adaptive to changes in the environment. They need to make the necessary improvements to the curriculum when the opportunity arises. This is a challenge that the PDEM lecturers appear to have succeeded in. If students are overwhelmed with tests on a particular day, the lecturer will move it to a time that is more suitable. Students felt that the course coordinator was very flexible and would always try to be available if they had a problem. In terms of curriculum changes, a lecturer who had been part of the course for a number of years felt that there had been a great amount of changes which had improved the course dramatically. The course coordinator and lecturers had each put forward ideas on how to improve their courses. For example, in operations management the lecturer intended to attempt to make the lectures more interactive to improve the students' interest.

6.6 OUTCOMES OF ENTREPRENEURSHIP COURSES

There are a number of outcomes from entrepreneurship courses that have been identified by Hegarty (2006). Firstly, the students must be encouraged to seek out opportunities. One of the students from the PDEM class felt that they had become more perceptive to opportunities that may be available. They felt that they now had the skills to act on the opportunity and to create and run a business from this opportunity. Students must also be able to create the opportunity-resource link. Students need to be able to use the resources available to them to start up and run a business. The PDEM students were exposed to a number of opportunities that they chose their businesses from. They then had to present a business plan to a panel of judges including the course coordinator. Students were then given a loan to start their businesses. They then had the choice to go to any of the lecturers when they needed some help.

Due to the Alpha Project being done in groups, students had to learn to work as a team. This however could be very challenging at times. One student felt that it was very difficult to work with people especially people that you are only getting to know during the course. Due to the group members not being conflict specialists, this student felt that there were many dangers with working with people that you do not know. Therefore, the objectives of the Knysna trip are not met as students feel they need more time to get to know their class mates better.

However, on the whole it appeared students enjoyed having the support of their group members even when there was conflict as it improved their communication skills. Students were also able to create effective support networks while running their own businesses, be it through their parents or the staff in the Management Department. Students found the Management Department to be very approachable, but at times there was a lack of communication between the lecturers which led to confusion amongst the students. There was also an international lecturer who the students enjoyed, however one student felt that a local lecturer would be more suitable as they would be more easily accessible during exam time. Building networks and having a strong team are said to be very important for a business to function efficiently.

One past student indicated that they would add an internship program to the course. This is in agreement with Honig (2004) who believes that this is important so to expose students to entrepreneurial companies. This would have the potential to teach students a number of skills and would add to the idea of action learning. Although students are exposed to entrepreneurs through a variety of talks, an internship would give the students a greater understanding of how each of these businesses function. As indicated in the review of literature, business failure should also be addressed during an entrepreneurial programme (Shepherd, 2004). The reason for this is that students need to be aware that there are cases where businesses fail and they need to understand the emotions that they may experience if their business were to fail. The course would then be able to teach the students different ways of coping with a failed business if it should occur. A guest lecturer who has had a failed business may be able to help the students understand how businesses can fail and how to deal with it and avoid it. However, it may be very difficult to find a guest lecturer who has had a failed business and would be willing to share their experience with the students (Shepherd, 2004).

Shane and Venkataraman (2000) believe that a successful programme will improve a student's self-efficacy to start up a company once the programme is completed. Students need to acquire a certain level of business knowledge in order to improve their self-efficacy to start their own business. Past students felt that they had gained a sufficient amount of business knowledge. They felt that they were better able to start up, run and close down a business. They had a better understanding as to how small businesses operate and which functional

areas are vital for a business to be successful. These areas include Finance, Marketing, Human Resource Management Operations and Law. These students felt that they now had higher confidence levels to go ahead and start their own business. Therefore, learning how to develop business plans and start up and run a business was a vital part of the course for this individual.

One student felt that they had now learnt to use their own initiative to start a business and that they now had a better understanding of the processes involved in starting and running a business. Students found the Alpha Project to be very useful in this regard. Traditional learning is theory based and students are not exposed to how to use this theory in a practical manner. However, by moving away from traditional learning, students may not get the same in-depth knowledge of each subject but the practical experience creates a new dimension to learning. Another student found the subject component of the course to be more beneficial to him as the subjects were better organised than the Alpha Project. Another student found Human Resource Management and Operations Management were the most beneficial subjects as his current job utilised various principals gained through these courses.

When developing an entrepreneurship course, it needs to be one of value (Raichaudhuri, 2005). There were a number of positive aspects in the feedback that the past student interviews uncovered which they felt added value to the course. Firstly, they felt that the exemption initiative was a great incentive as it motivated students to work hard and to have a greater understanding of each subject. The second aspect was that due to the class being small, the lectures were more interactive and students were able to gain a great amount of knowledge. The third aspect was that students were able to gain more knowledge and skills through doing the Alpha Project and other teamwork based projects. The fourth aspect was that students were satisfied with their knowledge base achieved once the course was completed. The reason for this was that their subjects covered during the course had now given them a better idea on how to run a business. The fifth aspect was concerned with the team building week in Knysna. Students felt that it was important to have as it exposed them to a number of entrepreneurs in the Knysna area who shared their knowledge about starting and running a business. The sixth aspect is concerned with the feedback received during the Alpha Project meetings. The students felt that the feedback was useful and it helped them to

think of different ways to deal with problems they had encountered during their Alpha Project. The final aspect was concerned with the knowledge and skills the students learnt during the course. Some students felt that by learning these skills and knowledge, they were better able to settle into their current jobs (Dominginhos and Carvalho, 2009).

The above indicates that the course has a variety of learning experiences that help to ensure students are better able to gain knowledge and skills. These skills include role playing, presentations, marketing and financial skills. This is in agreement with Zhao *et al.*, (2005) who believes that students need to be exposed to a variety of different learning experiences so that they have higher levels of entrepreneurial self-efficacy. Overall, the past students enjoyed the PDEM course. They felt that it provided them with a general understanding of business and it was great as it was practical and eye opening. They found that it was highly motivating for those who wish to start their own business as they now had the skills and knowledge to do it effectively and efficiently. In order to determine whether the course was indeed encouraging students to open their own businesses, a separate study would need to take place with a greater number of past students.

6.7 RECOMMENDATIONS

It is important to decide what recommendations need to be put forward to the Management Department in order to assist them in improving the quality of the course. The first recommendation would be to move the PDEM course to the Business School. The reason for this is that many entrepreneurship courses tend to be based in Business Schools for example the Post Graduate Diploma and MSc in Entrepreneurship Practice (DEP) course at the University of Glamorgan Business School (Edwards and Muir 2005). One lecturer agreed with this as he felt that it would be better suited there as they would be better equipped for a course such as this. (The course has subsequently been moved to the business school before this research paper was completed). The second recommendation is that there needs to be a stricter student selection process. This would ensure that the course is taken more seriously, is recognised as a difficult course to pass and to ensure that those entering the course are passionate about it and willing to work hard.

The third recommendation would be to give students more opportunity to network with business owners as this is a very important part of gaining exposure to the entrepreneurial business world. The course coordinator would need to be able to find businesses who would be interested in taking part. The last recommendation would be include an internship in the course. This would allow students to go out and experience what happens within the running of a small business. It would also give them a better idea on how things run and how to overcome problems. This may require that the course is extended to two years in duration to ensure that all course work can be completed. The course coordinator would need to find businesses that would be interested in having the students.

6.8 FURTHER RESEARCH

Future studies may include a summative evaluation focusing on the effectiveness of the PDEM course. In order to measure the effectiveness of the PDEM course, one would need to look at the past students. A separate study could compare the PDEM course at Rhodes University to other Entrepreneurship courses in South Africa. This would be a good indication of the standard of this course in comparison to other courses in South Africa. Another study that could be done would be to compare the effectiveness of the PDEM to the effectiveness of entrepreneurship courses globally. This would give the Course coordinator of the PDEM a better idea of how the courses differ from the PDEM and the amount of individuals who start their own businesses.

CHAPTER 7

CONCLUSION

Entrepreneurship is concerned with an individual who is creative and innovative in their dealings with business (Ma and Tan, 2006). Entrepreneurship is important as it contributes to the development of an economy (Fayolle *et al.*, 2006). It assists with wealth creation, job creation and connects a local economy to a global economy (Sobel, 2008). It is therefore important to try and promote an entrepreneurial culture within a country. A way in which this can be done is through entrepreneurship education, more specifically, entrepreneurship education in Higher Education Institutes (HEI) (Luthje and Franke, 2002).

It has been suggested that entrepreneurship education courses assist in improving the quality and quantity of entrepreneurs entering into self-employment. Studies have shown that entrepreneurship education at HEI assists students in their transition into self-employment or salaried work (Matlay and Carey, 2007). This is important, as in the past South African graduates have experienced difficulties with finding employment (Co and Mitchell, 2006). There are a number of factors and issues that need to be addressed when designing an entrepreneurship course (Henry *et al.*, 2005b). For example, the course coordinator needs to be aware of any hidden costs and also he needs to ensure that the course is designed in such a way that students develop entrepreneurship skills and creativity (Raichaudhuri, 2005).

An entrepreneurship course needs to be able to deliver something of value and a proper system needs to be implemented (Raichaudhuri, 2005). A proper system would include the type of students accepted into the course, teaching methods, the type of lecturers teaching and the research conducted (Raichaudhuri, 2005). The administration part of the course is very important as it affects how well the course is implemented. During the implementation of the course, students need to be exposed to a number of action-learning approaches such as interviews with entrepreneurs and creating business plans (Urbano *et al.*, 2008). Students need to feel confident about exploiting opportunities and starting up their own businesses (Shane and Venkataraman, 2000).

The PDEM is an entrepreneurship course that has been implemented at Rhodes University in Grahamstown. It has been running since 1996 and aims to provide students with the skills and knowledge to start up and run a successful business once graduating. This research report is concerned with evaluating the PDEM in terms of its design and implementation. The research is qualitative in nature and utilised an adapted version of the Context, Input, Process and Product (CIPP) model (Stufflebeam *et al.*, 2003). Data was collected through a variety of data collection techniques. The sample consisted of the PDEM coordinator, seven lecturers involved in the course, seven current students and five past students. One on one interviews were conducted with the course coordinator and the lecturers. The current students were divided up into two focus group interviews. The past students were chosen through purposeful sampling and contacted via e-mail to request their participation in the study. When possible a telephone interview was conducted on past students however in some instances if these students were unable to do a telephone interview, they were then required to answer the questions via e-mail. Data was analysed using a variety of data analysis techniques.

The Management Department at Rhodes University has two main objectives for the PDEM course. The first objective is to equip students to think realistically about starting their own businesses and secondly, to enhance the students' knowledge and skills regarding starting up and running a business. Students are exposed to a number of subjects namely, accounting, financial management, entrepreneurial law, marketing, human resource management, entrepreneurship, operations and strategic management. Each lecturer attempts to make their subject as practical and interactive as possible which is in line with the overall aim of the course. The PDEM does not attempt to make students specialists within each of the subjects; it merely aims to provide students with the relevant skills to start their own business.

The role of the lecturers and the course coordinator within the course is important as there needs to be a transfer of knowledge between them and the students. The course attempts to create an entrepreneurial environment through its subjects and the Alpha Project in which students are able to become more entrepreneurial. Students are exposed to a number of activities such as role playing and team work projects which attempt to enhance the students' skills and knowledge base with regards to starting up and running a business. Each subject is

designed in a way that they can be implemented effectively and are in line with the PDEM courses philosophy.

The implementation of the course as a whole has had a mixed response from both the lecturers and the students. There were a number of successful aspects of the course including the Alpha Project and the exemption initiative. However, there were a number of aspects that were not successful within the course. An observation made by a past student was that the Management Department was disorganised and at times there was a lack of communication between the course coordinator, lecturers and the students. Students, both past and current, were unhappy with the separation of students into the Alpha Project groups and felt that a different division technique needed to be implemented so that the process could be completed in a smoother and more peaceful manner. There has been a suggestion for more innovative and exciting ideas for the Alpha Projects so to keep the students motivated to make a success of their business. Students enjoyed having an international lecturer but felt that they would have benefitted more from a local lecturer in terms of the support they needed with regards to course work. Therefore, there should be more care taken when hiring lecturers for an entrepreneurship course as they need to be able to share relevant business experiences with students.

There also needs to be a better evaluation system for the students to complete with regards to the course. The course coordinator needs to implement a system that is suitable for the students when it comes to doing the end of term evaluations. Networking is also an important part of an entrepreneurship course. There is a suggestion of having work exposure at an entrepreneurial firm which will give students a better indication of how a business runs before they begin their Alpha Projects. Students will then be exposed to the different areas of how a business operates. There may however be a time constraint which may be resolved by making the PDEM a two year long course. Both lecturers and the course coordinator feel that the course is very labour intensive, therefore if the course was extended to two years; it would alleviate the time pressures placed on the Management Department. The level of assessment within the course is also a concern. The level of assessment needs to be revised as the students are postgraduates and therefore should be assessed accordingly.

It appears that those involved with the PDEM are aware of many of the issues outline above. This is evident from the responses made by the PDEM coordinator and lecturers. There are however some issues that the students have that have not been acknowledged by the course coordinator. This report, therefore, is attempting to bridge the gap between the department and the students' issues which in turn will improve the quality of the course. Both the design and implementation of the course needs to be looked at so that outcomes of the course are fulfilled.

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Appendix 1

Interview Schedule: Student focus groups interviews

- PDEM has a number of subjects as well as the Alpha Project, which area did you find most interesting and why?
- What have you personally gained from PDEM course this year?
- Describe the skills you feel you should have gained by the end of this year?
- How do you feel you can achieve or develop these skills?
- What role does the PDEM course play in developing these skills?
- Do you feel that PDEM is successful in developing these skills?
 - If yes, why
 - If no, why?
- What role to the academic staff have in developing these skills?
- Are the academic staff successful in developing these skills?
 - If yes, why?
 - If no, why?
- What was beneficial about the course?
- What was not beneficial about the course?
- What changes could be made to make the programme more beneficial for the students in helping them to develop these skills?
- Why would you change this?

Appendix 2

Interview Schedule: Course coordinator Interview

- Can you explain the aim of the PDEM Course?
- Why does the programme aim to do this?
- How does the programme achieve these aims?
 - What is the structure?
 - What is the process?
- Can you explain which area's were effective and why they was effective?
- Can you explain which area's were not effective and why they were not effective?
- What changes to the programme would you make next year and why?

Appendix 3

Interview Schedule: Staff Interviews

- Can you describe the skills that students doing the PDEM should develop by the end of the year?
- Can you describe what you do to develop these skills?
- Can you describe the subject/s you lecture?
- What skills are you trying to develop in your subject/s?
- How does your subject develop these skills?
- What skills were developed and why?
- What skills were not developed and why?
- If you were to make changes to your subject, what would they be and why?

Appendix 4

Interview Schedule: Past Students Interview

- What did you gain personally from completing the PDEM programme?
- Explain how the programme has helped you since graduating.
- Were your expectations of the programme met? Explain.
- How did the PDEM course develop you?
- PDEM has a number of subjects as well as the Alpha Project, which area did you find most beneficial and why?
- What worked in the programme?
- If you could make changes to the programme what would they be?
- Why would you make these changes?
- Is there anything else you would like to add?

Appendix 5

SUBJECT CONSENT FORM FOR PARTICIPATION IN HUMAN RESEARCH AT RHODES UNIVERSITY

An evaluation of the Postgraduate Diploma in Enterprise Management at Rhodes University.

Dear Participant

You are being asked to participate in a Masters Research project that is trying to establish if entrepreneurship education is being effectively enforced in terms of the design and implementation of the Postgraduate Diploma in Enterprise Management (PDEM) at Rhodes University. The feedback from this research will allow focus on areas that need to improve so to improve the quality of the course.

If you agree to participate, you will be required to partake in an individual interview or a focus group interview. This will take approximately twenty minutes to complete. The session will be recorded and at a later stage transcribed. You will be asked a series of questions which relate to the PDEM programme that need to be answered as honestly as possible. Your anonymity will be protected and all records of participation in the research project will be kept confidential. If attending the focus groups, you are required to keep the information passed during the session confidential. Your name will not be used in the research project and after the data has been used, the information will remain with the project supervisor, Trevor Amos.

Participation in this research project is voluntary and you may withdraw from the project at any stage. The results of this research will be available on completion from the Department of Management. Further information is available from the project supervisor, Trevor Amos and the Head of Department, Lynette Louw.

I have read the above and understand the requirements of this study. I,
_____ (*name of subject*), agree to participate in this research. I
understand that I may later refuse to participate, and that I may withdraw from the study at
any time.

Signed: _____

Witness: _____ (optional)

Investigator: _____

Date: _____

Appendix 6
2009 Course Handout

RHODES UNIVERSITY
DEPARTMENT OF MANAGEMENT

POSTGRADUATE DIPLOMA IN ENTERPRISE MANAGEMENT (PDEM)
2009 COURSE

Welcome to the Postgraduate Diploma in Enterprise Management programme. The Department of Management trusts that you will enjoy the course, which will be enhanced by your full participation in all its activities and by your cooperation with the other students in your group.

1. INTRODUCTION

The Postgraduate Diploma in Enterprise Management (PDEM) has been designed to achieve two outcomes:

- To equip students to think realistically in terms of starting their own businesses and thereby create their own employment and ultimately, employment for others;
- To enhance their knowledge and skills, so that they can more effectively seek employment in the corporate and government sectors

2. COURSE METHODOLOGY

During the course, the emphasis will be on Action Learning – “learning by doing” and “learning by experience.” In the PDEM course, the operating of a micro business

(Alpha Project) will be the primary, but not the only means by which action learning takes place. For the Alpha Project, students will be divided into groups of four or five and each group will be required to start up and run a micro-business for the duration of the academic year.

During Orientation Week (09-13 February), students will be taught how to write a Business Plan, of which the main purpose is to convince „investors“ of the feasibility and viability of the proposed business venture. During the course of Term 1, each group will be required to present their Business Plan to a panel of „investors“, who will judge its merits and determine whether a loan ought to be awarded based on the presentation of the business plan/idea. The Maximum value of the loan is R5000 and this must be used to establish and operate a micro enterprise during the course of 2009.

The financing for the Alpha Project loan will be made available as soon as the Business Plan has been approved. You should note, however, that if a business venture requires start up capital in excess of the financing provided by the Department of Management, that the difference ought to be raised by the group members themselves, either from their own funds or through a “personal” loan for the group to be negotiated with a financial institution. **All funds must be prepaid by the end of Term 4 together with interest (10%) to the Department, and where applicable, to the financial institution at their lending rate.**

In an attempt to decrease the possible risk of a Business Plan not being acceptable to the panel of „investors“, each group will be required to liaise with the course director and presenter of the business plan course to seek the necessary guidance. Each group will be required to meet on a regular basis with the course director/business advisor/mentor during the academic year. The dates for these meetings will be determined during Term1. These meetings with the course director/business advisor/mentor are very important for two reasons:

- They represent another opportunity for action learning;
- They will be used as a tool for continuous assessment purposes.

3. ENTREPRENEURSHIP EXCURSION

It is essential for would-be entrepreneurs to have first-hand experience of entrepreneurs-in-action. To this end you will be visiting Knysna during the week beginning 02 February 2009 where you will have an opportunity to interact with entrepreneurs. Students will be able to gain a deeper understanding of the agony and the ecstasy of being self-employed. There are certain aspects of entrepreneurship that cannot be taught in a classroom. You have to hear about them first-hand from entrepreneurs who have actually experienced the trials and tribulations of business. This represents another action learning opportunity

The other purpose of the excursion is to provide you with the opportunity to get to know your classmates. This is an opportunity to start identifying team members for the Alpha Project and to find members who share similar interests in business.

4. COURSE OUTLINE

Semester 1

- (a) Accounting for Small Businesses
- (b) Financial Management
- (c) Pastel Accounting (Practical course)
- (d) Marketing Management
- (e) Strategic Management

Semester 2

- (a) Entrepreneurship
- (b) Operations Management
- (c) Entrepreneurial Law
- (d) Human Resource Management

The Knysna Excursion runs from 02 February to 06 February 2009

The Business Plans course starts on 09 February and finishes on 13 February 2009

The Accounting for Small Business Course starts on 16 February 2009

Please note:

- The Department of Management reserves the right to vary the order in which the specified courses are taught and the terms in which they are taught.
- Students can be exempted from examinations if they meet certain requirements.

5. EXAMINATIONS, ASSIGNMENTS AND CLASS TESTS

Should a student be granted a leave of absence for a test, a make-up test will be scheduled either as an oral test or a written test. The format of the make-up test will be at the discretion of the individual lecturers.

For the 2009 academic year, a maximum of two supplementary exams will be permitted for the June exams and a maximum of two for the November exams. Also note that supplementary examinations are awarded at the **discretion** of the Commerce Faculty. In order to be considered by Faculty for a supplementary examination, a candidate must have obtained a mark between 45% and 49%.

You may be exempted from writing exams for a maximum of two papers in semester one and a maximum of one paper in semester two under certain circumstances (see 2009 calendar). Please note that the Entrepreneurial Law course does not qualify for exemption purposes due to the nature of the course.

<p>PLEASE NOTE THAT SUPPLEMENTARY EXAMINATIONS ARE NOT AWARDED AUTOMATICALLY SHOULD THE CANDIDATE ACHIEVE A MARK BETWEEN 45% AND 49%</p>

The following are the mark allocations for the PDEM:

Alpha Project

(a) Business Plan

Formal Written Business Plan	50
Presentation of Business Plan	25

(b) Alpha Project Operation

• Business performance	25
• Minutes of the group meetings	30
• Monthly financial reports	40
• Meetings with advisor	40
• Peer evaluations	90

(c) Final Report on Micro-Business 50

Total Marks for the Alpha Project: 350

Subjects (As indicated in Section 4)

All 8 papers are comprised of the following percentage breakdown:

(a) Classwork	40%
(b) Examination	<u>60%</u>
	<u>100%</u>

TOTAL MARK ALLOCATION FOR THE YEAR:

Alpha Project	350
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8 Examination Papers @ 100 each	800
TOTAL	1150

Please note:

To qualify for the Diploma, a student must have obtained at least 50% for the Alpha Project, at least 50% for at least seven of the eight papers, and an overall aggregate of at least 50% for the eight papers. In addition, a subminimum requirement of 45% applies to each paper.

6. COURSE DIRECTOR

The PDEM course Director for 2009 is Mr Mattheus Louw. Please consult him on all matters of concern to you relating to the course.

7. TEXTBOOKS

You should be prepared to spend a total of R2150 on course handouts and related expenses, as well as class excursions. This amount will be debited to your University account on resignation for the diploma. Course handouts will be provided for each section of the course.

Prescribed textbooks

Individual course lecturers will inform you whether a prescribed textbook is to be used for their section of the course.

8. DULY PERFORMED REQUIREMENTS

Only students who have duly performed the requirements of the Department of Management for the PDEM programme will be allowed to write the examinations:

To satisfy these requirements, a student must:

- Hand in all reports, assignments and practical's (whether groups or individual) on or before the due date.
- Write all class tests and obtain a sub-minimum of 40%. In the event of a student missing a test having a valid reason, a make-up test (either oral or written) will be set for that candidate(s).
- Attended ALL CLASSESS, except where a leave of absence has been granted. An attendance register will be signed at each class.
- All micro-enterprises must be wound up and final reports submitted by Friday (30 October 2009) the last day of lectures of term 4.
- All loans and interest on them have to be repaid in full by 30 October 2009.
- Submission of Portfolio of Evaluation on or before due dates.

Your attention is drawn to the requirement that attendance at all diploma activities, whether formal classes, group work, excursions, meetings or social gatherings, is compulsory. An application for leave of absence in the case of illness or compassionate leave, in accordance with University requirements, must be submitted to the Department, together with the necessary supporting documents.

9. DEPARTMENTAL NOTICE BOARD

In the passage opposite Room 333, there is a PDEM notice board. From time to time, lecturers may wish to communicate with you by placing notices on that board. The onus is on you to consult the notice board regularly to ensure that you are up to date.

In addition, lecturers may wish to communicate with the class as a whole, or with individual members, via e-mail and RUconnected. Thus, it is vitally important that you check your e-mails and RUconnected regularly.

10. COURSE EXPECTATIONS

It is important to recognise from the outset that the course is an intensive one. As is common with many postgraduate courses, the Department of Management expects you to be flexible and expects your attendance at any activity/session/visitor speaking scheduled during official academic teaching hours in the academic terms. Because the course is essentially interactive and group-based, your attendance at all sessions is mandatory – only absence because of illness or on compassionate grounds (see above) will be considered.

The Department of Management is delighted to have you with us. We hope that you will become an integral part of the Department as soon as possible and, above all, we hope that you will have FUN while you learn. One of the principles to which the Department tries to adhere is that of “continuous improvement.” To this end, we shall welcome your views on how the course is progressing.

11. STUDENT HANDBOOK

This provides detailed information concerning the Department of Management and its courses as well as guidelines for the preparation of assignments and case studies, with other relevant information. This handbook can be found at:

<http://www.ru.ac.za/management>

It is **ESSENTIAL TO READ** the handbook in conjunction with this document.