Entrepreneurship education in higher education institutions as a requirement in building excellence in business: The case of The University of North Carolina at Greensboro

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Abstract:

This paper advocates for the role and importance of Entrepreneurship Education (EE) as part of the core curriculum in higher education institutions in order to stimulate XXI Century entrepreneurial mindsets among students. It is focused on how Entrepreneurship should be taught and not why it should be taught. Based on empirical research, the paper offers an in-depth analysis of the main issues raised by EE, and provides valuable insights on European and American approaches in the field. Using the successful experiences of The University of North Carolina Greensboro (U.S.A.) as an example, it also highlights the main challenges that the Romanian higher education system needs to achieve to meet the new National Education Law’s requirements (L1/2011). The economy needs Entrepreneurship as a major core curriculum to transform graduates into “job creators” rather than “job seekers” in order to revive and strengthen its market-based economy. This study provides entrepreneurship educators, decision makers, and administrators valuable insights on how to improve the effectiveness of the new required Entrepreneurship Education curriculum.

Keywords: Entrepreneurship | Entrepreneurship Education | interactive teaching methods | economic development

Article:

***Note: Full text of article below***
ENTREPRENEURSHIP EDUCATION IN HIGHER EDUCATION INSTITUTIONS AS A REQUIREMENT IN BUILDING EXCELLENCE IN BUSINESS: THE CASE OF THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

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Abstract: This paper advocates for the role and importance of Entrepreneurship Education (EE) as part of the core curriculum in higher education institutions in order to stimulate XXI Century entrepreneurial mindsets among students. It is focused on how Entrepreneurship should be taught and not why it should be taught. Based on empirical research, the paper offers an in-depth analysis of the main issues raised by EE, and provides valuable insights on European and American approaches in the field. Using the successful experiences of The University of North Carolina Greensboro (U.S.A.) as an example, it also highlights the main challenges that the Romanian higher education system needs to achieve to meet the new National Education Law’s requirements (L1/2011). The economy needs Entrepreneurship as a major core curriculum to transform graduates into “job creators” rather than “job seekers” in order to revive and strengthen its market-based economy. This study provides entrepreneurship educators, decision makers, and administrators valuable insights on how to improve the effectiveness of the new required Entrepreneurship Education curriculum.

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Introduction

The long-term complex globalization process and the recent recession are generating major economic changes and a highly unstable environment. Large corporations all over the world are forced to downsize and redesign their strategies in order to face accelerated competition for survival and sustainability. They are generally employing less personal and are quickly transforming the notion of permanent lifetime jobs into the history books. This means that for 21st Century graduates “hunting” for a job in a large organization becomes more difficult and less stable. At the same time, the rapid changes facing all organizational levels and fields are important sources of opportunities leading to an increase in start-up companies, and strengthening the small business sector’s image as a main job creator in the economy. For example, nearly 40 percent of the employment in the United States comes from companies that didn’t even exist in 1980 (http://www.commerce.gov/news/secretary-speeches/2011/01/07/remarks-summit-entrepreneurship-and-small-business-growth-mountain). Additionally, firms less than 5 years old accounted for nearly all increased employment in the private sector from 1980 to 2005 in the United States.

In this dynamic environment in which businesses operate, employers’ expectations are changing too and the demand for graduates displaying entrepreneurial behaviors and attitudes is increasing (Roffe, I., 1996). As pointed out by Collins, L., Hannon, B. and Smith, A., (2004), “today’s graduate currency or ‘value’ is in the ability to manage and apply knowledge in action and in an entrepreneurial context, and not only in the ability to acquire and assimilate knowledge.” There is evidence worldwide that student interest in choosing entrepreneurship as a career option is growing (Brenner et al, 1991; Hart, Harrison, 1992), while interest in traditional jobs in big companies is gradually declining (Kolvereid, L., 1996). Students’ and young graduates’ behaviors and orientations are highly influenced by a number of personal and environmental factors (Lutjhe, C., Franke, N., 2003). Among these factors, Entrepreneurship Education (EE) can be a powerful incentive to follow the entrepreneurial path,
according to several empirical studies. EE is the pathway to higher-income jobs and the growing industries of the 21st Century. EE is also needed to train the next generation of researchers and innovators, who will drive future technological progress. Higher education Entrepreneurship is the key to many modern occupations, and over the years Americans have correspondingly raised their educational attainment (http://www.gpoaccess.gov/eop/2011/pdf/ERP-2011.pdf).

**Approaches to Entrepreneurship Education (EE)**

There was an intense debate related to the real possibility to “make” entrepreneurs or not. Nevertheless, the idea that successful entrepreneurs have to have innate traits has faded considerably. It became obvious that these traits and genetics do not fall into any sensible pattern for start-up successes (Garavan, N.T., O’Cinneide, B., 1991). It is well established in the literature that adequate education, work experience, and role models are essential factors to succeed. However, there is no doubt that EE and training plays a major role in achieving desired behavioral outcomes, especially in terms of reinforcing ability to respond to different situations with creativity, innovation, autonomy, self-direction and self-expression. This is undoubtedly prerequisites to starting and growing a successful business that is sustainable.

EE is, as defined by the Centre for Entrepreneurial Leadership Clearinghouse on EE (refer to www.celcee.edu), as the process of providing individuals with the concepts and skills to recognize opportunities that other have overlooked, and to have the insight, self-esteem and knowledge to act where others have hesitated. According to another approach (Tan, S., Frank Ng, C. K., 2006), EE is considered a multi-dimensional discipline which promotes creativity, cross-functional thinking and ambiguity tolerance and therefore requires an integrative and holistic approach. EE is an essential component of teaching entrepreneurship along with other skills, such as: tacit knowledge, entrepreneurial experience, including that of failure; and a supportive social climate that recognize entrepreneurs’ merits. EE influences both the current behavior and future intentions of students. Studies conducted recently (Varela, R., Jimenez, G.E., 2001), (Noel, T.W., 2001), strengthen the causal relationship between the educational variables (course content, teaching methods, teacher profile, resources and support, etc.) and entrepreneurial intentions and/or behaviors (attitude, values, knowledge, etc.). Findings showed that the highest entrepreneurship levels were achieved in universities that invested most in their students’ entrepreneurship training. O.C. Hansemak (1998) found that EE positively impacts student’s individual characteristics, such as the need for achievement and locus of control. Students exposed to EE develop an attitude of self-reliance and have a higher likelihood of entrepreneurial action in the future. Other studies found that entrepreneurship courses have a positive influence on students’ perception of entrepreneurial activity, strengthening their entrepreneurial intentions (Kolvereid, L., Moen, O., 1997).

Since it is generally accepted that entrepreneurship can be taught, opinions about EE’s content, appropriate methods and techniques to develop students’ entrepreneurial skills differ widely. There is still an intense debate in the literature as to whether EE should focus more on new venture creation and business management or on developing a set of personal skills and competencies. As stated by D. Kirby (2004), the question is whether one should describe entrepreneurship rather than educating students to become entrepreneurs by equipping them with the knowledge and skills necessary for success. Traditionally, EE was designed to teach students how to start a venture, create a business plan, and was generally skills-based. Several studies revealed that conventional business school programs are, for the most part, tailored to produce “middle managers for large organizations, with their over emphasis on quantitative, corporate techniques, thereby developing the follower and steward mindset, instead of nurturing the leader, creator and risk taker” (Tan, S., Frank Ng, C. K., 2006, p. 417). However, according to a relative recent approach, it has been recognized that technical knowledge “is essential but not sufficient to make a successful entrepreneur” (Rae, D.M., 1997). In fact, EE should target all three main characteristics of entrepreneurs and innovators: knowledge, skills and attitudes. Currently, each is being addressed differently during the educational process. While knowledge benefits from the most attention during formal education, skills formation is less approached and attitudes are mostly ignored, despite their important role in enhancing entrepreneurial
behavior. For being successful an entrepreneur must also exhibit different attributes, skills and behaviors, including communication, creativity and problem-solving, all as essential as business knowledge (Cheung C. K., 2008). Therefore, if EE is focused on students’ development of their personal attributes, then it can highly impact their professional careers, whether or not they intend to become entrepreneurs.

EE includes a wide variety of teaching methods, including workshops, simulations, business plans; learning through competition and case studies; mentoring, internships, projects; and experiential learning through starting their own business. According to Tan, S., Frank Ng, C. K. (2006), an effective pedagogical approach in EE can be problem-based learning (PBL). Their findings support the idea that PBL can contribute to enhancing students’ appreciation and capacity for entrepreneurship. The movement toward practice oriented methods, which are proving to be more effective, is increasing. Students who can see the practical side of the subjects they learn will have more incentive to study. No matter what teaching approach is chosen, it is essential to outline the significance of the EE and its relevance not only for the students’ professional careers, but also for their lives. The view that EE should be a long-term process rather than a one-time program has more and more supporters. According to the USA Consortium for EE, there are five distinct development stages during entrepreneurship lifelong learning process: basics, competency awareness, creative applications, start-up, and growth (Consortium for EE, 2001). This suggests that EE should be extended to people of all ages. It is obvious that senior students should be a major target because they are at the beginning of their professional career. European Commission’s goes even further stating that “Entrepreneurship is a competence for all” (Final Report, 2008, p.11). EE can take many forms but EE/teaching programs are among the most popular. Provided by public or private institutions, they should demonstrate how acquired knowledge can be transferred to new situations and become useful instruments for business.

Experiences from American and European educational programs on entrepreneurship

This chapter is aiming to give an overview of the main EE programs (EEP) currently provided in USA and Europe, in terms of objectives, content and teaching strategies. In the U.S.A., where Entrepreneurship has strong origins, the current number of colleges and universities offering small business management and EE programs has grown rapidly from one university in 1947 to over 1600 (Solomon, G., 2006), in order to respond the increasing demand.

Quite a number of researchers have conducted studies on entrepreneurial competencies; however, those that are required for new business start-ups are often addressed by educators in an ad-hoc manner. There is little consensus on just what exactly entrepreneurship students should be taught. For entrepreneurship and small business educators, the challenge is to provide the subject matter, resources and experiences and pedagogies that will prepare entrepreneurship students to cope with the myriad of expectations and demands they will face as they start their new ventures. More importantly, administrators and funders now have added to the discussion by requiring outcome measures, specifically, the number of new business starts as a result of students taking EE course and program.

Recently, Entrepreneur Magazine joined the Princeton Review in ranking entrepreneurship programs. Among the criteria for judging the importance of entrepreneurship programs was the number of business start-ups generated by students and alumni. If EE is to produce entrepreneurial founders capable of generating real enterprise growth and wealth, the challenge to educators will be to craft courses, programs, 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. The challenge is to continue developing innovative methods and materials capable of capturing the imagination and drive of tomorrow’s entrepreneurs. At a higher level than the basic programs is to expand entrepreneurship into all disciplines so that entrepreneurship is blended with specific fields of study. Course learning outcomes can include entrepreneurship with the particular discipline in the same class. For example, new courses at The University of North Carolina at Greensboro include ENT/IAR (Entrepreneurship/Interior Design) undergraduate class, “Creativity, Design, and Entrepreneurship,”
and ENT/CHE (Entrepreneurship/Chemistry) graduate class, “Entrepreneurship for the Sciences” to create new products.

It is widely accepted at EU level that economic development and a higher life quality strongly depends on the creation of strong local businesses. This can be achieved by enhancing local entrepreneurial potential to set-up, develop and manage new ventures. The European Commission is committed to promoting entrepreneurship through education at all levels. Entrepreneurship is considered one of the key competencies to be provided through lifelong learning. EU named entrepreneurial skills and abilities through the right mindset and awareness of career opportunities as an entrepreneur, as goals and methods for the European education system to achieve (European Commission, 2003; Small Business Act, 2008). As stated on the EU web-site (http://ec.europa.eu/enterprise/entrepreneurship): “Young people should be equipped with the skills they will need to be successful in a complex world. Creativity, innovation, independence, initiative, all are essential attributes for personal fulfillment and success.” An increasing number of EEP are available across Europe, but as highlighted by the European Commission, their development and promotion has to become more systematic. Existing programs have many similarities in terms of objectives, content and teaching strategies. They have an interdisciplinary approach, share similar topics, and aim to develop valuable personal attributes. An analysis of the fastest growing EEPs found that the most frequently mentioned objectives are: to acquire basic knowledge about E; to develop necessary skills in the use of techniques for business situations analysis and appropriate action plan design; to identify and enhance entrepreneurial spirit, talent and skills; to effectively manage risks; to develop empathy and support for all unique aspects of entrepreneurship; to develop the right attitude toward change; and to stimulate new start-ups and other entrepreneurial ventures (Garavan, N. T., O’Cinneide, B., 2004, p.5).

EEP design and implementation must overcome many challenges in order to meet these high goals and be resource effective. There is no one best pedagogical approach for all EEPs. Indeed, several programs have as important objectives students’ personal attribute development, such as communication skills, creativity, collaborative skills, critical thinking, IT skills, financial aptitude, problem solving skills, self-management skills, study skills. C.K. Cheung (2008) emphasized that these fundamental skills are valuable not only for starting a business, but also as a future employee. Methodologies have been designed to assess EEP’s impact on student’s entrepreneurial attitudes and intentions (Fayolle, A., Gailly, B., Lassas-Clerc, N., 2006). Their findings suggest that EEP could have some strong positive effects for some students, depending on their background and previous perspectives on entrepreneurial intentions. Efforts should further intensify to turn intentions into action. Unfortunately, the percentage of those starting their own business after graduation is still very low. Recent exit surveys revealed that less than 2.5% of the graduates of an UK university were self-employed immediately after finishing their studies (Collins, L., Hannon, P. D., Smith, A., 2004). At Babson College, the number one ranked schools for Entrepreneurship, only 8% start their own business upon graduation. However, many start their own business part-time while working in another position. USA’s and other EU key countries’ experiences in EE are valuable source of knowledge that can provide viable solutions for Romania’s education system and its specific features.

University of North Carolina Greensboro (U.S.A)

The University of North Carolina at Greensboro (UNCG), a university with approximately 20,000 students with a rich history of liberal education, created an undergraduate bachelor of science degree in Entrepreneurship, a minor for business students and a minor for non-business students, and a post-baccalaureate certificate in Entrepreneurship open to any major with an undergraduate degree from an accredited institution of higher learning if they meet the minimum program requirements that include an essay, application, and recommendation letters. The Entrepreneurship program responds to educational demands created through dramatic changes in the nature of business. Entrepreneurship has revolutionized all aspects of business. In response to the role of the university in economic development and to develop new kinds of learning by aligning our curricula more closely with the needs of the new economy, Entrepreneurship is sorely needed to build workforce knowledge to meet the demands of an ever-changing world in the Piedmont Triad and the State of North Carolina. While
once a powerhouse of *Fortune* 100 companies, the Piedmont Triad Region of central North Carolina now struggles to compete in the global economy. Large numbers of textile, furniture, and tobacco manufacturing jobs have left the region permanently as a result of shifts in preferences, technological gains, labor costs, and the world economy. We lack an entrepreneurial skill base that is mandatory to transform our population. Twenty-first Century skills are not available in the Piedmont Triad through accessible higher education opportunities in Entrepreneurship. Before UNCG launched their cross-disciplinary Entrepreneurship programs, there was not one major available in Entrepreneurship at a public university in the Piedmont Triad. The Entrepreneurship program is designed to respond to this demand in conjunction with our strong, ongoing economic development outreach initiatives. In addition, the North Carolina Entrepreneurship Center at UNCG serves as a catalyst between the community and the university in offering expertise in entrepreneurship. As of 2011, there are 38 cross-disciplinary courses across campus in 20 departments. It is important an Entrepreneurship program be consistent with the mission and vision of the university. Consistent with the Bryan School’s mission to “offer educational programs that prepare students to perform successfully as business professionals in a global economy, and support the region, state, and nation’s economic development,” the Entrepreneurship Program produces graduates that are globally ready by equipping them with Entrepreneurship skills for the 21st Century.

**Pedagogical challenges for Romanian educational system**

Romania needs, more than ever, dynamic and creative entrepreneurs to revitalize and strengthen its market-based economy. Therefore, building an effective and high quality education system to cultivate entrepreneurial skills and spirit among students is mandatory. But is the education system in general, and higher education institutions (HEI) in particular, prepared to teach students to be the next generation of entrepreneurs? At the beginning of the 1990s, as a response to the small business sector’s boom, major changes in economic study programs were made in order to respond to these new demands. To fill the gap between school and labor market needs, all of the disciplines were revised and new courses added, such as Management of SMEs. Educators had limited knowledge about what and how small business subjects should be taught. The accumulated experience is extremely helpful in the transition to Entrepreneurship. Small Business Management courses are being replaced with Entrepreneurial Small Business, Innovation and Corporate Entrepreneurship, Creativity, Innovation, Feasibility Analyses, Business Plan, etc. There are important similarities but also differences between small business management and entrepreneurship, considered both unique domains of activity (Solomon, G., 2006). In Romania, this change is raising major challenges regarding the education process-what to teach and how-related to objectives, content, and appropriate methods as well as who should teach and what qualifications they should have. Additionally, what continuing education should be pursued continues to be an overarching question. The developing countries do not currently have a strong entrepreneurial history, orientation to offer living examples of Entrepreneurship in action in a contextual sense to reflect was it needed in the educational system at all levels.

In Romania, there is formal support for entrepreneurial education, which is considered a priority within governmental strategies and the new National Education Law (2011). Following the EU recommendations to assimilate entrepreneurship in the curricula at all educational system’s levels, Romania, through the Ministry of Education, Research, Youth and Sports, which is responsible for education policy implementation, acted and made important steps in introducing forms of EE. The discipline is assimilated in several HEIs, mainly business faculties and the implementation process is moving quickly to incorporate Entrepreneurship. Cultural change to embrace entrepreneurship is spreading throughout the secondary educational level also. This new approach to EE is needed in order to increase interest and a positive outlook toward entrepreneurial activity.

An empirical analysis of the present situation reveals important weaknesses of the EE system in HEIs. The main weaknesses, that the authors of this paper empirically identified, are:

- initial relatively limited knowledge about the discipline’s content; content of the syllabus heavily translated/inspired from American and/or West European countries, in general, without
adjustments to the culture; when the content and methods of EE are not internalized expected outcomes can be compromised;
• content of the curricula with still low relevance for students’ skills and competencies development; students’ EE is basically in more technical areas, like marketing, accounting, budgeting, law, human resources; this education dimension is necessary but not sufficient condition to enhance entrepreneurial spirit;
• education based, in general, on traditional pedagogical styles that do not always meet students’ learning needs and have limited effect; teaching processes are based mostly on empirical methods;
• faculty members involved in EE are relatively frequently neither schooled in the field, nor interested in Entrepreneurship per se;
• teachers don’t know enough about aim and content of EE, appropriate teaching methods; they have, in general, insufficient knowledge and low experience in promoting and diffusing entrepreneurial spirit among students, including starting a successful business themselves; as a consequence, present courses have low capacity of enhancing student individual characteristics;
• no relevant feedback from students is collected by means of statistics and evaluations in order to improve curricula and pedagogies;
• Persistent gap between existing entrepreneurial education and real Romanian business world requirements, with negative consequences for both.

Most of these weaknesses have historical roots at social, economic and educational levels.

From a practical perspective, entrepreneurship learning processes grew along with the small business sector formation and with the major shifts in social perceptions of entrepreneurs. Also, the Romanian education system is still focused mainly on analysis and understanding of large amounts of information coming from rather authoritative sources, critical judgment, assumptions about behaviors in order to develop models, finding the right answers through rote learning techniques, and evaluation by written assessments. Another reality that should influence EE is that Romanian students are usually coming directly from high schools and most of them are completely lacking work experience. Courses of action, consistent with European Commission’s (2008) recommendations, should emphasize and clearly define objectives in the curricula, content of entrepreneurship course and correlate them with desired outcomes, research and define students’ expectations and adjust accordingly the teaching methods and techniques to meet or surpass them in order to stimulate preparation for an entrepreneurial career at the point of exit. Specific studies should explore student’s entrepreneurial needs in comparison with EE offerings within Romanian HEIs. Pedagogically, entrepreneurship educators must agree on the common knowledge to be disseminated and the appropriate evaluation criteria in the classroom in order to be consistent with entrepreneurship learning. In other words, Assurance of Learning is critical for success. It is mandatory to build a measurement tool of EE at HEI’s level aggregated with those at other levels (ministry, business environment, sector of activity). Likewise, training programs for educators in the field of Entrepreneurship are needed. Romanian Ministry of Education, Research, Youth and Sports should devote more attention to developing a coherent methodology supporting entrepreneurial education to preparing students for entrepreneurial demands both in starting and growing business or working creatively and innovatively in any organization. In collaboration with other governmental bodies, it should build a framework that could provide more incentives for partnerships with employers, aiming to improve EE content. In Romania, EE programs should focus more on raising awareness on the possibility to consider entrepreneurial activity as a career alternative.

Conclusions

EE is an effective tool that can stimulate the entrepreneurial mindsets of young people, encourage innovative business start-ups, growth of small and medium sized businesses, and foster an entrepreneurial culture throughout the population. There is no consensus on what and how to best teach entrepreneurship, but it is generally accepted that just content and pedagogies should target all three main characteristics of entrepreneurs and innovators: knowledge, skills and attitudes. EE exhibits a wide variety of teaching approaches. An overview of the American and European main EE programs provided useful solutions in terms of objectives, content and teaching strategies. The unique approach
to Entrepreneurship education by Professor Dr. Dianne H.B. Welsh at the University of North Carolina Greensboro that features blended learning objectives that is carried through the course assignments and is across the curriculum represents the true future of Entrepreneurship Education—one without walls, where entrepreneurship thinking and learning is not separated but intertwined into the day-to-day activities of all the population, where innovation and entrepreneurship is not separate but one. The analysis of the Romanian higher education system led to interesting conclusions regarding its evolution, merits and limits. The challenges it to make major change. We furthered a number of recommendations for action, which could, in our opinion, reduce the gap between Romanian students’ entrepreneurial needs and aspirations and the EE offerings within higher education institutions. The future lies in our ability to embrace Entrepreneurship.

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