

# Entrepreneurial Skill Development: Harnessing Experience While Building Formal Knowledge and Qualifications in Business

## Skills Development for National Development

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### ABSTRACT

One need only walk through the streets and markets of any city or town in the developing world, from Asia to Africa to South America and beyond, in order to see the vast array of entrepreneurial skills on display. A core challenge facing those who rightfully view education as a powerful means of empowerment and development is how to effectively and successfully harness this work and life experience and channel it into formal education. It is a well established view that successful courses of formal education tend to be those that are relevant and meaningful to the lives of students. But how to encourage prospective students into such study when their formal schooling is not considered sufficient to gain direct entry into a course of post-secondary study? Likewise, business courses have an arguably well deserved reputation for being very expensive. This paper argues that partnerships are required between education providers and non-governmental organisations (NGOs) to provide affordable and flexible pre-tertiary business qualifications (diplomas and certificates) at a distance. This business focused education would seek to both formalise and expand the knowledge and experience of entrepreneurs. The resulting qualifications could then be used by such students, in combination with work and life experience, to gain entry into formal tertiary level studies. The drive, motivation and tenacity of entrepreneurs throughout the developing world represent a valuable human resource that would link well with formal distance business education. The current barriers to access must be lowered or removed if entrepreneurial success is to be matched by formal educational empowerment and longer term community development.

### INTRODUCTION

#### Defining Entrepreneurship

Defining what it means to be an entrepreneur is no easy task. Harding (2006, p. 5) contends that one must 'define the concept from the ground up'. Franco and Haase (2009, p. 637) maintain that a broader definition is required that views entrepreneurs as continual learners. A recent World Economic Forum report into entrepreneurship education defines an entrepreneur as someone who is creative, innovative and risk taking, and has an ability to translate 'ideas into action' (Volkman et al 2009, p. 18). Dana (2001, p. 405) highlights the fact that 'there is no universally-accepted definition of entrepreneurs or of entrepreneurship' in the literature. This evident lack of a comprehensive and widely accepted definition does not detract from the reality that entrepreneurship possesses distinctive features including 'a capacity for innovation' (Bruni, Gherardi & Poggio 2004, p. 258). Nor does this apparent definition deficit alter the fundamental and important role that entrepreneurship plays in promoting economic development and vitality. Thus, linking entrepreneurship and education has for quite some time been considered crucial in limiting and reducing rates 'of long term unemployment' (Mueller et al 2006, p. 3). Entrepreneurship also widens and strengthens participation in economic activity, particularly for historically marginalised groups such as women (Hisrich & Ozturk 1999).

Research into entrepreneurship indicates that data and findings from the developed world 'need to be carefully examined and tested' prior to being utilised in the developing world (Hisrich & Ozturk 1999, p. 124). Education and training regimes need to be applicable and relevant to the

local context and environment (Dana 2001, p. 405). Even so, Harding (2006, p. 6) points out that entrepreneurs are inherently flexible and adaptable and are not irreversibly linked to their ethnic, cultural or economic surroundings. In this context, knowledge is now seen as a central 'concept in social and economic advancement' (Franco & Haase 2009, p. 628). What do seem consistent and uniform are higher quality learning outcomes for those entrepreneurs who 'engage in action learning events' (Mueller et al 2006, p. 18). Action learning revolves around a pragmatic approach to education that seeks to provide students with opportunities outside the traditional classroom environment 'to meaningfully reflect on academic subjects' (Mueller et al 2006, pp. 4-5). Likewise, financial assistance alone is not sufficient to develop more effective and successful entrepreneurs, rather 'vocational education and training' are in many cases more beneficial (Dana 2001, p. 408).

Ascertaining what needs to be taught in terms of entrepreneurship education is no easy task as no formula exists for what constitutes entrepreneurship to begin with (Dana 2001, p. 414). Taatila (2010, pp. 56-57) highlights the need for learning to take place in the relevant business environment, while also detailing the need for real-life case studies based around student-centred and pragmatic pedagogical approaches. Plumly et al (2008, pp. 19-20) agree, stating that 'reality-based pedagogies' embedded in courses anchored to skill-building are better suited to entrepreneurship education than more traditional methodologies that focus on knowledge building, such as in accounting or management. Bringing together the workplace and learning, while 'integrating theory and practice', are key to implementing effective entrepreneurship education (Leppisaari, Tenhunen & Kleimola 2008, p. 6). Given that entrepreneurship represents an ongoing dynamic cycle of learning, it is surprising that there is somewhat of a gap in the organisational learning literature on this topic (Franco & Haase 2009, p. 629). Nevertheless, Plumly et al (2008, p. 19) detail a range of key skill building areas that they recommend covering, including communication, leadership, teamwork, negotiation, strategic planning, basic business law, innovation and technology, and product life-cycle and development.

### **NGOs and Entrepreneurship**

Non-governmental organisations (NGOs) have a vital role to play in promoting economic development, and this is certainly the case when it comes to entrepreneurship education. In fact, both 'economic development and political empowerment' are now central themes amongst many development-focused NGOs, particularly when it comes to women and other marginalised groups in society (Rajasekaran 2009, p. 67). As Stefanovic (2007, p. 6) states, an increasing number of partnerships are taking place between NGOs, local and international businesses and government agencies. For example, NGOs are involved with 'small business management' education in India, while the Entrepreneurship Development Institute of India (EDII) promotes through training and other activities 'development, employment generation and poverty alleviation' (Dana 2001, pp. 406-407). NGOs are also well placed to unite with other 'grass-roots agencies' and community groups to draw more people into formal training and education (Volkman et al 2009, p. 92). In addition, NGOs are well situated to implement teaching and learning models and practices that are more organic and flexible than traditional education providers (Tesone 2004, p. 57). Rajasekaran (2009, p. 51) argues that NGOs over the past decade or so have contributed in more significant and lasting ways to the prosperity and development of poorer communities and countries through the provision of education, than the millions (if not billions) of dollars spent on more traditional aid programs.

NGOs can help to make education more affordable and more accessible, helping to ensure 'that the poor are not priced out of the system' (Datt 2000, para. 31). Combined with this, the adoption of adult distance education (DE) is best placed to respond to ever increasing demands on the tertiary education sector (Kumi-Yeboah 2010, p. 20). Education and training can be provided across a broad spectrum from basic courses in literacy to 'training in livelihood enhancement' through to formal courses in entrepreneurship (Nuruddeen & Wada 2010, p. 11). As Nuruddeen and Wada (2010, p. 11) point out, such a diverse range of courses when linked to microfinance

programs aimed at improving credit access, go a long way toward alleviating poverty. This being the case, it is not all about money, resources and access. Entrepreneurship distance students also require a supportive network of educators and fellow students to at least partially off-set the reality that most are 'first-generation learners' with a consequent lack of familial and social educational guidance and support, often taken for granted by middle class students (Datt 2000, para. 11). Likewise, DE usually represents the only viable option available to most employed adults, such as entrepreneurs, with research indicating that many would not be able to undertake formal study without this option (Priebe, Ross & Low 2008, p. 11). NGOs and education providers need to work closely together and be acutely aware of the obstacles to DE and e-learning, namely, 'connectivity, equipment, software and training' (Daniel 2009). A holistic approach would likely see NGOs and education providers make powerful partners.

### **Partnerships: NGOs & Education Providers**

The one important area that traditional education providers and NGOs can unite around to leverage their individual expertise is DE. Many education providers have a wealth of knowledge, experience and expertise in distance e-learning, with considerable growth expected well into the foreseeable future (Tesone 2004, p. 64 & Haley 2010, p. 58). Leppisaari, Tenhunen and Kleimola (2008, p. 77) maintain that entrepreneurship education requires collaboration between providers and the business world, as well as new pedagogical models that harness information and communications technology (ICT) 'in meaningful ways'. They go on to highlight the need for 'innovative online pedagogical learning solutions and authentic learning practices' (Leppisaari, Tenhunen & Kleimola 2008, p. 77). Volkmann et al (2009, p. 35) state that 'entrepreneurship education must continue to pioneer use of digital learning strategies and techniques'. In partnership with NGOs, entrepreneurship DE is likely to be promoted and implemented in ways that have a greater chance of reaching a much wider array of entrepreneurs who would otherwise not have access to such formal education. Partnerships with education providers and NGOs could also result in the design and implementation of a suite of short and medium term training regimes and packages with associated certificates and diplomas. These could then be entry points for participants into other levels of formal education and professional development.

The concept of open universities (OU) whereby access is open to everyone who applies is gaining traction in the developing world and highlights a range of valuable opportunities and pitfalls that are applicable to the ideas put forth in this paper. There is little doubt that opening access to higher education (and education more generally) would help to counter the barriers created by traditional entry systems that favour the elite in the developing world (Kember 2007, p. 73). The problem is that greater openness is only one part of the overall picture. A lack of infrastructure, particularly in terms of ICT, further widens the gap between those who have and those who do not, creating amongst other things digital, economic and educational divides (Gulati 2008 and Daniel 2009). Twigg (2002, p. 2) contends that it is possible 'to make online learning a tool to widen access without compromising cost or quality'. However, Kember (2007, p. 73) cautions that high rates of drop-out need to be acknowledged in order to develop a more holistic picture and more complete and effective strategies when it comes to reducing or abolishing entry barriers to higher education. Low adult literacy levels and dire economic circumstances mean that so many people in the developing world simply do not have the basic skills nor the resources to begin with (Gulati 2008). Even so, rapidly growing connectivity and the increasing importance of open educational resources (OERs) are likely to see at least some of these barriers greatly reduced in coming years (Daniel, Kanwar & Uvalić-Trumbić 2007, pp. 1 & 9).

Encouraging entrepreneurs into formal education is as challenging as trying to get them to transition from the informal sector to the mainstream economy (Dana 2001, p. 414). In this context, NGOs and education providers need to commit to long term approaches via ongoing collaboration, and by developing supportive networks for entrepreneurs (Leppisaari, Tenhunen & Kleimola 2008, p. 83). Entrepreneurs tend to know other entrepreneurs (Harding 2006, p. 6) and so the flow-on effects of introducing formal education and training to a particular entrepreneur or

group are likely to grow with time. Stefanovic (2007, p. 8) points out that entrepreneurs from poor backgrounds (or the 'e-poor') might be living close to, or indeed just below, the poverty line; however, they often have the capacity to employ others. This job creation potential can be further enhanced through formal education and training. The ongoing growth in entrepreneurship education in the developed world, particularly the United States, is testament to the latent demand that exists for a greater focus on developing skills in entrepreneurial 'creativity and risk-taking', rather than solely on traditional-style business education (Plumly et al 2008, p. 18). NGOs are also better placed to provide 'access to credit' to marginalised entrepreneurs like women who often face enormous barriers when trying to access resources (Bruni, Gherardi & Poggio 2004, p. 263). Moreover, in India the EDII also demonstrates that although access to resources is very important, so too are programs that improve personal confidence and motivate aspiring entrepreneurs, in the process, helping individuals to realise their hidden potential (Dana 2001, p. 407).

## CONCLUDING REMARKS

Entrepreneurship education has vast potential to build skills and competencies in entrepreneurs who through poverty, marginalisation or other significant barrier would not otherwise be able to expand and develop their entrepreneurial skill set. An effective way to open up access to entrepreneurs with limited to no opportunity to formally study is through collaboration and partnership between education providers and NGOs. Such a united effort would ensure that the people who would benefit the most from entrepreneurship education are identified and supported in an ongoing and meaningful manner. The skills and knowledge of the educational sector, combined with the skills and experience of NGOs, are likely to result in improved skills and competencies in entrepreneurs, who then in turn encourage greater social and economic participation, growth and strength.

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