

A THEORETICAL REVIEW ON CRITICAL SUCCESS FACTORS (CSFS) OF ENTREPRENEURSHIP PROGRAMS IN COMMUNITY COLLEGE

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ABSTRACT

The focus of this study is to identify the cross sectional point of view by applying Critical Success Factors (CSFs) into entrepreneurship programs in Community colleges under the supervision of Ministry of Education (MOE). Entrepreneurship Program is regarded as a transformation effort in trying to create new entrepreneurs and indirectly reduce the unemployment rate. It is also regarded as a program that would enable students to compete locally and globally in an era where competition is inevitable. Critical Success Factors is widely used tool in business in to aid the organisation to identify the factors that constitutes to a success of a given project. The four elements of Critical Success Factors (CSFs); which was introduced by Rockart 1979 are Industry, Strategy, Environment and Temporal are engaged by organizations or projects in order to achieve the desired outcome. Hence this paper sets out to investigate the elements of CSFs and adapt the elements to the entrepreneurship programs conducted in the community college. Therefore this CSFs provides academic scholars and industry practitioners a deeper knowledge of CSFs and necessary guidelines to utilise the elements in the programs.

Keywords: Critical success factors (CSFs), Entrepreneurship program, Industry, Strategy, Environment, Temporal and community college.

Contribution/ Originality

This study originates new formula in improving Malaysian Community colleges' entrepreneurship programs to develop students who are innovative, creative and open-minded. Furthermore open door for future business or employment by producing graduate entrepreneurs with high competency and open students' minds about job opportunities in the fields of entrepreneurship in order to give preference to choose their field of employment paths.

1. INTRODUCTION

Critical Success Factors (thereafter refer as CSFs) are essential elements involved in the ubiquitous organization including entrepreneurship program to achieve the desired results. It is also to ensure success of a company or organization to achieve success by utilizing the elements. Among the elements are Industry, strategy, environment and temporal. However, implementation of the entrepreneurship program at community college is now less successful (Abu Bakar *et al.*, 2012; Mustapha, 2012; Nordin, 2012). These challenges become intensified by the global economic situation that is not stable at this moment. Therefore, it is important to focus on initiative to create entrepreneurs pay attention to the efforts to develop entrepreneurs (Husaini and Ahmad, 2008; Moksin, 2012).

Entrepreneurship often propagated by the leaders of all countries as it is considered as the transformation of the unemployment problem at this decade. According to Nordin (2012), Ministry of Higher education ministry should seek to improve outcomes formulation implementation entrepreneurship program that focuses not only from existing activities. Entrepreneurship education today should be taken seriously and is a key component in generating nation's, creative and innovative, particularly among community college students in conducting entrepreneurship programs (Omar Fauzee *et al.*, 2002; Dora *et al.*, 2008)(Department of Community Colleges, 2013). Subsequently, the study of CSFs among entrepreneurship is very significance in helping to improve creativity and innovations in programs such as entrepreneurship at the community colleges in Malaysia. This meets government's desire to produce a better community in progressive, creative, innovative and raise the standard of living nowadays. (Jaafar and Yusof, 2002; Everson and Millsap, 2005; Mutalib *et al.*, 2012).

CSFs are essential elements involved in any entrepreneurship-related activities. It ensures the success of an organization utilizing the elements. These elements are able to guide organisations or colleges in conducting programs to enhance their productivity or their success factor. Among the elements are industry, strategy, environment and temporal (Jaafar and Yusof, 2002; Abu Bakar *et al.*, 2012). The implementations of entrepreneurship programs at community colleges are now some-ward less successful due to the reason that they are unable to produce successful entrepreneurs among students. The students have the ability but lack the knowledge to engage in entrepreneurship. In addition, they also lack the confidence, lack creativity and not innovative to take up the challenges from local and global competition. These challenges become intensified by the global economic situation which is not stable at moment (Mustapha, 2012; Yusoff *et al.*, 2012)(Department of Community College of Higher Education, 2012).

2. CRITICAL SUCCESS FACTORS (CSFS)

CSFs has been used significantly to identify some of the main factors in organizations to focus on achieving organizational success. Definition of CSFs refers to a limited number of areas in which satisfactory results will ensure successful competitive performance for individuals,

departments and organizations (Rockart and Bullen, 1981). Identify CSFs is important because it allow organizations to focus on building their capacity to meet the CSF, or enable themselves to determine whether they have the ability to build necessary requirements to meet the factors.

CSFs have been introduced by John F. Rockart and MIT Sloan School of Management in 1979 as a way to help senior executives define their information requirements for the purposes of managing their organizations. CSFs detected for conceptual work on, "success factors," which was introduced by Ronald D. Daniel in 1961. Daniel also talked about the problems of information management is not sufficient to establish objectives, develop strategies, make decisions, and measure results against the goals of the organization (Howell, 2010). CSFs is used by the organization is to focus on several factors that help determine organizational success. CSFs can help organizations to understand key areas such as the use of resources and time management. Preferably, CSFs can be seen in terms of the impact on the organization to enable it to have a guide and indication of their achievements. CSFs is also an approach that should be pursued because it provides value in focus as a limited set of factors, which are considered to be the most important for an organization or individual (Camilleri, 2011).

Meanwhile, according to Howell (2010) CSFs is an important area of activity that must be done to achieve the mission, objectives or goals of an organization or project. CSFs can be used as a guideline to measure the success of organization or its project. It can also help individuals to do their own work in the right context in order to reach their goals. CSFs can be used at all levels of organizations such as management is improving the effectiveness in their workplace and how to cope with problems or competitions. CFSs can be used for strategic planning and implementation of a program or to manage a project, process, work or performance of the individual or employee. In other words, CSFs can also be used to improve the performance of work place and their work. As it, to identify CSFs is important because it enables organizations to focus their efforts on the organizational development and organization's ability to meet their CSFs, and allows organizations to determine whether they have the ability to build the necessary requirements to meet CSFs or not. (Caralli, 2004). Thus, this paper proceeded with discussion of four elements for CSFs; which was introduced by Rockart (1979) as Industry, Strategy, Temporal and Environment of entrepreneurship program in Malaysian community college.

2.1. Industry

The term industry was conceptualized by various researchers, after numerous discussions and interpretations. Early years of definitions provided by Rockart and Bullen (1981) described each industry has set CSFs which were then determined by the characteristics of the industries itself. Each organization in the industries needs to play their roles to respect and thus succeeded these factors (Shanks *et al.*, 2002; Caralli, 2004; Abu Bakar *et al.*, 2007; Amponsah, 2010). For example the increase of customers' retention to 95% or higher and telephone calls to be answered within three rings (Rockart and Bullen, 1981; Gates, 2010; Howell, 2010). The existence of

Malaysia Vision 2020 hankers as an industrial nation with a stable economy, united society. Furthermore it should be progressive and prosperous, dynamic, self-confident and high durability because of the need to give due attention to the industrial sector. This is in line with the country's efforts to achieve its goals and the business sector in order to produce a stable economy. Therefore, technical and vocational education system aims to meet the challenge of filling the needs of the country in the field of engineering as well as skills in line with national industrial development (Bernama, 2012). In his keynote for the 9th Malaysia Plan (9MP) Badawi (2006) stated; *"Quality of human capital development will be expanded; the approach should be holistic and emphasizing on the development of knowledge, skills, intellectual capital in science, technology and entrepreneurship. At the same time we need to develop a culture that is progressive, accompanied by ethical values and high morals"*.

2.2 Strategy

Rockart and Bullen (1981) define strategy as the nature of positioning oneself to gain achievement in organizations. Each organization within an industry has its individual challenges, determined by its history and current competitors. The organization's results from positioning itself in the industry determine various CSFs such as understanding the leader's strategies and their probable impacts (Shanks *et al.*, 2002; Caralli, 2004; Abu Bakar *et al.*, 2007; Amponsah, 2010). Likewise, the geographic positioning of organizations can also generate CSFs. For example improving process of performance by 10% in the next twelve months and providing the Six Sigma quality by year end (Rockart and Bullen, 1981; Gates, 2010; Howell, 2010).

Howell (2010) explains that one of the identified strategies for a plan is to use SWOT analysis refers to the strength of S (strengths), W refers to weaknesses, O refers to the opportunity and T refers to threats (Threats). In addition, the SWOT analysis is one of the strategic planning in an organization covered by the members in the team within the organization to identify quality, the quality and potential of an organization in order to achieve goals and objectives. In addition to using a SWOT analysis, an organization can also generate Key Performance Indicators (KPIs) to measure the objectives as well as to see the achievement of an organization

2.3 The Environment

Definition of environment is related to the environmental factors, of which an organization has little control of. The organization must accomplish its mission while riding the tides of environmental changes. Two obvious environmental sources of CSFs are the fluctuations of economy, technology advancement, and national politics. For example lower cost of capital by 3% and raise of interest rates by 10% by end of the year (Rockart and Bullen, 1981; Shanks *et al.*, 2002; Caralli, 2004; Abu Bakar *et al.*, 2007; Amponsah, 2010; Gates, 2010; Howell, 2010). Life in the era of globalization where impact is felt on the structure of large corporations and

governments around the world as well as drastically cutting edge of technology and market distance, also suppliers around the world now face stiffer competition. Strong global competitions accelerate the simplification of work processes, resulting in the loss of many jobs. Therefore, based on this crisis which lead to less job securement, more people entering entrepreneurs with advance technology and government support when there is advanced technology, work which gives more job opportunities available in the market (Cheung, 2008). In line with the philosophy of the national education policy that has been established to strengthen TVET system, it led to the birth of the student-oriented science and technology to meet the manpower needs of the nation. In fact technical and vocational education is able to develop citizens who are of the high in quality, character and responsibility to compete in the world's rapidly growing education (Department of Community Colleges of Higher Education, 2012).

2.4 Temporal

The term temporal factors is related to short-term situations, often crises. These are areas of activities within an organization which become critical for a particular period of time because something out of ordinary has taken place such as factors arising from short-term situations from regulatory actions. For example the environmental factor affecting an organization could be a demerger, increase of employee satisfaction to 98% or higher; “very satisfied” on our annual employee satisfaction survey and decrease of absentee rate to 3% or less each year (Rockart and Bullen, 1981; Shanks *et al.*, 2002; Caralli, 2004; Abu Bakar *et al.*, 2007; Amponsah, 2010; Gates, 2010; Howell, 2010). Yussof *et al.* (2008) stated that graduate unemployment issue has always been the main focus of the government to made supports. To ensure that all graduates either work for wages or become entrepreneurs, should be provided to the affected graduates (Ministry of Education Malaysia, 2010). Therefore, technical education has the same goals of vocational education, which prepares students for specific careers in their respective fields. However, TVET education is part of the academic route and requires high academic foundation to enable students to further their education as well as in their respective technical fields. (Preliminary Report, 2012)

Subsequently, Omar and Mohamed (2002) concluded that genuine entrepreneurs in reality is an ever want and hunting success in addition to having great ambition taller than a dream line with ability and experience on his own (Kuratko and Hodgetts, 2004). Psychologists have noted that aspects related to the needs of individuals to achieve self-satisfaction over the conduct of a most strongly driven by the need for action and are a lifelong process. Thus, Maslow's hierarchy of Needs is prepared as a basic guide of motivating force.

2.5. Community College

The involvement of community colleges in developing entrepreneurial interest among students in technical and vocational education and community is not something new. Since, 2010, the Department of Community Colleges in Malaysian has already established the Community

College Entrepreneurship (PUSKOM) that serves as a center of excellence and a focal point in the development and promotion of an entrepreneurial culture within students in community colleges and society. Additionally, PUSKOM also made reference center of entrepreneurship development through the implementation of various training activities, consultancy, advisory services, research and development, coaching and development network (Ahmad *et al.*, 2012; Nordin, 2012)(Department of Community College of Higher Education, 2012).

Furthermore, (Dhliwayo, 2008) argues that entrepreneurship programs must encourage students to start businesses in a given period, during or after their graduations. In order to achieve these results, numbers incubation facilities such as food kiosks and stationery stores are available for student to start their first steps.

2.6. Entrepreneurs in the Field of Technical and Vocational Education

Entrepreneurship is an exciting and vibrant topic in recent years. This is because of increasing knowledge and the concept of entrepreneurship in the educational system. Indeed, the changing business and social environment has a profound effect on the rapid growth and changes in entrepreneurship education for the past 15 years (Nasharudin and Harun, 2010)

In addition, entrepreneurship education is the main ingredient of any business school curriculum. Entrepreneurship center is a change agent for transfer of business and industry in solving social problems around the world. (Nasir, 2012) explains that is to meet the country's needs based on industrial growth and globalization and information technology which require the development of industrial and business sectors. One of them is to produce skilled manpower from appropriate and adequate technical and vocational education to support the growth and development of entrepreneurship education among technical and vocational students. Therefore, the education system should focus on developing a more enterprising entrepreneur to contribute to national development in realizing Vision 2020 (Preliminary Report, 2012)

3. CONCLUSION

Technical and vocational education system in the ministry of education should concentrate on producing prospect entrepreneurs who are able to compete globally. The use of CSFs will improve the success rate of entrepreneurship programs for community college. Moreover, it will help instructors in the entrepreneurial programs to cultivate innovative, creative and open-minded young entrepreneurs. The entrepreneurship program will serve as a guideline and benchmark for every Ministry of Education, as well as to encourage entrepreneurial education. Technical and vocational education system in the ministry of education should concentrate on producing students as an asset towards national development.

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