

ENTREPRENEURSHIP DEVELOPMENT THROUGH DISTANCE EDUCATION IN SRI LANKA

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Introduction

The small business sector of any country has great potential for employment generation and for overall socio-economic development. It is evident that Sri Lanka has not exploited the full potential of this sector to generate employment compared to other Asian countries. The importance of this sector has been greatly felt since the number unemployed in Sri Lanka is increasing every year. The statistics show that the general education system has failed to guarantee life long employment to educated youth. As a solution to this, the government and various other non-government organizations have tried to encourage people to start small businesses through different types of entrepreneurship development programmes. The duration of these programmes varies from three days to one month. Since almost all these programmes are residential, the participants find it difficult to attend the programmes continuously leaving their residences and day to day activities.

At this point, the certificate programme in Entrepreneurship and Small Business Management (ESBM) conducted by the Department of Management Studies of the Open University of Sri Lanka (OUSL) provides a significantly important service since it is conducted through the distance education mode. According to the unique characteristics of distance education, the students can follow the programme while being engaged in their day to day activities in their own environments.

This programme scheduled to last for one academic year is designed to develop knowledge and skills on small business management and to motivate students to become successful entrepreneurs. The programme has attracted a large number of students from all parts of the island who wish to improve their knowledge and skills.

The recent requests made by authorities involved in community development projects to open up study centres in those areas indicate the massive demand and the recognition this programme has earned.

However, a question that is frequently being asked by many successful entrepreneurs is whether entrepreneurship development can be taught at all through university study programmes. This question arises from their belief that entrepreneurs are born and not made and that they should be groomed gradually in the practical work environment. Although this idea is now being gradually rejected, the question still remains when it comes to distance teaching

where the emphasis is generally on cognitive skills rather than psychomotoric skills.

Necessity has arisen to examine the impact of the programme on the national requirement to generate employment through the creation of new business avenues. A survey based on the outcome of the programme in the academic year 1984/85 was carried out to examine the impact of the programme on the development of entrepreneurship through distance mode. After a lapse of ten years, another research on this programme, based on the outcome of the academic year 1994/95 was done. This paper is based on the findings of these two surveys.

ESBM programme

The Entrepreneurship and Small Business Management programme was started in 1982 based on distance teaching - learning methods. The programme is primarily intended for those who are interested in ,

- setting up their own small-scale industrial units and
- improving existing business units.

Table 1 below shows the details of the number of students registered for the ESBM programme and the number passed out from the inception of the programme in 1982.

Table 1- Total number of students registered, passed out and percentages

| Academic year | No.Regd. | No.Passed | Percentage |
|---------------|----------|-----------|------------|
| 1982/83 | 1174 | 375 | 31.94 |
| 1983/84 | 395 | 127 | 32.15 |
| 1984/85 | 158 | 32 | 20.25 |
| 1985/86 | 183 | 46 | 25.13 |
| 1986/87 | 76 | 31 | 40.78 |
| 1987/88 | 270 | 93 | 34.44 |
| 1988/89 | 346 | * | * |
| 1989/90 | 554 | 87 | 15.70 |
| 1990/91 | 574 | 150 | 26.82 |
| 1991/92 | 520 | 145 | 27.88 |
| 1992/93 | 304 | 134 | 44.07 |
| 1993/94 | 381 | 134 | 35.17 |
| 1994/95 | 862 | 215 | 25.41 |

* Examination was not held due to disturbances in the country.

Source : Examination Division, OUSL

However, there are some interesting patterns emerging with respect to student enrollment, student participation in studies and success and failure rates of students. For instance, student enrollment has shown fluctuating patterns, of noticeable peaks in academic years 1982/83, 1990/91 and 1994/95 followed by a number of troughs.

Objectives of the programme and the learning outcomes

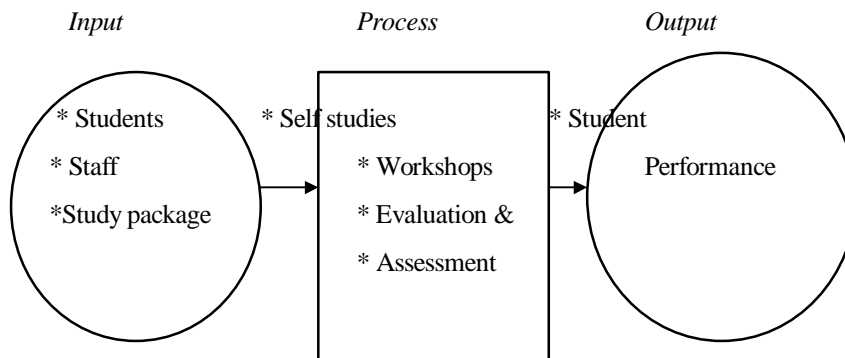
The primary objective of the programme introduced at the Certificate level is to expose small business entrepreneurs and those willing to enter small business ventures to the fundamental principles and practices of Small Business Management. The structure of the programme and the approach is designed to maximize its usefulness as a training exercise for aspiring investors in small business.

Students who successfully complete the programme are expected to demonstrate a clear understanding of concepts with regard to entrepreneurship, small business management, marketing, production and accounts & finance.

They are expected to prepare a business plan at the end of the programme and this is the initial step of applying the knowledge they have gained to true –to-life situation . They are further expected to show their ability to apply this knowledge they have gained, by setting up and managing a small business unit.

The system view of the programme

The following diagram shows the major components of the system of the programme.



Input

* Students

The studies have revealed that more than 75% of the students who join this programme were from densely populated urban areas close to the physical location of the Open University.

More than 78% of the students were found to be males. The study done on the academic year 1984/85, revealed that approximately 16% of students were engaged in small or medium scale businesses. The second study done ten years later revealed that this percentage had increased to 25%. It was also found that the age of the students varied between 18 years to 55 years. The students were from different educational levels. The factor analysis performed on the variables related to the age, education and employment of students at the time of enrollment to the programme had indicated that educational qualification and work experience had a significant impact on their performance.

* Staff

The staff members who have contributed to the output of the ESBM programme were of two kinds. The internal members and the external members (visiting academics) who were specially qualified in the area. Academic staff members were responsible for guiding the students towards achieving the learners' outcome. Members of the Administrative staff are involved in administrative matters related to the programme.

* Study package

The main source of delivering academic instructions to students is through printed lesson material given to students at the time of registering for the programme. The students read the lesson material at home and understand the concepts. Self evaluation questions and activities are given in each lesson for students to attempt on their own as a method of self evaluation. Audio cassettes and visual aids such as the overhead projector and video cassettes are used in some courses to supplement the printed material.

The study package of the ESBM programme consists mainly of printed lesson material. The following table indicates the details of the study package of this programme.

Table 2 - Details of the study package of the ESBM programme

| Subject areas covered | No. of books | No. of assignments |
|-----------------------------|--------------|--------------------|
| Setting up a Small Business | 01 | 02 |
| Managing a Small Business | 01 | 02 |
| Marketing | 01 | 02 |
| Production | 01 | 02 |
| Accounts & Finance | 01 | 02 |
| Project Report | - | - |

The first subject area covers evaluation, selection, financial and setting up of a small business firm. The second area provides a wide perspective of policies, functions and techniques involved in business management. The third, fourth and the fifth areas deal with functional areas of business management.

Process of the programme

* Self Studies

The inputs of the programme are processed by way of self-studies done by students using the study material and instructions given to them by the staff. The final step of the process is, evaluating students through assignments, project report and the final examination.

Students involve in self studies at their own space and they have the freedom to discuss study material with members of their peer groups.

* Workshops

The face to face instructions are given at the workshops. The students meet the academics and discuss their problems related to subject matter. The students involve themselves in analysing case studies, conducting group discussions, role playing, group and individual presentations at these workshops. These workshops help the students in developing their communication and problem solving skills in addition to the acquisition of knowledge. The students can meet the academics individually at the Management Studies Department when they need individual instruction.

* Evaluation and assessment

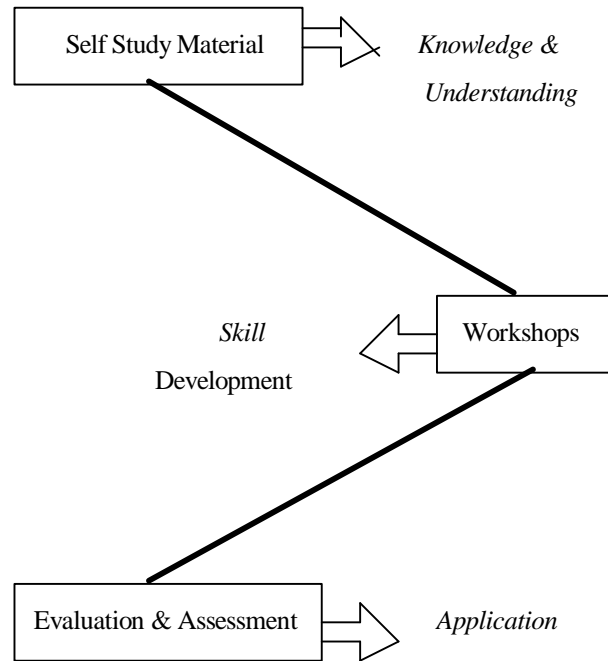
The students are continuously evaluated through assignments. The main objective of assignments is to check on the ability of students to apply the knowledge and skills gained by them through lesson material. The students are given tutor guided instructions through assignments. The number of assignments given to students at the beginning of the programme are to be answered and submitted to the Management Studies Department by students. These assignments are evaluated by academics and sent to students by post with comments where necessary.

The ability of students to apply their integrated knowledge and skills gained through all the lesson material is evaluated by assessing the project report. The project report should be related to setting up of a new business venture, or improvement of an existing one. Students are expected to apply the concepts

studied under the functional areas of business management and prepare the project report as a feasibility study.

A final written examination is held at the end of the academic year. The objective of the final examination is to check further their ability to apply the knowledge on each subject area.

The following diagram illustrates the process of the programme



Output of the Programme

The output of the programme is primarily measured in terms of the percentage of students successfully completing the programme. Table 1(page 3) shows the yearly performance of students. The relevance of the performance of students to the ultimate objective of the programme is checked by the number of students who had

- * started small businesses and
- * improved their existing businesses

According to the survey done on the academic year 1984/85, it was found that 2% to 3% of students had started new businesses after successfully following the programme. The research study on the academic year 1994/95 revealed that this percentage had increased up to 10% probably due to the changes in the structure and the lesson materials of the programme. The following table illustrates the details of the outcome.

Table 3 - Details of data related to successful students

| Particulars | Academic years | |
|------------------------------|----------------|-------|
| | 84/85 | 94/95 |
| | % | % |
| Started small businesses | 3.0 | 7.7 |
| Improved existing businesses | 2.0 | 5.1 |

Source : Survey data collected by
Researchers

The studies also revealed that more than 85% of the successful students have registered to follow the Diploma in Management (DIM) programme which is a higher level programme conducted by the department to provide knowledge and skills in business management. It shows that students had been motivated to gain more knowledge and skills in business management by following this programme. Interviews and questionnaires further revealed that 50% of the successful students had been motivated for self employment.