Soul of entrepreneurship, entrepreneurship education?

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Abstract

In the last twenty years, entrepreneurship education has developed greatly in developed countries and it is quite effective in terms of entrepreneurial intention. This study aims to find out to what extent entrepreneurial education affects the entrepreneurial intentions of students at Trakya University. Entrepreneurial education has recently been added to the program at Trakya University, and positive results from this study will help to show the effectiveness of these courses. The study found that students who have been in receipt of an entrepreneurial education have deeper entrepreneurial intentions to take action when compared with students who were not in receipt of an entrepreneurial education. Besides, it was found that the percentage of those who are unclear as to whether to establish their own business or not, in terms of all the students who took an entrepreneurship course and those who did not, is rather high; besides, 23% of the students think that entrepreneurship can be learned.

Keywords: Entrepreneurship, Entrepreneurial Education, Entrepreneurial Intention, University Education

1. Introduction

The rapid and constant growth of the world economy also leads to problems of unemployment. Rates of unemployment have gradually increased as some types of work have disappeared. The International Labour Organization report (ILO, 2015) states that 61 million people have lost their jobs since the 2008 world economic crisis and, despite the recoveries in the U.S. and Japan, problems continue in other developed countries. The simplest solution to the rise of unemployment, and the disappearing lines of work is entrepreneurship, a belief that it is supported by states and by universities.

Entrepreneurship is considered to be among the agents of production, such as land, labour and capital (Örucu, 2013, p. 4). Yet in recent years, entrepreneurship is often taken as synonymous with information (Ozturk, 2003, p. 209). This suggests that entrepreneurship is synonymous with knowledge and is used as an agent of production.

In the United States, entrepreneurial education is standard in most technical universities and in business education (Cetinkaya, 2011, pp. 30-31). “Silicon Valley” – the rising value of our age - can be considered as a significant reference, as a result of the innovations and technologies it brings about through entrepreneurship and education.

In a 2012 report, the European Commission ascertained that individuals who engaged in entrepreneurial education and those who did not take such a course, have different entrepreneurial

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intentions (European Commission, 2012). It stated that students who had received an entrepre-
neurial education had obtained a job prior to graduation, or that they were innovative employees. 
Furthermore, it indicated that the potential for entrepreneurial education in Europe has not been properly fulfilled, and that entrepreneurial education can improve this potential.

There are great differences between developed countries and underdeveloped ones in terms of entrepreneurial potential. The most important reason is that counties have either individualistic or communistic cultures. Carikci and Koyuncu (2010) concluded that individuals in countries where the communistic culture is dominant tend to suppress their creativity and lose it gradually. They also pointed out that the tendency for entrepreneurship in individualistic cultures seems to be stronger.

The research which examines the relationship between individualism-communitarianism and innovation-entrepreneurship shows that individualistic cultures seem to much more innovative compared to communistic ones, thanks to the importance given to creativity in individualistic cultures. Fis and Wasti (2009) used the individualistic and communistic culture dimensions, developed by Hofstede, and which are based on anthropology and sociology, to assess organizational culture in their research. They stated that entrepreneurship is decreased in an organizational culture as a result of an increase in communitarianism.

Much research has been done on entrepreneurs and entrepreneurship with regard to different subjects, such as employment, economic growth, innovation, culture, education and psychology (Colpan & Jones, 2015; York & Venkatamaran, 2010; Carikci & Koyuncu, 2010; Dogan, 2015; Hisrich et al., 2007). The relationship between entrepreneurial intentions and education was probed in this study.

2. Literature review

2.1. Definition of an entrepreneur

Schumpeter (1934) defines an entrepreneur as a person who applies new combinations in creative changes. In other words, entrepreneurs are people who introduce novel products, ideas and services that are already in use with resources that are new. Novelty does not need to be an invention. Introducing something that already exists with a novelty is considered entrepreneurship.

From an anthropological point of view, the development of an entrepreneurship has been in parallel with the development of human being since the beginning of humanity. People have made innovations to meet needs. If we sequence the stages of social development as primitive society, agricultural society, industrial society and the information society, we can sequence the anthropological development of today’s entrepreneur as making primitive hunting tools, producing agricultural products, mass production and production of knowledge. Entrepreneur is considered to be the power of economic development (Brouwer, 2002).

Kirby (2004) considers an entrepreneur to be a risk taker, unordinary, creative and perceptive, and an individual who uses opportunities and has strong beliefs in success and in himself/herself.

An entrepreneur uses his/her intelligence to make new combinations, based on his/her experiences. Entrepreneurs differ from others in that that they realize opportunities by analyzing risks and dangers (Iyer, 2015, p. 2).
2.2. Definition of entrepreneurship

Entrepreneurship paves the way for a great deal of employment, economic growth, innovation, new products, high-quality service, competition and for developing a flexible economy. In addition, it encourages people to join the state economy as an employee, causes social mobility and helps develop culture (Hisrich et al., 2007, pp. 575-589).

Holism as an anthropological approach exacerbates the problem of coming to an agreement as to the definition of entrepreneurship. Entrepreneurship cannot be explained by a single aspect or feature. On the contrary, entrepreneurship is seen as ceaseless variation, innovation and selection, which is inseparable from human life (Steward, 1991, pp. 73-74).

Entrepreneurship is the allocation and control of resources in order to establish an organization with the aim of earning or expanding (Dollinger, 2008, p. 9).

Allen (2006) defines entrepreneurship as activity that is focused on expansion, innovation and opportunities. Krueger and Brazeal (1994) state that entrepreneurship is not a mystical power or something that is inborn, but claim that, “entrepreneurs are not born but made.” Furthermore, they suggest that academics, consultants and bureaucrats can encourage and support potential entrepreneurs in order not to miss out on opportunities.

In terms of creating opportunities, developing archaeological finds and producing novelties in the light of technological and scientific research and turning them into an entrepreneurship opportunity is significant. For instance, at the 23rd Annual World Business Congress (2014) in Ankara, a gala dinner was themed “The Last Dinner of King Midas” in which that period’s menu and concept was reconstructed in terms of had a world-shaking impact.

2.3. Entrepreneurial intention

Intention can be defined as the design of actions that a person plans to carry out in conjunction with his/her goals. Intention can also be seen as a process involving beliefs and attitude, in which attitude and action affect and trigger each other reciprocally (Top & Sevenca\n
Although entrepreneurship intention is defined in many ways (e.g. Krueg & Carsrud, 1993; Boyd & Vozikis, 1994; Davidsson, 1995; Bandura, 1997; Drennan et al., 2005; Souitaris et al., 2007), essentially it is a mental process on the part of a person who intends to establish his/her business.

There are three basic models relating to individual intention with regard to entrepreneurship, these are: Shapero and Sokol’s (1982) Entrepreneurial Event Model, Bird’s Entrepreneurial Intention Model, and the Theory of Planned Behavior. Figure 1 shows Bird’s Entrepreneurial Intention Model (Bird, 1988). The economic, personal and social factors that affect entrepreneurial intentions, and these factors’ effect on intention are shown in Figure 1.
Fig. 1. Bird’s entrepreneurial intention model

2.4. Entrepreneurial intention and education

Although there are several mental and physical factors involved in establishing a business, many researchers are of the opinion that there is a causal relationship between entrepreneurial education and entrepreneurial behaviour (Gorman et al., 1997). Besides, recent studies show that universities also have an impact on entrepreneurial education and entrepreneurial behaviour (e.g. Robinson & Hayes 1991; Kolverid & Moen 1997; Solomon et al., 2002; Katz, 2003; Fayolle, 2008; Cheng et al., 2009; Packham et al., 2010; Sesen & Pruett, 2014). Therefore, an appropriate education can encourage one’s entrepreneurial behavior (Turker & Selcuk, 2009). It is obvious that entrepreneurial education has an important role to play in terms of the development of entrepreneurial intention (Garavan & O’Cinneide 1994, p. 3).

Entrepreneurial education is a basic aim of education and is a crucial resource with regard to lifelong education (Akudolu, 2010). Entrepreneurial education is not equivalent to vocational education or on-the-job training. Entrepreneurial education is a training in which students can use and develop their creativity and take initiative, responsibility and risk (Udoﬁa & Essien, 2013). Such an education involves the acquisition of knowledge, ability and attitude that people can learn, comprehend and apply in their life whatever the opportunities and situations they face (Akudolu, 2010).

Senocak (1992) defines 21st Century entrepreneurship as “tech entrepreneurship”, emphasizing that academic and technical know-how are of growing importance in business administration. According to the protocol signed by the Council of Higher Education (YOK) and the Small and Medium Enterprises Development Organization (KOSGEB) in Turkey, entrepreneurship courses are a new legal obligation for universities, and this supports the concept of tech entrepreneurship (KOSGEB, 2015).
In the USA, education and culture focusing on entrepreneurship is regarded as the basis for strong substructures on the part of giant companies such as Microsoft, Oracle, Dell and Wal-Mart (Timmons, 1999). With their giant project in 2014, Global Entrepreneurship Monitor (GEM) and Macedonia aim to raise creative generations that offer various employment opportunities via entrepreneurial education to people of all ages, from primary school to university, in order to achieve planned economic growth (GEM, 2014).

In their research, Yelkikalan et al. (2010) compared entrepreneurial education in Turkish universities and in other universities across the world. They emphasized that entrepreneurial education should be integrated into all curricula, people should be stimulated in the context of entrepreneurship from pre-school years to universities, people’s perception of entrepreneurship should be changed, and creativity-based education should be motivated by stating that educational institutions have a great impact to make, on both making entrepreneurial culture and on the teaching and spread of entrepreneurship.

Akin and Demirel (2015) compared students who had yet to complete a compulsory entrepreneurship course, and those who had recently started the course, for their perceptions and intentions toward starting their own businesses after attending Aksaray University. According to this survey, there should be a positive change in the mentality of students towards entrepreneurship after following the course.

Ibicioglu et al. (2010) provided another remarkable study on entrepreneurial education. According to the results of their study, the business students, in comparison with other faculty freshman with no entrepreneurship training and consisting of working-class students, were found to be more likely to have negative thoughts than other student entrepreneurs. Entrepreneurship education, even though it is just beginning, generates an entrepreneurial spirit to equip students who have chosen to specialise in business. This is an interesting result. Entrepreneurship education to the students, do not look so hot on the idea to start their own business. It appears that they are willing to take risks. If they are a bit more willing to pursue opportunities to put new ideas into practice, taking into consideration their responses to new things and ideas, it seem a long way from taking responsibility. The result of business school seniors who have received training in entrepreneurship, in comparison with the final year students of the faculty, indicates that entrepreneurship training in business management students verifies the introduction of entrepreneurship courses for students not that they have had more entrepreneurial thinking.

A study was carried out on the final year students who took an entrepreneurship course from the Department of Business Administration in the Faculty of Economics at Istanbul University (Dogan, 2015). According to this survey, there was a significant positive relationship between entrepreneurial education and entrepreneurial intention. In addition, and more interestingly, students with self-employed fathers had higher entrepreneurial intentions than those who did not. This shows the position of the father as a role-model in our national culture.

Galloway and Brown (2002), in their research on students who engaged on entrepreneurial courses and those who did not, and on students and alumni, drew the conclusion that entrepreneurial education increases ambition and desire. Entrepreneurial courses that were part of associate degrees and bachelor degree programmes in Anadolu and Bilecik Universities proved the effect of such courses in developing creative ideas (Sengel, 2008).
Bayraktaroglu and Ozdemir (2010) suggest that conscious entrepreneurship requires knowledge, and unless educational institutions and non-governmental organizations contribute to the conveying and acquisition of this knowledge, entrepreneurs cannot succeed, and this will prevent economic growth.

3. Research

3.1. Objectives and importance of the study

The basic objective of this study is to analyse the effect of entrepreneurial education offered in the universities of developed countries since the Second World War.

A detailed literature review indicates that entrepreneurship is accepted as a solution to the unemployment problem, to maintaining sustainability in employment and to encouraging a boom in the economy. This is supported by entrepreneurship education.

Entrepreneurship is the most important component of providing employment. The development agencies founded in the U.S.A. and Europe right after the Great Depression helped the potential for entrepreneurship to grow. However, in underdeveloped countries it was not until the 1990s that development agencies started to improve entrepreneurship potential; for example, in Turkey where many state departments such the development agencies KOSGEB and YOK carry out activities to increase the entrepreneurship potential (Engin, 2011). The amount of entrepreneurial training increased entrepreneurial intention. A great number of universities in Turkey aim to provide their students with a competitive edge after graduation (Karabulut, 2014).

This study aims to find out to what extent entrepreneurial education affects the entrepreneurial intentions of students at Trakya University. Entrepreneurial education has recently been added to the programme at Trakya University, and positive results from this study will help to show the effectiveness of these courses. Globalization and recent economic problems have caused problems in unemployment. The importance of entrepreneurship and raising entrepreneurial intentions as a sustainable and qualified way of solving unemployment is emphasized in this study.

3.2. Method

An empirical study was carried out among students at Trakya University’s Faculty of Economics and Business Administration and the Kesan Yusuf Capraz School of Applied Sciences Department. This survey involved 245 Bachelor’s and Master’s degree students.

The instrument used for data collection was a face-to-face survey. Survey forms previously used by Autio et al. (1997) and Luthje and Franke (2003) were analysed, together with a survey form prepared by Duijn (2005).

The first part of the form consists of questions on entrepreneurial intentions, entrepreneurial attitudes, participation in entrepreneurial education, and attitude towards entrepreneurial education. The second part contains demographic factors.

3.3. Target population and sample of the study

This research was conducted on students at Trakya University’s Faculty of Economics and Administrative Sciences and the Kesan Yusuf Capraz School of Applied Sciences. As analyzing the total population needs a great deal of time and involves high costs, 245 students were selected by using a random sampling method.
3.4. Findings

The results were analysed with the use of the statistics program SPSS 12.01 for Windows. Table 1 shows the demographic characteristics of the students.

Table 1. The frequency distributions of the demographic characteristics of the students

<table>
<thead>
<tr>
<th>Status</th>
<th>Frequency</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gender</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Female</td>
<td>153</td>
<td>62.4</td>
</tr>
<tr>
<td>Male</td>
<td>92</td>
<td>37.6</td>
</tr>
<tr>
<td>Currently parents self employed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>111</td>
<td>45.3</td>
</tr>
<tr>
<td>No</td>
<td>134</td>
<td>54.7</td>
</tr>
<tr>
<td>Age</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than 23</td>
<td>188</td>
<td>76.7</td>
</tr>
<tr>
<td>23 and above</td>
<td>57</td>
<td>23.3</td>
</tr>
<tr>
<td>Parents have been self employed</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>151</td>
<td>61.6</td>
</tr>
<tr>
<td>No</td>
<td>94</td>
<td>38.4</td>
</tr>
<tr>
<td>Education Status</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bachelor’s Degree</td>
<td>235</td>
<td>95.9</td>
</tr>
<tr>
<td>Postgraduate Degree</td>
<td>10</td>
<td>4.1</td>
</tr>
<tr>
<td>Participated in entrepreneurship education at university (excluding entrepreneurship lesson)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>98</td>
<td>40.0</td>
</tr>
<tr>
<td>No</td>
<td>147</td>
<td>60.0</td>
</tr>
<tr>
<td>Participated in entrepreneurship lessons</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Yes</td>
<td>92</td>
<td>37.6</td>
</tr>
<tr>
<td>No</td>
<td>153</td>
<td>62.4</td>
</tr>
</tbody>
</table>

62.4% of participants are female and 37.6% are male. 23.3% of the participants are aged 23 years and above, most of whom are undergraduates. 10.6% of the participants are currently running their own business. The percentage of students whose parents run their own business is 45.3%, and the percentage of students whose parents previously ran their own business is 61.6%.

40% of students attend a course entrepreneurial education apart from the course offered by the university, and 37.6% have taken an entrepreneurship course. On the other hand, 23.7% of the students attended an entrepreneurial education course provided by other universities or non-governmental organizations. 39.6% of students took neither entrepreneurship courses nor engaged in entrepreneurial education.

As the Cronbach Alpha’s coefficients for entrepreneurial intentions and entrepreneurial attitude in Table 2 show, all of the scales can be assumed to be reliable.

Table 2. Cronbach’s alpha coefficient for two scales

<table>
<thead>
<tr>
<th>Cronbach’s Alpha</th>
<th>N Items</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial intentions</td>
<td>0.777</td>
</tr>
<tr>
<td>Entrepreneurial attitude</td>
<td>0.717</td>
</tr>
</tbody>
</table>

The difference between the entrepreneurial intentions of students who had engaged in entrepreneurial education and those who had not was analysed using a Mann Whitney U test. The results are shown in Table 3. According to Table 3, there is a meaningful difference between the two groups of students, at a 95% level of confidence (Z=-2.680; p=0.007). The mean ranking of
students who had engaged in entrepreneurial education is 132.77, while the mean ranking of students who did not have an entrepreneurial education is 108.10.

The Mann Whitney U test (Table 3) was applied to analyse the difference between the entrepreneurial attitudes of students who engaged in entrepreneurial education and those who did not, and the null hypothesis is rejected at the 95% level ($Z=-2.820; p=0.005$). The mean ranking of students who engaged in a course in entrepreneurship is 133.31 while the mean ranking of students who did not take this course is 107.27.

Table 3. Mann Whitney U Test results

<table>
<thead>
<tr>
<th>Status</th>
<th>Test</th>
<th>Entrepreneurial intentions</th>
<th>Entrepreneurial attitude</th>
</tr>
</thead>
<tbody>
<tr>
<td>Entrepreneurial education</td>
<td>Mann-Whitney U</td>
<td>5732.5</td>
<td>5652.5</td>
</tr>
<tr>
<td></td>
<td>$Z$</td>
<td>-2.680</td>
<td>-2.820</td>
</tr>
<tr>
<td></td>
<td>Asymp. Sig. (2-tailed)</td>
<td>.007</td>
<td>.005</td>
</tr>
</tbody>
</table>

Although there is a meaningful difference between the entrepreneurship and entrepreneurial attitudes of students who took the course and those who did not, there is not a meaningful difference between the average in terms of their attitude towards entrepreneurial education ($t=-1.025; p=0.306>0.05; df=243$).

There is not a meaningful difference between the averages in terms of the possibility of establishing their own business within a year ($Z=-1.667; p=0.095>0.05$). However, there is a meaningful difference in terms of the possibilities of establishing their own business within five years ($Z=-2.746; p=0.006<0.05$). The average with regard to the possibilities of students establishing their own business within five years, among students that took the course, is 53.97%, whereas this possibility is only 43.69% among students who did not take the course.

Chi-Square analysis is applied to show the effect of entrepreneurial education on the idea of establishing a business ($\chi^2=13.164; df=4 \ p=0.01<0.05$). This shows that 43.9% of the students who took an entrepreneurship course look positive when it comes to establishing a business, while this figure is only 34% for students who did not engage in such a course. However, the crucial point is that members of both groups are highly irresolute.

The Pearson Correlation coefficient between entrepreneurial intentions and entrepreneurial attitudes is 0.538 ($p=0.000<0.05$). The correlation between entrepreneurial intentions and entrepreneurship is low, because 47% of students think “entrepreneurship cannot be learned”. Thirty per cent of students are uncertain about that, and only 23% of students think “entrepreneurship can be learned”.

4. Conclusions and discussions

This study shows that students who have been in receipt of an entrepreneurial education have deeper entrepreneurial intentions to take action when compared with students who were not in receipt of an entrepreneurial education. Moreover, students who had received an entrepreneurial
education maintain a positive attitude. Turker and Selcuk (2009) state that entrepreneurial education plays a key role in developing entrepreneurial intentions, and emphasize that entrepreneurial education in universities can raise the entrepreneurial potential of students. Another piece of research in Europe conducted on graduates shows that entrepreneurial education positively affects the entrepreneurial mindset and intentions (European Commission 2012, p. 82).

Karabulut (2014) highlighted some of the characteristics of entrepreneurs: when they were born and how they were affected by family, friends and environmental factors. He suggested that higher education institutions need to analyse the effects of entrepreneurship programmes, and the activities that complement the entrepreneurial characteristics of their students and alumni to accelerate the process of new venture creation.

Students who had received an entrepreneurial education look positively with regard to running their own businesses, and these students want to establish their own business within five years. Galloway and Brown (2002) draw the conclusion that entrepreneurial education increases the entrepreneurial wish and ambition.

Other remarkable results of this study are that the percentage of those who are unclear as to whether to establish their own business or not, in terms of all the students who took an entrepreneurship course and those who did not, is rather high; besides, 23% of the students think that entrepreneurship can be learned. Taking an entrepreneurship course as an elective course in universities is considered to have an effect on this situation. Furthermore, government incentives in terms of establishing a new business are a novelty. Yelkikalan (2010) emphasizes that according to the Global Entrepreneurship follow-up report, the percentage of those receiving an entrepreneurial education in Turkey is 6%, while in China it is 40%; and developed countries such as Ireland and France are ranked as the leading countries in terms of enabling people to establish their own businesses.

Gorman et al. (1997), predicating on an empirical study, state that entrepreneurship can be learned or encouraged by entrepreneurial education. Garavan and O’Cinneide (1994) state that a counsellor, coach, mentor, consultant, role model and guide can all have a key role to play in entrepreneurial education, and emphasize the contribution of these concepts in entrepreneurial education. Hence, we can suggest that entrepreneurial education should be considered as a whole, and the learning aspect should be evaluated from both learners' and the teachers' points of view.

Applying a model of entrepreneurial education that is used in developed countries to the situation in Turkey can generate the idea of entrepreneurship and running one’s own business. It is crucial that entrepreneurial education should be offered from pre-school years onwards, and should provide the opportunity to establish one’s own business. Increasing entrepreneurship and entrepreneurial ambition is thought to be a sustainable solution to unemployment.

References


