IMPROVING THE UNDERSTANDING OF SMALL MEDIUM ENTERPRISES PRODUCT COSTING CONTENT COURSE THROUGH ACTION RESEARCH

MUHAMMAD ROSNI BIN AMIR HUSSIN

A thesis submitted in fulfilment of the requirement for the award of the degree of Doctor of Philosophy (Management)

Faculty of Management
Universiti Teknologi Malaysia

FEBRUARY 2016
ACKNOWLEDGEMENT

In the name of Allah S.W.T. the Almighty, the Merciful and the Benevolent.

Alhamdulillah, praise to Allah S.W.T. for giving me strength to complete this thesis. This thesis has been made possible by contributions from a number of people who offered input, support, guidance, encouragement and prayers throughout my study in Universiti Teknologi Malaysia (UTM) Skudai, Johor Bahru. It gives me great pleasure to express my gratitude to these individuals.

Firstly, a deep gratitude is owed to the Malaysian Government and Universiti Utara Malaysia (UUM) for sponsoring my studies. I deeply appreciate the opportunity given by the Vice Chancellor, Deputy Vice Chancellor (Academic and International), Registrar, Assistant Vice Chancellor of the College of Business and Dean of School of Accountancy, UUM, to complete my study.

I would like to express special thanks to my supervisors, Associate Professor Dr. Kamariah Ismail and Professor Dr. Rose Alinda Alias for their invaluable ideas, guidance and supervision throughout the preparation of this thesis. Their careful review of the chapters, constructive comments, advice and suggestions are highly appreciated. Without their continuous assistance, it would have been difficult for me to complete this thesis.

My special thanks also goes to the Director of the Cooperatives and Entrepreneurship Development Institute (CEDI), UUM and all participants involved in this study for their cooperation and assistance in the data collection process.

I am deeply grateful to my beloved mother, Salamiah Arshad and the rest of my family members (Maimunah Kasah, Munifah Rania and Muayyad Raif)) for their love, patience, sacrifice and constant prayers.

Finally, special thanks to all my dearest friends from UUM and UTM, especially Dr. Zaleha Othman, Dr. Sarimah Shaik Abdullah and Dr. Norhalimah Idris for their kindness in extending encouragement, advice, assistance, support, motivation and useful comments throughout my study.

May Allah S.W.T. shower all of you His countless blessings.
ABSTRACT

Costing skills (CS) are crucial for achieving competitive advantage. However, Malaysian Small and Medium Enterprises (SME) owner-managers still lack CS. Training programmes provided by the government seem not to have achieved the objective of strengthening SME owner-managers’ CS. Thus, the main objective of this study is to improve a CS course in training programmes of SME in Malaysia by involving SME owner-managers from the beginning of the course improvement process. This study was conducted with the cooperation of Co-operative and Entrepreneurship Improvement Institute, Universiti Utara Malaysia (CEDI, UUM). To achieve the research objective, this study employed practical action research that involved a cyclical process of planning, acting, observing and reflecting. Practical action research approach in this study involved various data collection methods such as semi-structured interview, survey questionnaire, participants’ observation and documenting. By diagnosing the problems, involving eight SME owner managers and four accounting training providers, this study found that Malaysian SMEs still lack CS, in line with findings in the extant literature. This problem is further hampered by the lack of training in CS provided by the government. Based on this finding, this study developed a CS course, where the focus is on product and service costing. The cycle includes the process of developing the course based on SME owner-managers’ input (planning), conducting training for the SME owner-managers (acting), collecting feedback from the training participants (observing) and reflecting on the feedback to improve the course (reflecting). The product and service costing course went through three practical action research cycles with different participants. The course was then improved from one cycle to the next cycle. At the acting stage, thirty-two participants involved in the first training, twenty participants involved in the second training and fifteen participants involved in the third training. The product and service costing course has been given to the CEDI, UUM to be included in their future entrepreneurship training programmes.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>CHAPTER</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>DECLARATION</td>
<td></td>
<td>ii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENT</td>
<td></td>
<td>iii</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td></td>
<td>iv</td>
</tr>
<tr>
<td>ABSTRAK</td>
<td></td>
<td>v</td>
</tr>
<tr>
<td>TABLE OF CONTENTS</td>
<td></td>
<td>vi</td>
</tr>
<tr>
<td>LIST OF TABLES</td>
<td></td>
<td>xii</td>
</tr>
<tr>
<td>LIST OF FIGURES</td>
<td></td>
<td>xiv</td>
</tr>
<tr>
<td>LIST OF ABBREVIATIONS</td>
<td></td>
<td>xv</td>
</tr>
<tr>
<td>LIST OF APPENDICES</td>
<td></td>
<td>xvii</td>
</tr>
</tbody>
</table>

1 INTRODUCTION  1
1.1 Introduction  1
1.2 Background of the Study  1
1.3 Statement of the Problem  8
1.4 Research Questions  12
1.5 Objectives of the Study  13
1.6 Scope of the Study  13
1.7 Significance of the Study  14
1.8 Definition of terms in this Study  17
1.9 Organisation of the chapters  18
1.10 Chapter Summary  20
# LITERATURE REVIEW

2.1 Introduction

2.2 Entrepreneurial Skills and Performance

2.3 Costing Skills
  2.3.1 Element of costing skills

2.4 SME Training Programme

2.5 Content of Training Programme

2.6 Small and Medium Enterprises (SME)

2.7 Theoretical overview
  2.7.1 Firm Life Cycle Theory
  2.7.2 Lazear's theory
  2.7.3 Entrepreneurial skills theory
  2.7.4 Learning Entrepreneurship Theory
  2.7.5 Development of SME Training Course Theory
  2.7.6 Researching Real-world Problems Theory

2.8 Chapter Summary

# ACTION RESEARCH

3.1 Introduction

3.2 Action research

3.3 Definition of action research

3.4 Types of Action Research
  3.4.1 Technical action research
  3.4.2 Emancipatory action research
  3.4.3 Practical action research

3.5 Chapter Summary
4 RESEARCH METHODOLOGY

4.1 Introduction 76
4.2 Philosophy Assumption for this Study 76
4.3 Research method 80
4.4 Role of the researcher 82
4.5 Choice of participants 87
4.6 Data Collection Method 88
  4.6.1 Semi-structured interview 89
  4.6.2 Participant observation/observant participations 90
  4.6.3 Survey question 91
    4.6.3.1 Demographic survey 91
    4.6.3.2 Feedback survey 91
  4.6.4 Documents 92
4.7 Data analysis procedures 93
  4.7.1 Semi-structured interview 93
  4.7.2 Participant observation/observant participations 95
  4.7.3 Survey questions 95
  4.7.4 Documents 97
4.8 Data collection procedures 97
  4.8.1 Observing and reflecting stage 97
  4.8.2 First cycle 99
  4.8.3 Second cycle 103
  4.8.4 Third Cycle 104
4.9 Trustworthiness 105
  4.9.1 Triangulation of data 109
4.10 Chapter summary 110
5 DATA ANALYSIS AND FINDINGS
OBSERVING AND REFLECTING STAGE
(UNDERSTANDING THE NEED FOR CS) 111
5.1 Introduction 111
5.2 Interview Data Analysis 111
  5.2.1 Demographic information on the SME owner-managers 112
  5.2.2 CS among the SME owner-managers 115
  5.2.3 The importance of CS in business 118
  5.2.4 The importance of SME training programme 122
  5.2.5 CS course in the SME training programme 125
    5.2.5.1 Document Analysis 129
  5.2.6 Accounting course development process 139
5.3 Reflection of thematic concern analysis 142
5.4 Chapter Summary 143

6 DATA ANALYSIS AND FINDINGS
FIRST CYCLE OF PRACTICAL ACTION RESEARCH
(DEVELOPING CS COURSE) 144
6.1 Introduction 144
6.2 Planning 1 – Developing of CS course 145
  6.2.1 Product costing course 155
6.3 Action 1 – Delivering of product costing course 157
6.4 Observing 1 – Observing product costing course 158
6.5 Reflecting 1 – Reflecting on product costing course 162
6.6 Chapter Reflection – improvement of data collection procedure 163
    6.6.1 Revised AR Cycle for this Study 164
6.7 Chapter Summary 167
7  DATA ANALYSIS AND FINDINGS
SECOND CYCLE OF PRACTICAL ACTION RESEARCH
(DEVELOPING CS COURSE)  168
  7.1  Introduction  168
  7.2  Planning 2 - Developing product and service costing course  168
      7.2.1 Improving product costing course  169
  7.3  Acting 2 – Delivering product and service costing course  171
  7.4  Observing 2 – Observing product and service costing course  172
  7.5  Reflecting 2 – Reflecting on product and service costing course  176
  7.6  Chapter summary  176

8  DATA ANALYSIS AND FINDINGS
THIRD CYCLE OF PRACTICAL ACTION RESEARCH
(DEVELOPING CS COURSE)  178
  8.1  Introduction  178
  8.2  Planning 3 – Improving product and service costing course  177
  8.3  Acting 3 – Delivering product and service costing course  179
  8.4  Observing 3 – Observing product and service costing course  179
  8.5  Reflecting 3 – Reflecting on product and service costing course  183
  8.6  Overall observation on feedback survey result  183
  8.7  Submission of Product and Service Costing Course  185
  8.8  Chapter summary  185


### 9 DISCUSSION OF FINDINGS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1</td>
<td>Introduction</td>
<td>186</td>
</tr>
<tr>
<td>9.2</td>
<td>Understanding on the need for CS</td>
<td>186</td>
</tr>
<tr>
<td>9.2.1</td>
<td>SME owner-managers’ lack of CS knowledge</td>
<td>187</td>
</tr>
<tr>
<td>9.2.2</td>
<td>SME training programme lack of CS course</td>
<td>188</td>
</tr>
<tr>
<td>9.3</td>
<td>Improvement of CS course</td>
<td>189</td>
</tr>
<tr>
<td>9.3.1</td>
<td>Product and service costing course</td>
<td>190</td>
</tr>
<tr>
<td>9.3.2</td>
<td>Practical action research approach in developing SME training course</td>
<td>211</td>
</tr>
<tr>
<td>9.4</td>
<td>Additional discovery</td>
<td>215</td>
</tr>
<tr>
<td>9.4.1</td>
<td>Rural/Urban SME</td>
<td>215</td>
</tr>
<tr>
<td>9.4.2</td>
<td>Post-training monitoring system</td>
<td>217</td>
</tr>
<tr>
<td>9.5</td>
<td>Chapter summary</td>
<td>218</td>
</tr>
</tbody>
</table>

### 10 CONCLUSION AND RECOMMENDATION

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>10.1</td>
<td>Introduction</td>
<td>219</td>
</tr>
<tr>
<td>10.2</td>
<td>Conclusion of this study</td>
<td>219</td>
</tr>
<tr>
<td>10.3</td>
<td>Contribution of this study</td>
<td>222</td>
</tr>
<tr>
<td>10.4</td>
<td>Limitations of This Study</td>
<td>225</td>
</tr>
<tr>
<td>10.5</td>
<td>Suggestions for Future Research</td>
<td>227</td>
</tr>
</tbody>
</table>

### REFERENCES

- Appendices A - O                                                       | 248 - 342 |
# LIST OF TABLES

<table>
<thead>
<tr>
<th>TABLE NO.</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Entrepreneurial training programmes provided by MARA for the years 2011-2014</td>
<td>5</td>
</tr>
<tr>
<td>2.1</td>
<td>Summary of research related to entrepreneurial skills among Malaysian SME owner managers</td>
<td>25</td>
</tr>
<tr>
<td>2.2</td>
<td>SME classification in Malaysia</td>
<td>48</td>
</tr>
<tr>
<td>3.1</td>
<td>Type of AR</td>
<td>70</td>
</tr>
<tr>
<td>3.2</td>
<td>Previous research on course development using practical AR method</td>
<td>74</td>
</tr>
<tr>
<td>4.1</td>
<td>Level of participation of researchers in AR</td>
<td>84</td>
</tr>
<tr>
<td>4.2</td>
<td>Reliability test result for the feedback survey form</td>
<td>96</td>
</tr>
<tr>
<td>4.3</td>
<td>Criteria to observe trustworthiness</td>
<td>106</td>
</tr>
<tr>
<td>4.4</td>
<td>Triangulation method</td>
<td>109</td>
</tr>
<tr>
<td>5.1</td>
<td>Demographic information of SME owner managers in the first interview</td>
<td>112</td>
</tr>
<tr>
<td>5.2</td>
<td>Analysis of SME owner managers knowledge on CS</td>
<td>116</td>
</tr>
<tr>
<td>5.3</td>
<td>Analysis on the importance of CS in business</td>
<td>120</td>
</tr>
<tr>
<td>5.4</td>
<td>Analysis on the importance of entrepreneurship training</td>
<td>123</td>
</tr>
<tr>
<td>5.5</td>
<td>Analysis on accounting focus in the entrepreneurship training programme</td>
<td>126</td>
</tr>
<tr>
<td>5.6</td>
<td>Entrepreneurial skills training course conducted by MRRD</td>
<td>130</td>
</tr>
<tr>
<td>5.7</td>
<td>SME training programmes and entrepreneurial skills course conducted by CEDI, UUM in 2012-2014</td>
<td>135</td>
</tr>
<tr>
<td>Section</td>
<td>Title</td>
<td>Page</td>
</tr>
<tr>
<td>---------</td>
<td>-----------------------------------------------------------------------</td>
<td>------</td>
</tr>
<tr>
<td>5.8</td>
<td>Contents of Course 4: Managerial Accounting for CEOs</td>
<td>139</td>
</tr>
<tr>
<td>5.9</td>
<td>Analysis on accounting course development process</td>
<td>140</td>
</tr>
<tr>
<td>6.1</td>
<td>Analysis on contents of CS course</td>
<td>146</td>
</tr>
<tr>
<td>6.2</td>
<td>Analysis on guidelines to develop CS course</td>
<td>151</td>
</tr>
<tr>
<td>6.3</td>
<td>Product costing course in first practical AR cycle</td>
<td>156</td>
</tr>
<tr>
<td>6.4</td>
<td>Feedback survey results on product costing course in first practical AR cycle</td>
<td>160</td>
</tr>
<tr>
<td>7.1</td>
<td>Product and service costing course in second practical AR cycle</td>
<td>169</td>
</tr>
<tr>
<td>7.2</td>
<td>Demographic information for the participants in second practical AR cycle</td>
<td>172</td>
</tr>
<tr>
<td>7.3</td>
<td>Feedback survey results on product and service costing course in second practical AR cycle</td>
<td>175</td>
</tr>
<tr>
<td>8.1</td>
<td>Product and service costing course in third practical AR cycle</td>
<td>178</td>
</tr>
<tr>
<td>8.2</td>
<td>Demographic information for the participants in third practical AR cycle</td>
<td>180</td>
</tr>
<tr>
<td>8.3</td>
<td>Feedback survey results on product and service costing course in third practical AR cycle</td>
<td>182</td>
</tr>
<tr>
<td>8.4</td>
<td>Average feedback survey result on product and service costing course</td>
<td>184</td>
</tr>
<tr>
<td>9.1</td>
<td>Final Product and Service Costing course</td>
<td>191</td>
</tr>
</tbody>
</table>
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>FIGURE NO.</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>Productivity of Malaysian employees based on sector in 2008</td>
<td>6</td>
</tr>
<tr>
<td>1.2</td>
<td>Comparison on productivity of Malaysian SME employees with other countries in 2008</td>
<td>7</td>
</tr>
<tr>
<td>2.1</td>
<td>Entrepreneurial skills classification 1</td>
<td>56</td>
</tr>
<tr>
<td>2.2</td>
<td>Entrepreneurial skills classification 2</td>
<td>56</td>
</tr>
<tr>
<td>2.3</td>
<td>Hierarchy of changes</td>
<td>62</td>
</tr>
<tr>
<td>3.1</td>
<td>General AR cycle</td>
<td>68</td>
</tr>
<tr>
<td>4.1</td>
<td>Research Paradigm of this study</td>
<td>79</td>
</tr>
<tr>
<td>4.2</td>
<td>Practical AR cycle</td>
<td>82</td>
</tr>
<tr>
<td>4.3</td>
<td>Observing and reflecting stage of the data collection process</td>
<td>98</td>
</tr>
<tr>
<td>4.4</td>
<td>Data collection process in first practical AR cycle</td>
<td>102</td>
</tr>
<tr>
<td>4.5</td>
<td>Data collection process in second practical AR cycle</td>
<td>103</td>
</tr>
<tr>
<td>4.6</td>
<td>Data collection process in third practical AR cycle</td>
<td>104</td>
</tr>
<tr>
<td>6.1</td>
<td>Revised second practical AR cycle in data collection process cycle</td>
<td>165</td>
</tr>
<tr>
<td>6.2</td>
<td>Revised third practical AR cycle in data collection process</td>
<td>167</td>
</tr>
<tr>
<td>9.1</td>
<td>Observing and reflecting stage</td>
<td>212</td>
</tr>
<tr>
<td>9.2</td>
<td>First practical AR cycle to develop SME training course</td>
<td>213</td>
</tr>
<tr>
<td>9.3</td>
<td>Next practical AR cycle to develop SME training course</td>
<td>214</td>
</tr>
</tbody>
</table>
### LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>ABC</td>
<td>Activity Based Costing</td>
</tr>
<tr>
<td>AIM</td>
<td>Amanah Ikhtiar Malaysia</td>
</tr>
<tr>
<td>AR</td>
<td>Action research</td>
</tr>
<tr>
<td>ARC</td>
<td>Action research cycle</td>
</tr>
<tr>
<td>ARPOM</td>
<td>AR participant – owner manager</td>
</tr>
<tr>
<td>ARPT</td>
<td>AR participant – accounting training provider</td>
</tr>
<tr>
<td>CEDI</td>
<td>Co-operative and Entrepreneurship Development Institute</td>
</tr>
<tr>
<td>CEO</td>
<td>Chief Executive Officer</td>
</tr>
<tr>
<td>CFF</td>
<td>Critical Failure Factors</td>
</tr>
<tr>
<td>CSF</td>
<td>Critical Success Factors</td>
</tr>
<tr>
<td>CS</td>
<td>Costing skills</td>
</tr>
<tr>
<td>CVP</td>
<td>Cost Volume Profit</td>
</tr>
<tr>
<td>FAMA</td>
<td>The Federal Agriculture Marketing Authority</td>
</tr>
<tr>
<td>FELDA</td>
<td>Federal Land Development Authority</td>
</tr>
<tr>
<td>GDP</td>
<td>Gross Domestic Product</td>
</tr>
<tr>
<td>GHP</td>
<td>Good Hygiene Practices</td>
</tr>
<tr>
<td>GMP</td>
<td>Good Manufacturing Practices</td>
</tr>
<tr>
<td>ICT</td>
<td>Information and communication technology</td>
</tr>
<tr>
<td>MARA</td>
<td>Majlis Amanah Rakyat</td>
</tr>
<tr>
<td>MARDI</td>
<td>The Malaysian Agriculture Research and Development Institute</td>
</tr>
<tr>
<td>MAS</td>
<td>Malaysia Airlines</td>
</tr>
<tr>
<td>MCWEF</td>
<td>Malaysian Chinese Women Entrepreneurs Foundation</td>
</tr>
<tr>
<td>Acronym</td>
<td>Abbreviation</td>
</tr>
<tr>
<td>---------</td>
<td>--------------</td>
</tr>
<tr>
<td>MITI</td>
<td>Ministry of International Trades and Industry</td>
</tr>
<tr>
<td>MRRD</td>
<td>Ministry of Rural and Regional Development</td>
</tr>
<tr>
<td>NSDC</td>
<td>National SME Development Council</td>
</tr>
<tr>
<td>PKS</td>
<td>Perusahaan Kecil dan Sederhana</td>
</tr>
<tr>
<td>SME</td>
<td>Small and medium enterprise</td>
</tr>
<tr>
<td>SPED</td>
<td>Skim Pembiayaan Ekonomi Desa</td>
</tr>
<tr>
<td>TEKUN</td>
<td>Tabung Ekonomi Kumpulan Usaha Niaga Nasional</td>
</tr>
<tr>
<td>UUM</td>
<td>Universiti Utara Malaysia</td>
</tr>
<tr>
<td>US</td>
<td>United State</td>
</tr>
<tr>
<td>UTM</td>
<td>Universiti Teknologi Malaysia</td>
</tr>
</tbody>
</table>
# LIST OF APPENDICES

<table>
<thead>
<tr>
<th>APPENDIX</th>
<th>TITLE</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>List of publications and award</td>
<td>248</td>
</tr>
<tr>
<td>B</td>
<td>Mutual understanding with CEDI, UUM</td>
<td>250</td>
</tr>
<tr>
<td>C</td>
<td>Approval of using CEDI, UUM and their staff name (if necessary) in the thesis</td>
<td>253</td>
</tr>
<tr>
<td>D</td>
<td>Data collection protocol/guideline</td>
<td>254</td>
</tr>
<tr>
<td>E</td>
<td>Consent statement in English and Malay version</td>
<td>263</td>
</tr>
<tr>
<td>F</td>
<td>Demographic survey</td>
<td>265</td>
</tr>
<tr>
<td>G</td>
<td>Feedback survey</td>
<td>268</td>
</tr>
<tr>
<td>H</td>
<td>Interview data analysis process</td>
<td>270</td>
</tr>
<tr>
<td>I</td>
<td>Slide presentation and illustration in first practical AR cycle</td>
<td>294</td>
</tr>
<tr>
<td>J</td>
<td>Appointment letter for conducting training in first practical AR cycle</td>
<td>308</td>
</tr>
<tr>
<td>K</td>
<td>Feedback survey analysis using Microsoft Excel 10</td>
<td>310</td>
</tr>
<tr>
<td>L</td>
<td>Cronbach’s Alpha result</td>
<td>320</td>
</tr>
<tr>
<td>M</td>
<td>Slide presentation and illustration in second and third practical AR cycle</td>
<td>323</td>
</tr>
<tr>
<td>N</td>
<td>Appointment letter for conducting training in second practical AR cycle</td>
<td>340</td>
</tr>
<tr>
<td>O</td>
<td>Appointment letter for conducting training in third practical AR cycle</td>
<td>342</td>
</tr>
</tbody>
</table>
CHAPTER 1

INTRODUCTION

1.1 Introduction

This chapter provides an overview of the study. The reason for carrying out this study is discussed in the problem statement, research questions and research objectives. The contribution and significance of this study are also discussed. This chapter also provides a brief overview on specific terms and concepts that are used in this study. Finally, the structure of this thesis is provided.

1.2 Background of the Study

Christopher Mueller, the new Chief Executive Officer (CEO) of the struggling airline (worsen due to missing of MH370 and crashed of MH17 in 2014), Malaysia Airlines (MAS) appointed from 1 September 2014 said, “Cost is a major consideration in pricing and so is competition”, indicating the importance of “cost effectiveness and efficiency” (Sidhu, 2015). It is viewed that a good costing system will benefit a firm in terms of competitive advantages. As indicated by various studies, competitive advantage can be achieved through cost leadership (Miller & Friesen, 1984; Porter, 1980, 1985, 1989; Reed & DeFillippi, 1990). Cost leadership is the ability to produce
standardised products or services at very low per-unit cost, especially if the target market customer is very price sensitive (Beaver & Jennings, 2000; David, 1997).

To achieve cost leadership and competitive advantage, owner-managers of firms need costing skills (CS). CS, such as product costing, pricing decisions, number of products, budgeting and resources supply negotiation skills, are very critical for various decision-making processes. Thus, owner managers of firms need to equip themselves with CS to ensure their firms’ survival in the era of globalisation and internationalisation (Chelliah, Sulaiman & Pandian, 2010; Zulkifli & Jamaluddin, 2000).

CS is also very important to achieve competitive advantage through product innovation (Singh, Pathak & Naz, 2010). This issue has also been discussed and highlighted by various distinguished speakers during SME Seminars (Derrick, 7th July 2011). The Malaysian Prime Minister, Datuk Seri Najib Tun Razak, in his speech during the Entrepreneurial Carnival Putrajaya 2011 on 22 September 2011, emphasised on product innovation to make sure local entrepreneurs can compete in the global market. He said:

Entrepreneurs should look for new approaches to sell their products, inject innovation into their business, learn to brand their products and take advantage of cyberspace.

(Datuk Seri Najib Tun Razak, 23rd September 2011)

One focused area in the Malaysian budget 2012 is to generate human capital excellence, creativity and innovation. Related to this, Datuk Seri Najib Tun Razak said:

Innovation enables the economic value chain to be shifted to a higher level. Innovation will trigger new ideas to be translated into viable commercial products and services.

(Datuk Seri Najib Tun Razak, 2011:11)
One of the categories of local entrepreneurs is manager-owners of Small and Medium Enterprises (SME). Basically, SME contribute significantly to economic and social development, especially of developing countries, and even of developed countries. For example, the success of some advanced economies is due to SME contributing significantly to the national economy, constituting over 98 percent of the total business establishments, contributing to more than 65 percent of employment and over 50 percent of gross domestic product (GDP) (Portal SMEinfo, 2013). Hence, SME are important for economic development and they play an important role in the production chain (Portal SMEinfo, 2013).

Similarly, in Malaysia, SME play an important role in driving growth, employment and income. SME account for 99.2 percent of the business establishments in the country. Over the years, SME have recorded a significant increase in performance. GDP growth of SME has consistently outpaced the growth of other sectors of the economy, at an average annual growth rate of 6.8 percent, compared to 4.9 percent for the overall economy in the 2004-2010 periods. According to latest statistics, SME constitute 32 percent of GDP, 59 percent to employment and 19 percent of exports (Pelan Induk PKS 2012-2020: Memangkin pertumbuhan dan pendapatan, 2013).

Thus, establishing and developing SME in a highly competitive, globalised and liberalised business environment, is one of the main means towards sustainable economic growth (Portal SMEinfo, 2013). In Malaysia, the development of SME relies on the policy of the government, via the National SME Development Council (NSDC). The NSDC involves more than 15 ministries and 60 agencies that work together to achieve the same objective, which is SME’ development through a comprehensive framework, including increasing significantly the contribution of SME to economic growth, income and prosperity of the nation. The NSDC’s target is for SME to achieve a contribution of more than 40 percent of GDP, 62 percent of employment and 25 percent of total exports by 2020, by which time, under Vision 2020, Malaysia aspires to become a high-income nation. The NSDC’s main means to achieve this growth is by
increasing productivity, competitive advantage and innovation (*Pelan Induk PKS 2012-2020: Memangkin pertumbuhan dan pendapatan, 2013*).

Under the Tenth Malaysia Plan (2011-2015) approximately a total of RM26 billion was spent for the development of SME, accounting for 11.6 percent of total development expenditure in the period (Yen Teoh & Chong, 2014). Procedures to address the constraints faced by SME are categorised into three core strategies: (1) to increase access to financing; (2) to build capacity and capability; and (3) to provide an enabling infrastructure. On 11 July 2013, the Prime Minister announced a new development programme for SME in Malaysia. A total of 155 programmes have been planned with a financial commitment totalling RM18.4 billion, which will benefit 467,838 SME in Malaysia (Definisi baru PKS jangka tambah bilangan firma,” 2013).

With regards to financial accessibility and support, for example, data from the Ministry of Rural and Regional Development (MRRD) website shows that for the 2014, the MRRD had already distributed RM17,968,362 under the *Skim Pembiayaan Ekonomi Desa (SPED)*. Of this total, RM2,874,735 was for the manufacturing industry and another RM14,997,627 was for the service industry ("MRRD", 2016). More importantly, besides financial support, the Malaysian government has "strategies" in place to provide the necessary training for SME owner-managers. These training strategies have been initiated to sensitise SME owner-managers to the need to embrace the necessary skills and knowledge for the purpose of creating small and medium-scale businesses that would enable them to find an escape route from poverty, and eventually to compete in the global market. Further, the economic progress of a country largely depends upon the availability of a pool of entrepreneurs with entrepreneurial skills. Hence, in developing countries where unemployment and lack of international competitiveness are the major concerns, training programmes for SME development to enhance owner-managers’ entrepreneurial skills should be emphasised. It is indeed a well-accepted fact that entrepreneurship development programmes, involving various types of training by the government and other related agencies, can enhance
entrepreneurial skills among entrepreneurs (Hassan & Olaniran, 2011; Hussin, Si, Xie & Wang, 2010; Tahlil Azim & Muzahid Akbar, 2010).

In this respect, training programmes for SME’ development by the government and relevant agencies to enhance entrepreneurial skills among entrepreneurs should be an on-going process to address global competition. Various SME’ development programmes and strategies have been introduced and implemented over the years. Previously, training programmes for SME’ development were under the Ministry of Entrepreneurs and Cooperative Development, but are now under the Ministry of International Trade and Industry (MITI) and the MRRD. Table 1.1 below shows the various types of training programmes conducted by the MRRD agency, namely Majlis Amanah Rakyat (MARA), such as training on entrepreneurial skills and marketing (“MRRD,” 2016).

Table 1.1: Entrepreneurial training programmes provided by MARA for the year 2011 – 2014

<table>
<thead>
<tr>
<th>Type of Training/Course</th>
<th>Number of Training</th>
<th>Number of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurship training</td>
<td>956</td>
<td>47,137</td>
</tr>
<tr>
<td>Marketing and promotion</td>
<td>236</td>
<td>2,999</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,192</td>
<td>50,136</td>
</tr>
</tbody>
</table>

Paul Dana (2001); and Ariff and Abu bakar (2000) suggest that financial assistance programmes should come with relevant short and medium-term training programmes. Training programmes are effective techniques to increase performance of the SME owner-managers who apply for microfinance (Ariff & Abubakar, 2000; Dana, 2001). This is because SME owner-managers sometimes have minimal education, are illiterate and have very low arithmetic or financial knowledge (Datar, Epstein & Yuthas, 2009). Further, training programmes can be essential ingredients to help borrowers to
responsibly manage their loans (Gibb, 2006; Karlan & Valdivia, 2006; Ziaul Hoque, 2004).

Although the Malaysian government has already spent a lot of money for SME’ development programmes (previous and current), Malaysian SME are still achieving only low productivity rates, compared to countries in the region and other more developed countries. The average productivity of SME in Malaysia was estimated to be RM47,000 in 2008 representing about one-third of the productivity of large firms (RM148,000), as shown in Figure 1.1. When compared to other countries, like Singapore and the United States of America (USA), the productivity of their SME is four and seven times more than SME in Malaysia, respectively (as shown in Figure 1.2) (Pelan Induk PKS 2012-2020: Memangkin pertumbuhan dan pendapatan, 2013). However, Malaysia appears to be in a relatively higher position among emerging markets in developing countries, but it is still significantly lower than high-income countries due to lack of entrepreneurial skills and capabilities (Pelan Induk PKS 2012-2020: Memangkin pertumbuhan dan pendapatan, 2013).

![Figure 1.1: Productivity of Malaysian employees based on sector in 2008](image-url)
Figure 1.2: Comparison on productivity of Malaysian SME employees with other countries in 2008

Low production, small numbers of SME or even SME’ failure (there are no exact statistics on the number of failed SME in Malaysia) are caused by various factors. One of the factors is lack of entrepreneurial skills, especially CS among the SME owner-managers (Beaver & Jennings, 2000; Petridou & Glaveli, 2008; Simpson, Tuck & Bellamy, 2004). Due to this, an appropriate CS course in the SME training programme can avail SME owner-managers knowledge on the most appropriate cost management system (Gibb, 2006; Greenback, 2000; Harris, Forbes & Fletcher, 1999).
1.3 Statement of the Problem

As indicated in the background of the study, SME have contributed towards Malaysia’s economic growth. Lately however, Malaysian SME seem to be trapped in the 'medium income' group, which means lower productivity growth, leading to a decline in private investment (Pelan Induk PKS 2012-2020: Memangkin pertumbuhan dan pendapatan, 2013). Globalisation and liberalisation have worsened SME’ problems (Pelan Induk PKS 2012-2020: Memangkin pertumbuhan dan pendapatan, 2013). The globalised era has intensified market competition (Pelan Induk PKS 2012-2020: Memangkin pertumbuhan dan pendapatan, 2013). The government, through the Ninth Malaysia Plan (2006-2010), Tenth Malaysia Plan (2011-2015) and Eleventh Malaysia Plan (2016-2020), has planned various programmes to overcome these problems by enhancing and strengthening competitive advantage among the SME owner-managers (Pelan Induk PKS 2012-2020: Memangkin pertumbuhan dan pendapatan, 2013).

Therefore, a crucial strategy to lift Malaysian SME out of the 'medium income' trap is by enhancing competitive advantage among Malaysian SME (Hashim, 2011a). The result from the study by Hashim (2010) has indicated that competitive advantage is very important to SME in Malaysia since competitive advantage is linked to organisational performance. The above study has also highlighted that among the competitive advantages that SME in Malaysia should focus on, is costing strategy, as suggested by Porter (1985).

Costing strategy refers to the ability of firms to operate more efficiently compared to their competitors and produce better quality goods and services to match market prices (Porter, 1985, 1989). By using costing strategy, competitive advantage can be achieved through CS knowledge (Braun & Tietz, 2015; Garrison, Noreen, Brewer, Cheng, & Yuen, 2015). CS are very crucial for deciding on product costing, pricing, productivity, budgeting and performance evaluation (Braun & Tietz, 2015; Garrison et al., 2015; Greenback, 2000; Harris et al., 1999; Mowen, Hansen, & Heitger, 2014). The crux of the problem is that various studies have shown that Malaysian SME

Lack of CS is therefore considered as a major factor for failure of Malaysian SME (Hashim, 2005, 2011a). Review of the literature and research has found that the failure of SME in Malaysia is strongly associated with a lack of accounting knowledge, especially on CS (Hashim, 2005, 2011a). Lack of CS among the SME owner-managers has been recognised as an agent of various problems factor of SME in Malaysia (Hashim, 2005, 2009, 2011a, 2011b). In 2009, the failure rate of SME in Malaysia was 60% (N. A. H. Abdullah, Ahmad, Md. Rus, & Zainudin, n.d.; Ahmad & Seet, 2009; KiatGan & Almsafir, 2013). Although this rate went down to 45.3% in 2010, but it is still high compared to other developing countries, such as Pakistan (31%) (Yen Teoh & Chong, 2014).

In general, SME fail because of lack of entrepreneurial competencies, ability and skills of the owner-managers as well as managerial and technical skills (Ahmad & Seet, 2009; Hashim, Othman, & Buang, 2009; Paul, Hamzah, Abu Samah, Ismail, & D’Silva, 2013; Tehseen & Ramayah, 2015; Tunggak, Salamon, & Abu, 2011). Only 31% of SME owner-managers in Malaysia have claimed that they have the capabilities to manage their business (Yen Teoh & Chong, 2014). This study focuses on owner-managers as the unit of analysis because when an enterprise fails to achieve the desired outcome, the reason is invariably related to the action of owner-managers (Ahmad & Seet, 2009). Among the important managerial skills are ability and capability of the owner-managers to combine and coordinate a range of resources to achieve their business goals (Abdul Kadir & Mohd Rosli, 2011). A successful firm also depends on managerial skills of its owner-manager. Lack of managerial capability will create problems for the SME (Abdul Kadir & Mohd Rosli, 2011; Abdul Rahman, Yaacob, & Mat Radzi, 2014; Salleh, Caputi, & Harvie, 2008; Tehseen & Ramayah, 2015).
Specifically, lack of CS can lead to failure of businesses, as owner-managers fail to make timely business decisions and make poor business judgement (Ahmad & Seet, 2009).

The study by KiatGan and Almsafir (2013); and Chong (2012), has indicated that being good in CS and appropriate training for entrepreneurs are important for contributing to the success of SME in Malaysia. Training on CS has a direct impact on SME’ performance (Dubihlela & Rundora, 2014). Entrepreneurial training has a positive impact on SME’ performance (Yahya, Othman, & Shamsuri, 2012). To develop CS among SME owner-managers, the government should make available appropriate SME training programmes (Davies, Hides & Powel, 2002; De Faottie, Henry, Johnson & van der Sijde, 2003; Jennings, Banfield & Beaver, 1996; Levie, Hart & Anyadike-Danes, 2009; Smith & Perks, 2006). Among the crucial aspects of CS that should be focused on in entrepreneurial training programmes is product and service costing (Hashim, 2005). Product and service costing is vital and crucial for accurate pricing during negotiation with customers (Chen & Wang, 2007). For instance, many SME in Britain have failed due to not allocating manufacturing overhead costs to product and service cost and calculating the product and service cost based on variable cost (direct materials only) due to lack of knowledge in CS (Brierley, 2011).

The Malaysian government has been providing entrepreneurship training to SME owner-managers for many years and spending a large sum of money (RM 26 billion under the Ninth Malaysia Plan (2006-2010), Tenth Malaysia Plan (2011-2015) and Eleventh Malaysia Plan (2016-2020)), but the number of SME failing in business is still high (Ahmad & Seet, 2009; Md. Ali, Md. Som, Bujang, & Abu Bakar, 2004). For those that manage to survive, the owner-managers still lack managerial and technical skills, including CS (Yen Teoh & Chong, 2014). The failure of entrepreneurial skills training programmes provided by government agencies to educate SME owner-managers has been recognised by earlier studies (Ariff & Abubakar, 2000; Dana, 2001; Hashim, 2005). This is probably due to government agencies’ entrepreneurship training programmes being not as effective as they should be (Ariff & Abubakar, 2000). This is
further emphasised by Paul Dana (2001) who claimed that some targeted economic SME training programmes in Malaysia have failed to assist those it was designed to help and educate. The failure of entrepreneurship training programmes may be due to the use of inadequate and inappropriate courses (Gibb, 1987). Normally, entrepreneurial skills course development is based on accounting training providers’ "expertise", rather than on SME owner-managers’ real needs (Honadle & Hannah, 1982; Jennings et al., 1996). Besides that, utilising Western-based training programmes for the local SME owner-managers could be another factor for the failure of the CMS training programme (Dana, 2001; Gibb, 2006). Finally, the training provided may be “too general” in nature and not relevant to the specific needs of the SME (Hashim, 2005).

There is no established structure for the CS in the SME training programme in Malaysia since it is integrated in the accounting course (Hashim, 2005, 2011a). Two main entrepreneurial training programmes provided by CEDI, UUM in 2014 and 2015 are Tunas Usahawan Belia Bumiputera (TUBE) and SME@University. These two programmes will continue every year and be funded by SME Corp. Malaysia. The review of two accounting courses in TUBE and SME@University has revealed that some of the CS, such as budgeting and cost volume and profit (CVP) analysis are already integrated in the accounting training programme. However, the training programme still lacks various other core elements of CS, especially product costing. Product costing, which is an important element of CS, should be discussed first before proceeding with other topics in CS; however, it is not included in the course structure. CS training for the SME owner-managers is very crucial to determine accurate product and service costing in their business (Ansari, Bell, & Swenson, 2009). Aligned with the earlier studies, it therefore seems that SME owner-managers’ training programme on CS is superficial (Dana, 2001; Gibb, 1987; Greenback, 2000; Jennings & Hawley, 1996).
A review of the literature shows scant research in the area of course development process for informal training programmes worldwide. A review of literature on small businesses in Malaysia shows that SME training programme has not attracted much research effort (Hashim, 2005). As a result, little is known about the training practices within SME in the Malaysian context (Hashim, 2005). Most of the focus is on curriculum development for formal education, such as in schools and higher educational institutions (Davidson, 2011; Hatzakis, Lycett & Serrano, 2007; Riding, Fowell & Levy, 1995). In the research on SME, various studies worldwide, including in Malaysia, have only focused on the current condition of SME owner-managers, with the general conclusion that SME owner-managers lack CMS, hence suggesting the need to strengthen the training programme in this area (Mohamad Salleh & Mohd Sidek, 2011; Rezai, Mohamed & Shamsudin, 2011). However, there is no empirical study that indicates that processes are in place to develop CS course for SME owner-managers’ training programme.

1.4 Research Questions

The need for appropriate CS course for SME training programmes has motivated the researcher to carry out this study to address the following research questions:

(1) what are the CS needed by Malaysian SME owner-managers?; and

(2) how can CS course in the SME training programme be developed?
1.5 Objectives of the Study

The main aim/purpose of this study is to improve CS course in the SME training programme. To achieve this aim/purpose, this study intends to:

1. understand CS needed by the SME owner-managers;
2. develop CS course in the SME training programme;
3. highlight appropriate training for SME owner-managers on CS course that has been developed;
4. observe the feedback from the SME owner-managers on the CS course; and
5. reflect on the feedback from the SME owner-managers to make improvement to the CS course.

1.6 Scope of the Study

Accessibility of data is among the most important criteria to conduct a study using the practical AR approach (Cornwall, 1996; Masters, 1995; McKernan, 1991). To have full access to the relevant sources of data, the researcher needs to have mutual understanding and cooperation with government training organisers. For that purpose, the researcher visited the Director of CEDI, UUM to have in-depth discussion and get his cooperation in the data collection process for the purpose of this study.

The researcher decided to work with CEDI, UUM because it provides various training programmes for SME, especially on courses related to business management (some of the training courses provided by MRRD in 2009 until 2011 were conducted by CEDI, UUM. After MRRD discontinued their training programmes, CEDI, UUM continued to provide various SME training programmes with the cooperation of other
government and private agencies). The discussion also involved two Deputy Directors of CEDI, UUM. From the discussion, verbally, the Director agreed to give full cooperation to the researcher for data collection. Official paperwork was then submitted to CEDI, UUM to get written approval, which was received and the deputy directors were assigned to work with the researcher as shown in Appendix B. CEDI, UUM also agreed to give permission to the researcher to use CEDI, UUM’s name and mention staff involved (if necessary) in the thesis as shown in Appendix C.

CEDI, UUM was provided information to the researcher on the alumni that have participated in the previous training conducted by CEDI, UUM, provided information on accounting training providers who have conducted courses in CEDI, UUM and managed the training participants during the acting stage of practical AR. Two of the training programmes were conducted in CEDI, UUM and the third training was conducted in the International Islamic University Malaysia (IIUM). The invitation to the third training was through CEDI, UUM because the accounting module was developed by CEDI, UUM.

1.7 **Significance of the Study**

The findings of this study contribute to the literature in three ways: to the body of knowledge by integration of various theories in the process of improving the CS course; enhancement of CS among SME owner-managers by improving CS course in the SME training programme; and improving the CS course in the SME training programme by employing a practical AR cycle.

To further explain the contributions, first, this study contributes to various integrated theories in the process of development. For instance, Lazear’s theory postulates that entrepreneurs need various skills, even though they cannot be experts in each of the skills (Lazear, 2004). Lazear (2004) does not detail out what kind of skills
are needed by the entrepreneurs. This study includes CS as one of the important skills based on Porter's (1980) competitive advantage theory; and Hisrich, Peters, and Shepherd's (2008) entrepreneurial skills theory. Furthermore, this study also integrates learning entrepreneurship theory that CS can be learnt and is not something obtained naturally (Dana, 2001). This contributes to the theory that CS can be learnt and is not innate, as indicated by other theories.

Contribution of this study to the body of knowledge also can be seen through the integration of the SME training course theory and action research method. Basically, the SME training course theory advocates the involvement of SME owner-managers from the beginning of the course development to confirm that the course really fulfils the needs of SME owner-managers. However, this theory does not detail out how SME owner-managers should be involved in the training course development. By integrating real-world problems theory and action research method with the development of SME training course theory, this study details out the process of involvement of SME owner-managers in the training course development. Another important contribution of this study to the body of knowledge is that it has published three articles in refereed journal and seven articles in national and international conferences, as shown in Appendix A.

Second, as discussed earlier, the government and relevant agencies play a vital role in developing entrepreneurship programmes, especially in developing countries, like Malaysia. However, previous studies on entrepreneurship skills development, especially in the area of course design, have only focused on formal training levels, such as in primary, secondary and higher education institutions. Although studies already have found that majority of SME owner-managers lack formal education and experience, very little emphasis has been given by the government and related agencies to the development courses of informal training. Thus, this study contributes to the body of knowledge by focusing on the need for informal training to be provided by the government and relevant agencies in Malaysia.
Third, this study aims to develop a suitable and appropriate CS course in the SME training programme that meets the needs of Malaysian SME. Based on what the Prime Minister Datuk Seri Najib Tun Razak has said, the aspect of SME development must be enhanced and infused with new approaches and ideas that are more creative; there must be commitment among the agencies which have to be willing to do anything required in terms of improving SME. Thus, this research looks into the enhancement of the SME training programme provided by the government and related agencies.

Fourth, perhaps, the improvement of CS training programme to be provided by governmental agencies can increase or expand CS among the SME owner-managers. Since CMS are very important for SME owner-managers to achieve competitive advantage, they have no option, but to learn to improve and increase their knowledge on CS. Competitive advantage will ensure their survival in spite of the challenges brought on by globalisation and internationalisation. However, this study does not test the effectiveness and outcomes of CS training provided because it mainly intends to improve the current CS training programme course.

Finally, the use of the practical AR approach to support the development of SME training course theory is another important contribution of this study to the research methodology. Practical AR approach is a research method under the critical theory research paradigm. Practical AR is a cyclical process with the purpose of improving current practices. The cyclical process includes planning, acting, observing and reflecting. This study makes another contribution to the research methodology, since very few studies have employed AR approach to develop the course for the CS training programme, especially in informal training programmes.
1.8 Definition of terms in this Study

All definitions in this study are made in the context of this study such as:

Action research (AR)

Cyclical or phase-by-phase process involving activities of planning, acting, observing and reflecting, with the objective of improving current practices or to solve problematic situations (in this study, to improve current CS course in the SME training programme).

Costing Skills

The skills on cost management system that provide information for three broad objectives: (1) costing of products, services and other objects of interest to management; (2) planning and control; and (3) decision-making (Guan, Hansen, & Mowen, 2009).

Entrepreneurs

People with managerial behaviour, who consistently exploit opportunities to deliver results by creating something new with value, by devoting the necessary time and effort beyond their capabilities, while assuming the accompanying financial, psychic and social risks and receiving the resulting monetary rewards, personal satisfaction and independence (Garavan & O’Cinneide, 1994a; Hisrich, Peters & Shepherd, 2008; Thompson, 1999).

Formal training

Qualification courses run by higher education institutions (university/college/polytechnics/institute) (Macpherson & Jayawarna, 2007; Rezai et al., 2011).
Informal training

Training programmes provided by the government and their agencies in the form of short courses, workshops or seminars (Rezai et al., 2011).

SME

Businesses involved in the various sectors that employ less than 150 workers with turnover of less than RM25 million (Mohamad Salleh & Mohd Sidek, 2011).

SME owner-manager

Owners of the SME involved in all decision-making processes and participating actively in all aspects of the firm, including at the management and operational levels (Greenback, 2000).

Training programme

Informal training programmes provided by the government to enhance entrepreneurial skills among the SME owner-managers (Johnson & Loader, 2003).

1.9 Organisation of the chapters

This thesis consists of ten (10) chapters with various sub-topics, as follows:

Chapter 1 focuses on a broad overview of this research. Among the important issues addressed in this chapter are problem statement, research questions and research objectives. Additionally, the scope and significance of this study are also discussed.

Chapter 2 discusses in detail the review of literature on this research. Various concepts, terms and theories related to this research are explained in-depth. Issues on SME, entrepreneurial skills and CS are highlighted.
Chapter 3 enlightens on practical AR. The discussion begins with general definition of AR. Further, three types of AR are explained in detail to compare and make decisions on which AR type fits this study.

Chapter 4 focuses on the research methodology to achieve the objectives of this research. Since this research uses a qualitative research methodology, the researcher starts the discussion with philosophical assumptions, specifically on ontology, epistemology, methodology and research method. Data collection method, data analysis and data collection procedure in practical AR are also explained in this chapter. Finally, trustworthiness issues are also discussed at the end of this chapter.

Chapter 5 is on data collection and data analysis process before moving to the conclusion. This chapter concentrates on “thematic concern” analysis for this study.

Chapter 6 is on the first practical AR cycle of CS course improvement. The process begins with developing the CS course based on the needs of SME owner-managers (planning); delivering the CS course to SME owner-managers (acting); collecting feedback from the SME owner-managers (observing); and making improvements to the CS course (reflecting). The first practical AR cycle is considered as the preliminary cycle for this study. The data collection guidelines/protocol is improved based on the researcher’s experienced in the first practical AR cycle.

Chapter 7 and Chapter 8 are on the second and third practical AR cycles for this study. This study completed three practical AR in developing product and service costing courses. The discussion is based on four stages of practical AR cycle process of planning, acting, observing and reflecting.

Chapter 9 focuses on discussion of findings. The discussions are based on research objectives (Chapter 1), analysis of findings (Chapter 5 until Chapter 8) and literature
reviews (Chapter 2). Additionally, this study also discovers something that is not in the research objectives at the beginning stage of the study.

Finally, Chapter 10 is the conclusion and recommendations of this study. The limitations and suggestions for future studies are also discussed in this chapter.

1.10 Chapter Summary

This chapter begins with a brief overview of the current situation of SME in Malaysia. The government’s commitment in providing financial assistance and training programmes shows that the government is very concerned with the survival and growth of SME in Malaysia. However, in spite of government commitment, effort and huge sums of money being spent, the failure rate of Malaysian SME is still high. Surprisingly, those that have managed to survive still lack various entrepreneurial skills, including CS. Why? This leads to the questions and objectives of this research. Hopefully, this research contributes to the theoretical body of knowledge, to the training practice in Malaysia and to the research methodology. Further understanding could be derived from the review of literature in the following Chapter 2.
REFERENCES


soft systems methodology and its use for practitioners, teachers and students. UK:
John Wiley & Sons, Ltd.

skills and organisational entrepreneurship. *Australian Journal of Basic and Applied

Chelliah, S., Sulaiman, M., & Pandian, S. (2010). The determinants of
internationalisation of small and medium enterprises (SMEs): A case in Malaysia.
*World Applied Sciences Journal, 10*(10), 1202–1215.

costing in mass customization. *Journal of Manufacturing Technology
Management, 18*(6), 678–700.

Chong, W. Y. (2012). Critical success factors for small and medium enterprises:
perceptions of entrepreneurs in Urban Malaysia. *Journal of Business and Policy


and management*. UK: Paul Chapman Publishing.

and the participatory process. In *Participatory Research in Health: Issues and


ed.). South western, USA: Thompson.

Training, 43*(8/9), 405–415.

Datar, S. M., Epstein, M. J., & Yuthas, K. (2009). Lesson for and from the world’s:


approaches. *Journal of European Industrial Training, 24*(7), 403–413.


Rowley, J. (2000). From learning organisation to knowledge entrepreneur. *Journal of
Knowledge Management, 4(1), 7–14.
Sidhu, B. K. (2015, May 30). Complete overhaul: New CEO to create more than 10 subsidiaries, each will be given KPIs to monitor cost and delirables. STARBIZWEEK, p. 6. Malaysia.
Sinkovics, R. R., Penz, E., & Ghauri, P. N. (2008). Enhancing the trustworthiness of


Thavaraj, H. S. (2014). Impact of emotional intelligence on work content among urban and rural entrepreneurs of small enterprises in Dindigul district, India.


