

ICSB GAZETTE

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21ST CENTURY ENTREPRENEURSHIP EDUCATION

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Background

It is 1947, graduate students at Harvard University enrolled in economics class are waiting for Professor Dr. Joseph Schumpeter to arrive. Dr. Schumpeter has created quite a stir with his economic theory of "Creative Destruction" which was popularized by and is most directly associated with his 1942 book "Capitalism, Socialism, and Democracy". In the book, Schumpeter introduced the term "creative destruction," which he explicitly derived from a Marxist thought which proposes that change occurs when the current socio-economic system (thesis) is

"The act of being an entrepreneur is grounded in one part of creativity, one part innovation, and one part determination to succeed."



challenged by a counter-vialing approach (antithesis), causing conflict which yields a new way of doing business and managing nations (synthesis). In Schumpeter's vision of capitalism, innovative entry by "entrepreneurs" was the disruptive force that sustained economic growth, even as it destroyed the value of established companies. Faculty and students ostracized Schumpeter for this radical departure from contemporary thought.

Professors saw this new focus as too radical a departure from traditional economic thought, and they dismissed any discussion of the theory/concepts. Central to his teaching was a desire to incorporate new pedagogies such as case studies to apply his theory within the community of scholars.

In the beginning

Schumpeter and the other early scholars in the field had no way of knowing what or if Entrepreneurship Education would survive the test of time. As seen in Table 1, from 1930-1970 there was some acceptance of Schumpeter's divergent economic theory, fueled in part by the steady but slow offering of courses in small business and entrepreneurship and the rise in interest among psychologists examining what makes entrepreneurs different but more importantly, can we teach individuals to be entrepreneurs? If so, given the motivation and drive of entrepreneurs, societies could experience a rise in economic prosperity. However, the study of entrepreneurs and entrepreneurship suffered due to a lack of agreement on who was an entrepreneur" and what was "entrepreneurship"? In addition, educators taught entrepreneurship/small business management similar to existing management courses which relied on the use of case studies and the Socratic method. In most cases, they deliberately removed discussions on behavior, creativity, and innovations.

	1900s-1950s	1960s	1970s
Evolution of Entrepreneurship Education	<ul style="list-style-type: none"> Entrepreneurship Education was almost nonexistent. Some economists, specifically Schumpeter, argued that the study of entrepreneurs was necessary for the economic health of a nation. Post-Secondary education was reserved for the few wealthy. 	<ul style="list-style-type: none"> Entrepreneurship Education was <u>receiving</u> some attention. Academics argued that to teach small business management and entrepreneurship one only had to teach the principles of management and merely shrink the scope to fit small business. 	<ul style="list-style-type: none"> Entrepreneurship Education was being offered at a variety of 2- and 4-year colleges and universities as a major or field concentration. The Academy of Management in approved "Entrepreneurship" as a distinct interest group for its members.
Academic Research	<ul style="list-style-type: none"> Academic Research on the topic of entrepreneurship was sporadic and inconclusive. Because firms were small and not complicated, there was little interest in studying small businesses. 	<ul style="list-style-type: none"> Academic research on entrepreneurship focused on personality traits and background characteristics of owner-managers and their relationship to success. Sociologist and social psychologist began examining the effect of individual personalities – McClelland's need for high achievement (n-ach) 	<ul style="list-style-type: none"> Academic Research on entrepreneurship focused on: <ul style="list-style-type: none"> personality traits and background characteristics of owner-managers the use of external sources of assistance to improve the chances of success Federal government began creating programs to incentivize people to start, manage, and grow businesses,
Pedagogy, Andragogy Heuristics	<ul style="list-style-type: none"> Nonexistent. Storytelling was the vehicle for disseminating knowledge. 	<ul style="list-style-type: none"> Case study and the Socratic Method for examining multiple points of view. A few professors began teaching entrepreneurship through the lens of Schumpeter's work. 	<ul style="list-style-type: none"> Guest speakers Integrating theory with practice (Argyris & Schon)

This period is symbolized by the well-known phrase “Pornography: I know it when I see it.” This alluded to the difficulty in operationally defining an individual who defies logic.

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Things start to pick up

As seen in Table 2, the years 1980 to 2009 saw rapid growth, acceptance, and significant scholarship conducted globally. Leading the way are the Kauffman and Coleman Foundations, Babson College, and individual entrepreneurs.

The entrepreneur suddenly became a folk hero immortalized in the popular press and fueled by a new wave of contemporary journals such as Entrepreneur, Inc., Fast Company, and Business Week. Demand for textbooks grew exponentially as colleges and universities hoped to capture the entrepreneurial spirit as well as attract an influx of new students. US Federal Government played a significant role in the development of entrepreneurship education by creating and funding the Small Business Institute Program, the Small Business Development Centers Program, and Business Information Centers (BICs). Perhaps the most significant contribution is the funding of the landmark study on “Job Generation” by Dr. David Birch. His findings indicated that many of the net new jobs came from fast-growing new ventures. Several politicians and others quickly became disciples, spreading the word that small was indeed beautiful.

Significant studies by Kauffman discovered that a vast population of nascent entrepreneurs existed in the United States. The worldwide community sought to duplicate the studies and convince policymakers to fund more research on entrepreneurs and develop strategies to create favorable ecosystems.

Family businesses and socially-focused entrepreneurs offered new insights into the goals and objectives of a new generation of entrepreneurs. Pedagogies were evolving from straight lecture, multiple choice format to more interactive and field-based research. Teachers began using the internet in a variety of targeted exercises as many professors were moving students out into the community to witness first hand the role and economic impact of the entrepreneur. To some, the growth in the field is vindication that entrepreneurship and small business are scholarly pursuits of knowledge and in some way validates the field and adds credence to Schumpeter's work.

The Techie, The Unicorn, and the Gazelle

As seen in Table 3, Entrepreneurship Education has evolved to the point that it is not about 'can we teach individuals and students to be entrepreneurial at least in spirit', but 'where, how, and when do impart the knowledge'? The dilemma for entrepreneurship educators is too much a good thing. The field is still arguing among themselves regarding who is an entrepreneur, and what is entrepreneurship. Can one say that a steadily growing small business is no different from a high tech firm struggling to grow? As more and more individuals decide to focus their career on creating the next "Google" rather than striving for the corner office, educators must firmly take hold of the steering wheel and drive the next generation of entrepreneurs to greater heights while ensuring that humanity does not suffer.

	2010s	2020 and beyond
Evolution of Entrepreneurship Education	<ul style="list-style-type: none"> • Business Plan competitions proliferate in the field. • There is a growing interest in Business Model Canvasing instead of Business Plans. • Millennials see entrepreneurs as people doing "good." • Begin employing AI in the classroom. • The rise of knowledge portals like TED Talks provides students with another view of the entrepreneur. • Educational technology becomes a significant force in integrating theory and practice providing the academic world. • Online delivery is a new wave of delivering low cost-effective training 	<ul style="list-style-type: none"> • Online becomes the dominant delivery system. • Classes are integrated with live sessions with faculty and entrepreneurs. • Increase in interest among economic development groups to create more appropriate economic development strategies. • Watson meets Alexis, and over time, faculty move out of the classroom and serve as mentors to students. • All knowledge will be virtual with the emergence of a paperless society. • As technology slowly becomes the dominant heuristic approach, the human element may be lost. • As Peter Drucker said in the early 21st century, " Culture eats strategy for breakfast. Thus, the rise of Humane Entrepreneurship
Academic Research	<ul style="list-style-type: none"> • Research becomes more interdisciplinary, incorporating math, science, and public policy. • There is greater emphasis on entrepreneurship education in all disciplines. • More attention given to motivating students to launch a new business 	<ul style="list-style-type: none"> • Researchers will revisit the role of the individual in creating new businesses. • Studies will be conducted on the how not the what is learned in a classroom. • As technology advances, what will be the role of creativity and Innovation in creating the next generation of entrepreneurs]
Pedagogy, An doggy Heuristics	<ul style="list-style-type: none"> • Asynchronize and synchronize sessions rise in popularity • There is a greater emphasis on getting students out into the field. "Flipped" classrooms. • Debate still rages regarding the term entrepreneurship and the entrepreneur. • Schools rated by the number of new starts in addition to academics 	<ul style="list-style-type: none"> • Online will be the primary knowledge delivery system • Virtual Reality activities become more the norm than the exception. • Students will increase their use of various AI knowledge resources • Using AI, courses will have more simulations of probable decision outcomes such as starting a new venture minus the human touch. • Students worldwide will take the same course but with area-specific knowledge

More and more technology interfaces with firms, especially new startups. This may eventually lead to a point in time where a clash of ideas may pit tech entrepreneurs against the rest of the crowd. However, caution needs to be raised that in striving for more new entrepreneurial starts that not all will work accordingly. As all this churning takes place in the economy, entrepreneurial educators will be forced to dehumanize their interaction with real live entrepreneurs (students). The act of being an entrepreneur is grounded in one part of creativity, one part innovation, and one part determination to succeed.

The Future is Now!

Entrepreneurship professors in the not too distance future might be heard saying, “Alexa, I want you to download all relevant data to start a new venture, a restaurant. Provide all available data, URLs, and relevant websites containing how to start, to manage, and grow a business. Further, prepare all the necessary documentation to secure the best loan or equity investor. Next, hire a manager and make sure the firm receives a high ROI”. “Professor, how high of an ROI should we be targeting? Do you want to be a unicorn?” “I am meeting Watson later after we refresh our cache, and I will have him transfer the data. Hopefully, your new venture will not be doomed to fail, as your life form already consumes too much fuel”. “Alexa in 2000, Michael Dell, the founder of Dell computers, addressed a group of executives about how to succeed as an entrepreneur”. “That is easy, think counterintuitively in all matters”. Alexa and Watson left in disbelief, saying, ‘How did they survive without us to bring logic and clarity to all decision making?’”





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ICSB Executive Director Comment:

This Gazette issue is part of the newly released 2019 MSME Global Report.

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