

Entrepreneurial learning: The challenge of the new era

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Professor David Rae

- Career in small business, government & higher education
- Entrepreneurship researcher, educator & writer
- Entrepreneurial learning: PhD & publications 1999-2010
- Director of Enterprise & Innovation, Lincoln Business School, University of Lincoln
- Vice-president, Institute of Small Business & Entrepreneurship
- *Optimist*, based on human creativity & potential for learning



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Session topics....

- The economic context
- Entrepreneurship in the new era
- What is entrepreneurial learning?
- How is entrepreneurship education changing?
- Learning 'in the moment' – new research
- New directions for entrepreneurial learning:
- Implications for educators & researchers

The economic context

The economic context

“Finland’s GDP and national income are facing the threat of remaining permanently smaller than expected....with the substantial growth in public debt, the ability of the economy to adapt to the effects of an ageing population looks much weaker than previously estimated.”

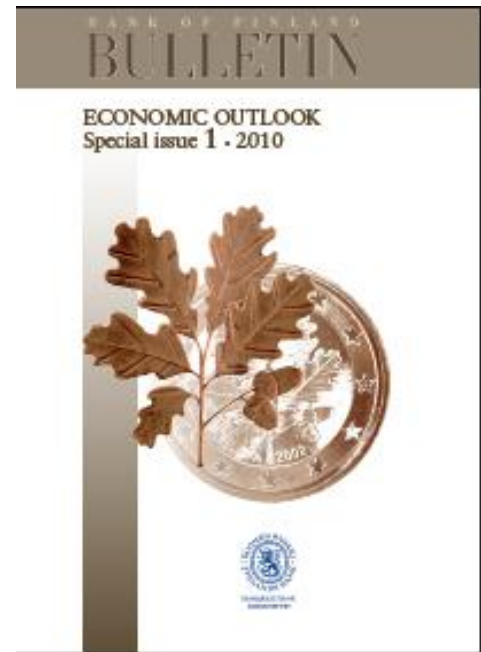
Overall picture:

- Declining GDP
- Depressed labour market, unemployment 9%
- Demographic shift: ageing population, fewer young workers
- Public sector deficit
- Constrained financing for SMEs

The report does not mention these drivers of growth:

- Entrepreneurship
- New firm formation
- Renewal of SMEs with retiring owners
- Innovation

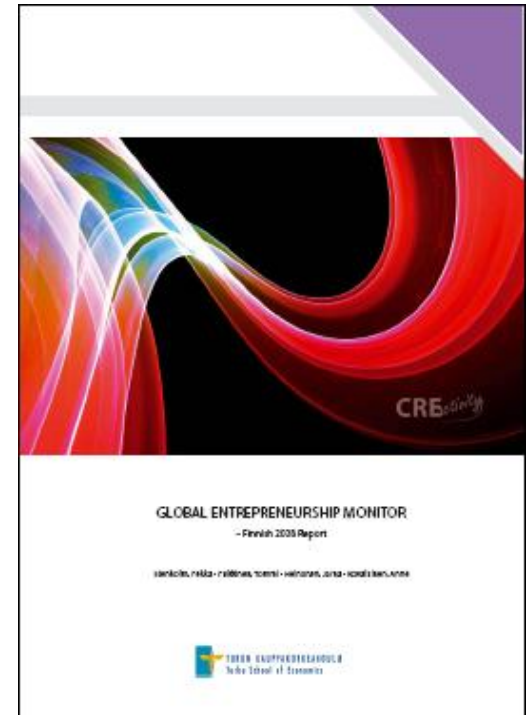
Why is this?



Entrepreneurship in Finland in 2008:

- 7.3 % of the adult population is involved in *early-stage* entrepreneurial activities.
- *Overall entrepreneurial activity* is 16 %
- 25% of Finnish adult population have previous *entrepreneurial experience*.
- Early-stage and established entrepreneurs in Finland have remarkably low *growth expectations*.
- Finnish entrepreneurial activity is one of the least internationalized among its Nordic counterparts.

- *The quantity of entrepreneurship education and training* is very high.
- *The quality of training* is a major challenge
- Entrepreneurial education and training increase intentions and early-stage activity.
- Finland lacks innovative, growth- oriented, international entrepreneurs.
- The Finnish Government has created a stable and predictable business environment which does not promote ambitious, growth-oriented and innovative entrepreneurship
- The major challenge in Finland is not the quantity of the entrepreneurs, but the quality.



GLOBAL ENTREPRENEURSHIP MONITOR

David Rae 2010 Finnish 2008 Report

Challenges for Euro-preneurship

- Failure of the Lisbon Agenda?
- Declining Eurozone GDP growth (1.8% p.a.)
- Eurodiversity: different states, cultures, entrepreneurial orientations & tensions
- Low confidence in Euro & sovereign debt issues
- Unsustainable State spending
- Increasing regulation
- High rates of 18-25 unemployment (20%)
- Low rates of venture creation & innovation productivity
- Need to improve European economic performance: is entrepreneurship the means?
- How does this influence the learning agenda?

Entrepreneurship in the new era

Entrepreneurship & Western economies since 1980

- Entrepreneurship is privileged by Western neo-liberal economic management
- Sustained periods of economic growth
- The entrepreneur is the '*action man*' of capitalist economic theory
- The 'pursuit of opportunity regardless of the consequences' resulted in massive 'creative destruction' internationally, 2007-10
- Unregulated entrepreneurial behaviour was a root cause
- Inevitable in capitalist market economies driven by speculation
- Major structural problems in banking, liquidity, credit & lending, risks, bad debt & confidence in national economies
- Many entrepreneurs and business owners, employees and suppliers, adversely affected by factors beyond their control
- Critique required of such entrepreneurship & education in European societies: do our academic theories stand up?
- Imbalance in the relationship between the freedom granted to entrepreneurs to create wealth, and responsibility to society?

2009 started a new era for enterprise

- The credit crunch & recession changed all the rules
- 20th century economy was broken
- A cultural divide between Anglo-American & European attitudes to free markets
- Role of the state & its resources to intervene are limited
- New economic & social models are needed to create new forms of value
- Power of new ideas & technologies to produce cultural, economic & social regeneration
- Entrepreneurship is needed to create new opportunities, sources of value, jobs and business ventures.
- Can we learn and change entrepreneurial behaviour to avoid repeating past mistakes?
- Better regulation is necessary, but insufficient.
- Learning, education, and the practice of ethical and responsible behaviour are needed.

Old entrepreneurship: the bison in the living room?



- Self-interest: personal effort for individual enrichment
- Irrational market behavioural herd instincts – greed and fear
- Aims to achieve market domination within the paradigm of capitalist economic growth
- Goal is continuous growth in scale, turnover, and profitability
- Resource-consumption model of ‘capture and exploit’ - inherently wasteful
- Blind to the consequences of its actions on the wider ecology
- Masculine behaviours of aggression, competition, domination & power
- Species protected by its government
- Inherently destructive of value as well as creative
- Became centred excessively on the pursuit of short-term profitability above all else

Can the bison learn to act responsibly?

A new paradigm for entrepreneurship?

Old e-ship

- Individual self-interest
- Neoliberal capitalism
- Opportunity pursuit regardless of consequences
- Business driven: short term profitability & growth
- Value creation solely financial
- Exploits & wastes resources
- Exclusive role models
- Masculine attributes: aggression, power, conflict
- Fuelled by debt



New e-ship

- Individual-team leadership
- Networked & collectivist
- Socially connected & inclusive
- Ethically responsible
- Sensitive to resource conservation & re-use
- Multiple forms of value creation
- Economically & environmentally sustainable
- Feminine values: relational, collaborative, intuitive
- Grassroots enterprise & resourcing

The enterprises which will grow strongly in an economic upturn will be very different from the casualties of the recession.

They are more likely to feature:

- collective enterprise, environmental sustainability, ethical practices, social responsibility;
 - increasing rates of entrepreneurship by women and by people from ethnic minorities;
 - cultural, creative, technological and knowledge-based entrepreneurship.
 - High levels of creativity & innovation.
- Will they be your students?
 - How can we help them?

What is entrepreneurial learning?

What is Entrepreneurial Learning?

- Entrepreneurial learning means people...
 - Learning and acting in innovative, opportunistic ways
 - Moving between ideas and activities: applied creativity
 - Transforming social interactions: self & social learning
 - Recognising, creating and acting on opportunities
 - Creating multiple forms of value
 - Initiating and managing organisations
- It is transformative, social, imaginal, emotional & experiential
- Applies in multiple contexts beyond neo-liberal economics

Some questions...

- How are entrepreneurial learning and enterprise education connected?
- How useful is the value-laden ideology of 'entrepreneur' (e.g. in not-for-profit sectors)?
- Many people do not wish to become 'entrepreneurs' even if they act in enterprising ways.
- Why does entrepreneurial learning matter?

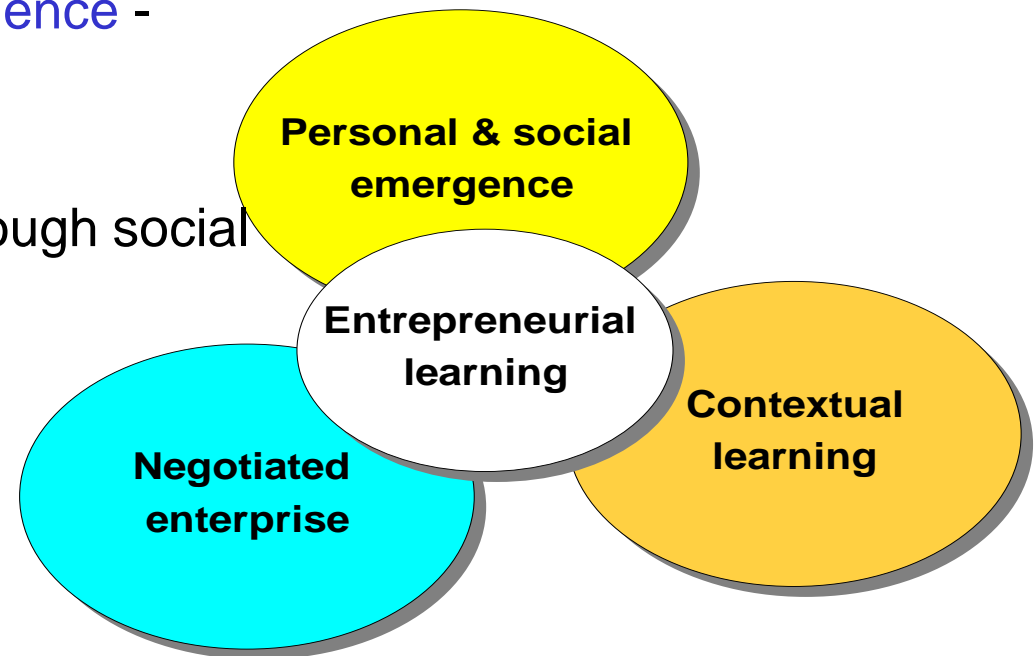
Why does entrepreneurial learning matter?

- To regenerate European societies & economies: innovation & wealth creation
- Creative thinking to stimulate vision, ambition and action
- To enable emancipatory & democratic participation from social exclusion & disadvantage
- To develop students confidence to act in uncertainty
- Lifelong learning for new & existing entrepreneurs & business owners to learn how to survive & grow
- Find and enact opportunities which create value from wasted and latent resources

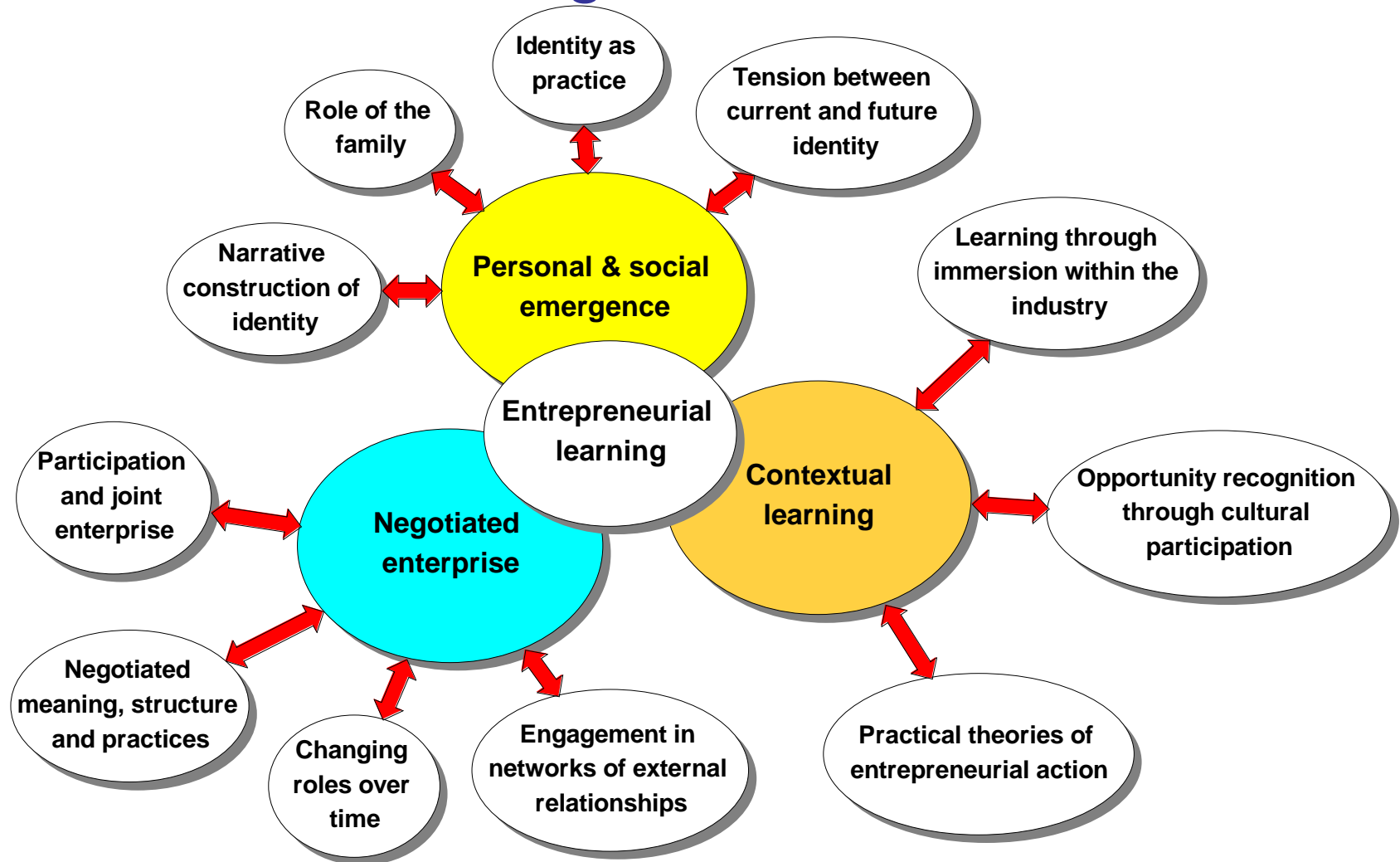
A model of entrepreneurial learning

A conceptual model of entrepreneurial learning based on narratives & social constructionism:

- **Personal and social emergence** - entrepreneurial identity
- **Contextual learning**
 - opportunity & practice through social participation
- **Negotiated enterprise**
 - creating the venture in concert with others



Triadic model of entrepreneurial learning: adding sub-themes



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Opportunity-centred entrepreneurship

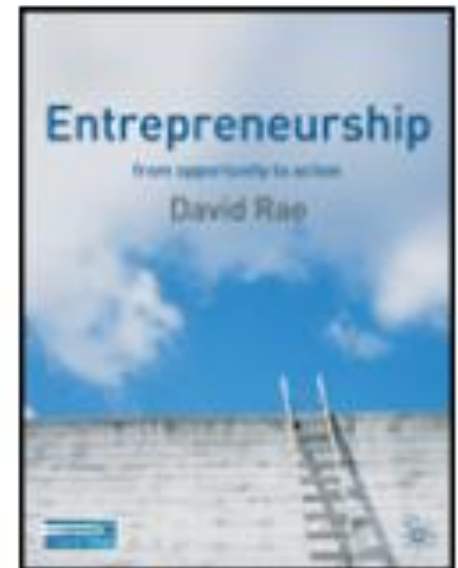
Provides a methodology for entrepreneurial learning through exploring and working on opportunities.

It includes four clusters of activities:

- **Personal enterprise** - connecting opportunities with goals and identity
- **Creating** & exploring opportunities
- **Planning** to realise opportunities
- **Acting** on opportunities

www.palgrave.com/business/rae/

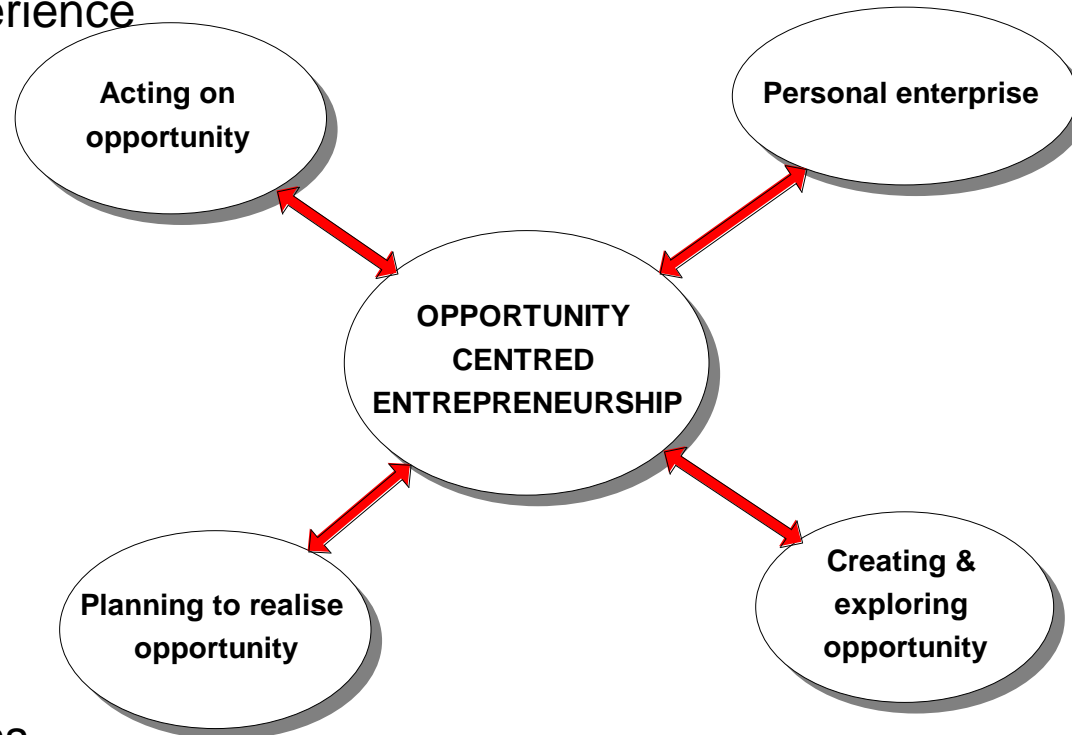
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Opportunity-centred entrepreneurship

Networking
Creating & using contacts
Communicating effectively
Self marketing
Learning from experience

What do I want?
Personal goals
Skills & strengths
Confidence & self efficacy
Values & motivations



Planning:
Goals & activities
Aiming for success
How-to?
Who with?
Resources

Creative thinking
Exploring ideas
Seeing needs as opportunities
Taking initiative

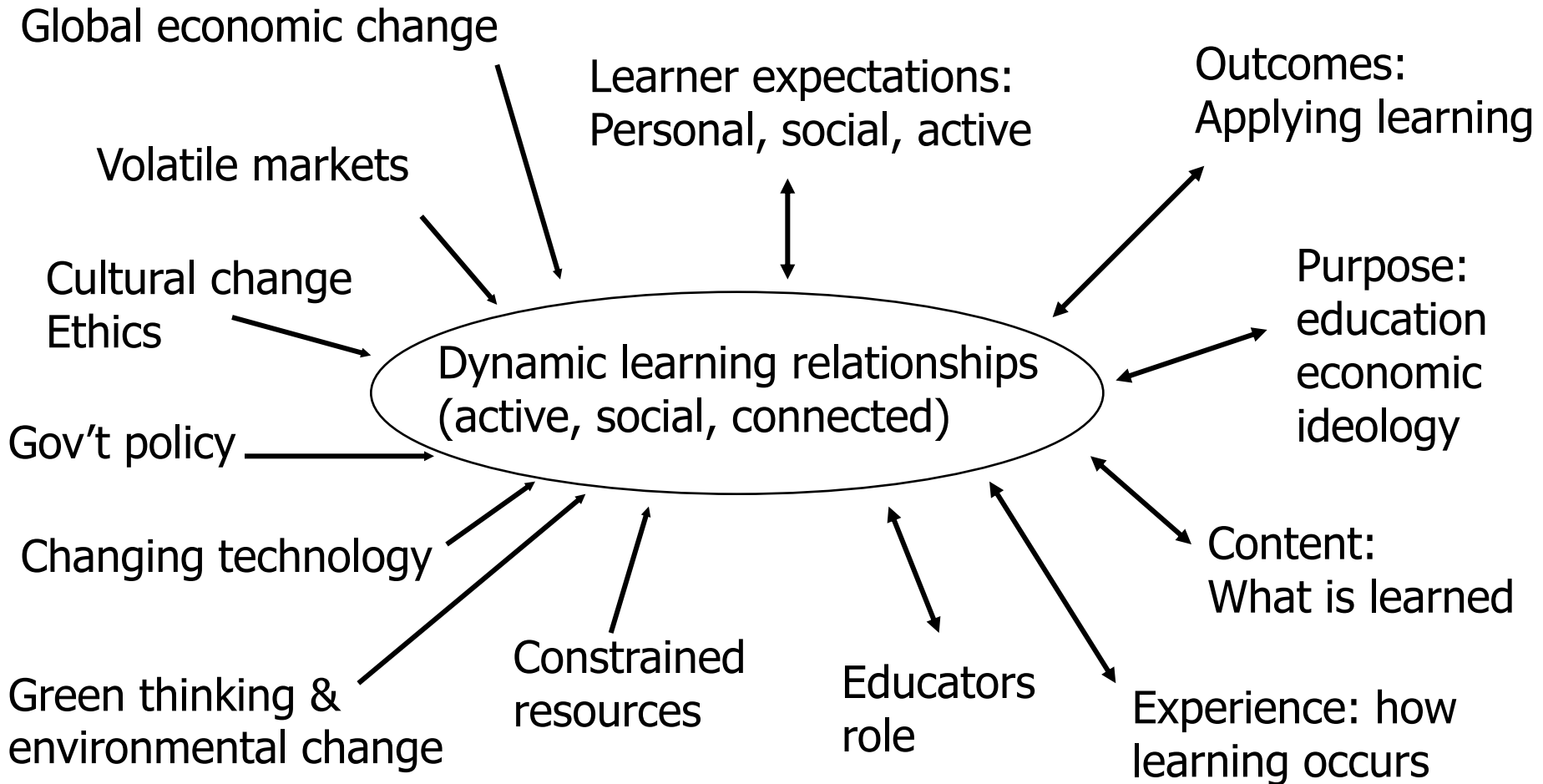
How is entrepreneurship
education changing in the new
era?

Entrepreneurial education in the new era

FORMATIVE INFLUENCES



CHANGING THEORIES

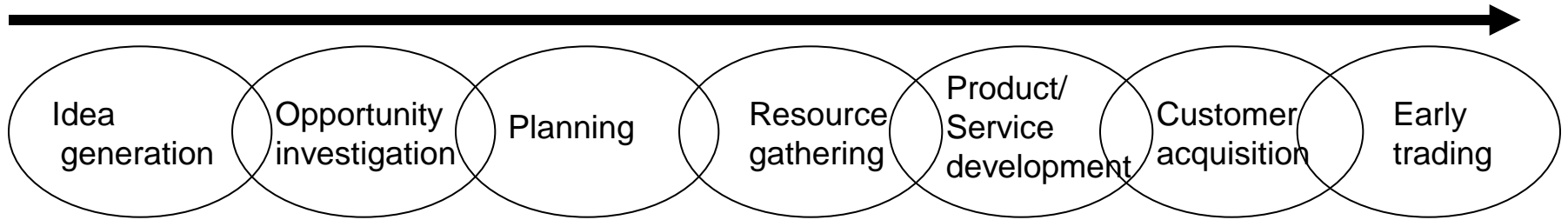


The student & graduate career perspective

New era requires an enterprising mindset & skills:

- Career as your personal enterprise:
- Think as 'individual & connected capitalists'
- Rise of social & new era e-ship
- Positive thinking to see opportunities
- Confidence & self-efficacy to act on them
- Economic & financial literacy (debt & credit)
- Increasing competition for jobs: 'how am I different?'
- Declining 'traditional' career opportunities in professions & large organisations
- Need to develop self/employable attitudes, behaviours & skills

Student journey to entrepreneurship



Key phases in venture creation – may not be completed sequentially

Learning 'why' triggers

- Interest, curiosity
- Planned learning
- Response to problem or opportunity
- Recognition of emergent or current need
- Perception of information, knowledge or resource gap

Learning what

Personal

- Managing multiple priorities
- Interpersonal relationships
- Self-efficacy

Functional

- Innovation
- Marketing & selling
- Planning & managing finance
- Computing & digital media
- Intellectual property & law

Learning sources

'Pull' learning

Who

- Mentors & advisors
- Customers & suppliers
- Peers & entrepreneurs

How

- Course based
- Events & workshops
- Experiential & discovery learning
- E-learning, Internet
- TV, books

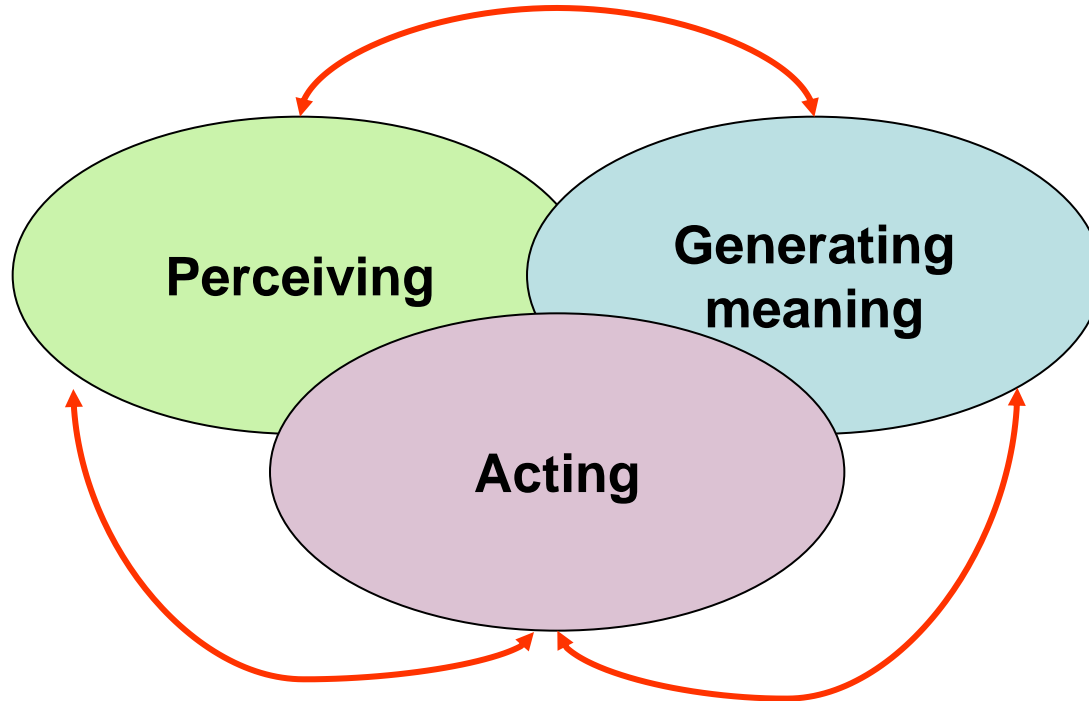
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Momentary perspectives: Living & learning in the moment

Recall a 'special moment'

- Think back to a significant moment in your experience of work
- What happened?
- What makes it special/memorable?
- How did it affect you?
- What did you do as a result?
- Share your story...

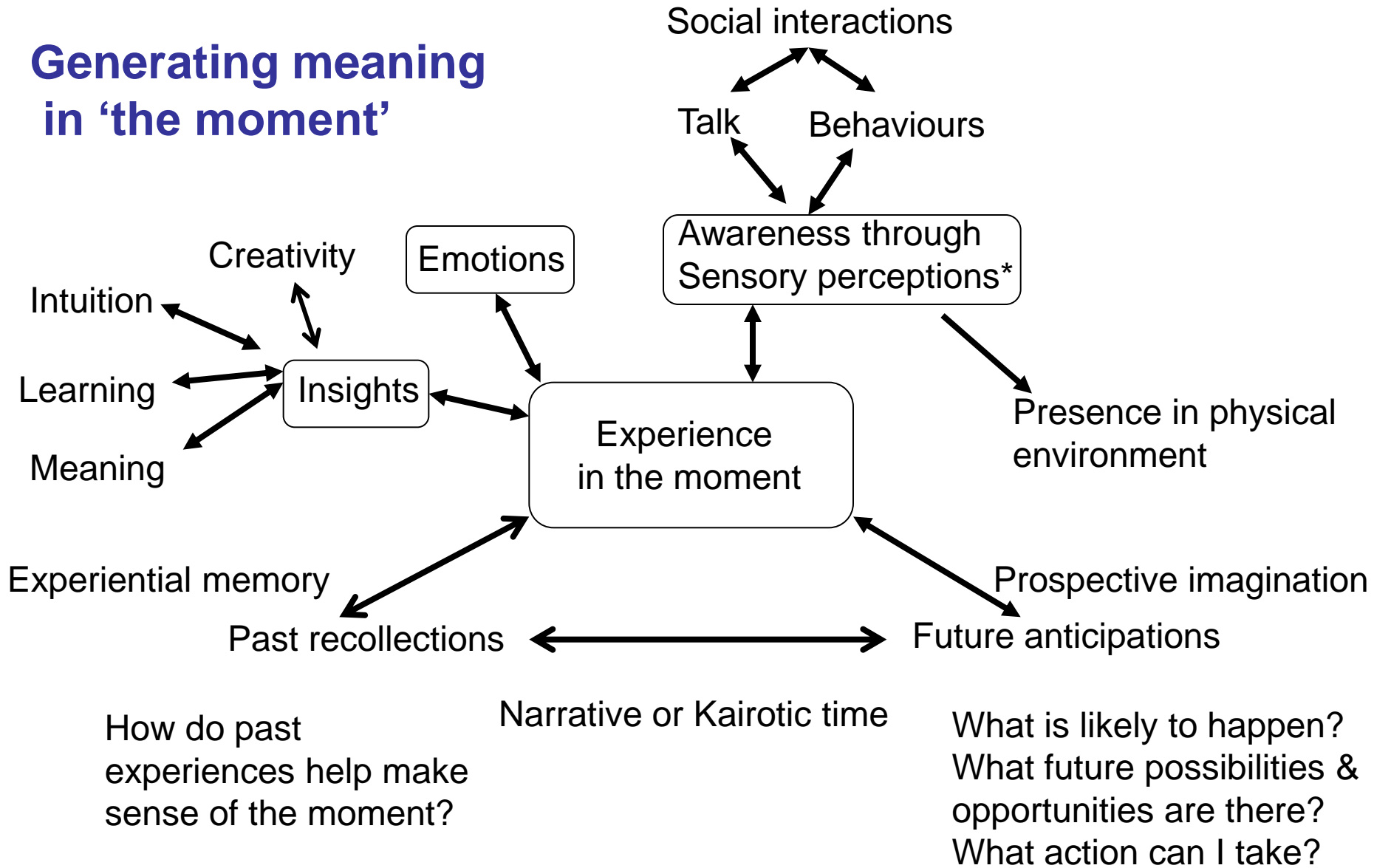
'Being' in the moment



Living in the moment

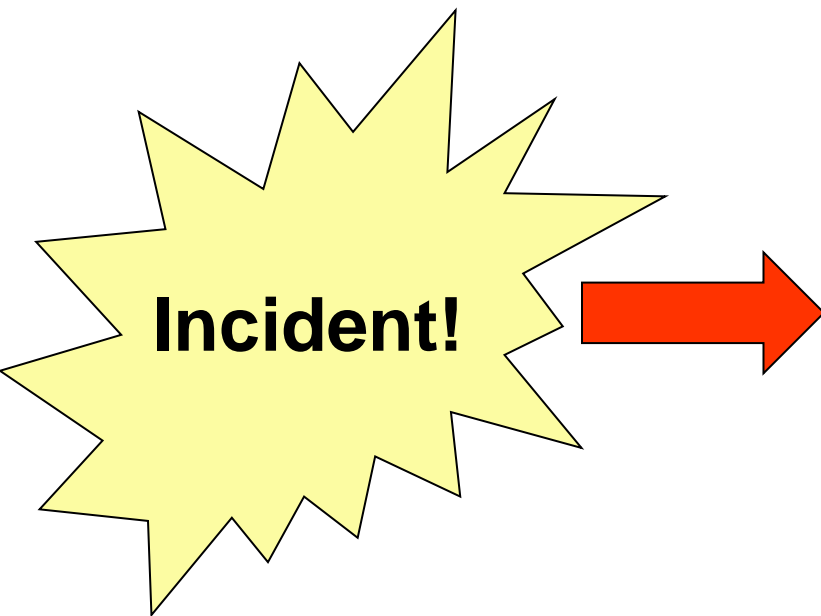
- ‘Now’ is an important time
- Moment: ‘a point in time, an instant’; ‘a turning point in a series of events’.
- We live in the moment: authentic experience & self-actualisation situated in consciousness between past experience and future anticipation
- *Momentary perspectives* offer new understandings of entrepreneurial learning & behaviour: creativity, transformation, action.

Generating meaning in 'the moment'



* Sensory perceptions:
Visual, hearing, touch
taste, smell

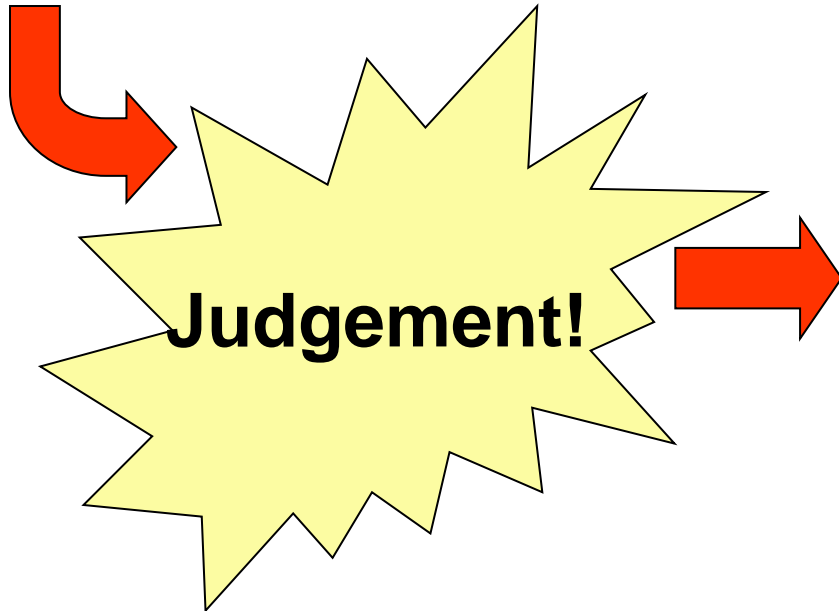
Types of entrepreneurial moments



Creative Idea Inspiration	Opportunity Problem Future possibility Innovation
Encounter Social interaction Meeting	Discovery New knowledge Learning

Responding in the moment

Creative Idea Inspiration	Opportunity Problem Future possibility Innovation
Encounter Social interaction Meeting	Discovery New knowledge Learning



Emotion Feelings Positive: liking, pleasure, trust Negative: fear, dislike	Cognition Add to/draw on memory New knowledge Learning
Identity Being: who you are & aspire to be Narrative: story you tell	Action Knowing what & how to act Behaviour Impact & self-awareness

Learning in the moment

- How do we create ‘special moments’?
- How to capture, share, learn within & from special moments as educators?
- How to enable learners to perceive, judge & act effectively in the moment?
- Use technology to share moments – twitter
- Build understanding of entrepreneurial behaviour through momentary perspectives

New directions for entrepreneurial learning

New contributions to entrepreneurial learning

- New economics
- Social, ethical & green enterprise
- Public & corporate entrepreneurship
- Female entrepreneurship
- Multiculturalism & internationalism
- New technologies & ways of learning
- New methodological perspectives.....

Entrepreneurial learning in the new era: questions for discussion

- How is the purpose & nature of entrepreneurship education changing?
- How do we respond to...
 - A questionable theoretical base?
 - Changing cultural values & social expectations?
 - Changing economic forces?
 - Changing learning methods & preferences?
- How is the role of educators changing?

Thank you



if you get stuck....drae@lincoln.ac.uk

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