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Delivery, student engagement and the implementation of good practice in entrepreneurship education

Learning from the UK's New Entrepreneur Scholarship Initiative

Wing Lam

Abstract: *This paper presents and discusses the results of a research-informed teaching project carried out to identify key factors in the content and delivery of a successful UK government initiative, the New Entrepreneur Scholarship (NES), from 2001 to 2008. The aim of the project was to evaluate the feasibility of implementing appropriate changes to undergraduate and postgraduate entrepreneurship programmes. The findings highlight deep-rooted issues concerning entrepreneurship education and research.*

Keywords: *entrepreneurship education; government-support initiatives; research-informed teaching; NES*

Dr Wing Lam is Senior Lecturer in Entrepreneurship at the Lancashire Business School, University of Central Lancashire, Preston PR1 2HE, UK. E-mail: wlam@uclan.ac.uk.

The project discussed in this paper was designed to identify good practice in government-funded initiatives and investigate how it might be incorporated into entrepreneurship education. As a result of the increasing recognition of entrepreneurship as a key driver in economic growth, the UK government has, since the 1980s, sponsored a series of initiatives to boost entrepreneurship and to enhance the enterprise culture in

the UK. Although entrepreneurship education has as a consequence grown substantially in universities and colleges in the last two decades, it must be noted that government-sponsored (directly or indirectly) initiatives tend to be operated on a limited-term basis and are relatively expensive (some cost well over £10,000 per business start-up, taking into account the set-up and running costs during the short period of operation); and,

as such, it can be understood that longer-term impact tends to be limited. Apart from the self-reported success of these initiatives and some descriptive reports about key success factors, little attention has been paid to good practice *in context*; and much less work has been done to examine critically the feasibility of incorporating good practice into mainstream entrepreneurship education, which would offer a more sustainable mode of encouraging entrepreneurship. Funded by the Harris Award for Excellence in Research-Informed Teaching, the project sought to identify *realistic* and *feasible* good practice in a limited-term initiative called New Entrepreneur Scholarship (NES) and to incorporate it into the mainstream undergraduate entrepreneurship education curriculum, without compromising the quality of teaching and assessment of these programmes.

The aims and objectives of this project were:

- (1) to investigate the key factors that give rise to the success of the New Entrepreneur Scholarship programme (NES);
- (2) to identify NES good practice related to pedagogical development; and
- (3) to examine critically the feasibility of applying good practice in the undergraduate curriculum.

The aims were consistent with the University of Central Lancashire's strategic vision of embracing 'employability and enterprise' in its curriculum design, delivery and assessment. The project was intended to contribute to the pedagogical development of entrepreneurship education in mainstream undergraduate and postgraduate programmes. This might include, for example, transfer of the approaches used by NES to inculcate personal attitudes, motivation and risk-taking as well as developing sustainable entrepreneurial capabilities appropriate for a graduate's future employment. Overall, the goal was to enhance the enterprise skills and employability, in the private and public sectors, of the students.

In the following section, we will briefly cover the history of the NES. The paper then continues by examining the project design and research approach. Findings are then presented and discussed before concluding the paper with implications for research, education and policy makers.

The NES programme

The NES programme was launched in 2001 as one of the UK government's nation-wide initiatives for addressing the role of HEIs and enterprise agencies in promoting the UK's entrepreneurial activities in disadvantaged areas. The programme was funded by the Learning and Skills Council¹ and managed jointly by

the National Federation of Enterprise Agencies (NFEA), the Association of Business Schools (ABS) and the Prince's Trust, and was designed to overcome the difficulties associated with such disadvantaged areas by providing a comprehensive package of support, mentoring and funding in order to encourage and sustain the start-up and growth of new businesses.

The programme aimed to turn viable business ideas into sustainable business. It consisted of three main elements: a start-up personal and business development programme, financial support and ongoing mentoring. Interested potential applicants were required to have a business idea when applying for the NES programme support: the ideas were screened and applicants were interviewed by the NES practitioners. Since this was a programme for individuals from disadvantaged areas, the key criterion to be met, with regard to an offer being made, was – according to the NES staff – the postcode (that is, the domestic location) of the applicant. Once accepted, applicants then attended an evening course held once a week for three months and covering different aspects of business start-up, with the participants being expected to use their own business idea for the course exercise. Once the participants had completed the three-month course, they received a university certificate and were encouraged to start their business: if they decided to do so during or after the course, they received financial support of £1,500 towards their start-up costs.

Since its launch in 2001, NES has been highly successful, with a high course-completion rate (88%), a high start-up rate (better than 95%) and high survival rates. NES graduates have an above-average business survival rate of 85% after 5 years of trading, the average for all start-ups being less than 40% (Barclays, 2007). The University of Central Lancashire (UCLAN) is one of the founding partners of the NES and has achieved above-average results in terms of the number of business start-ups it has generated and the regional and national awards won by graduates. However, despite the impressive track record of NES in terms of encouraging and supporting entrepreneurial activities, little work has been done to incorporate NES good practice into a pedagogical paradigm that might be shared more widely. Interestingly, during the fieldwork period of the present research it was confirmed that the NES programme was to be terminated with immediate effect – another illustration of the many uncertainties of government-supported initiatives. The announcement of termination of the NES programme made this present project even more meaningful, simply because the data would no longer be available for investigation and analysis once the programme had closed.²

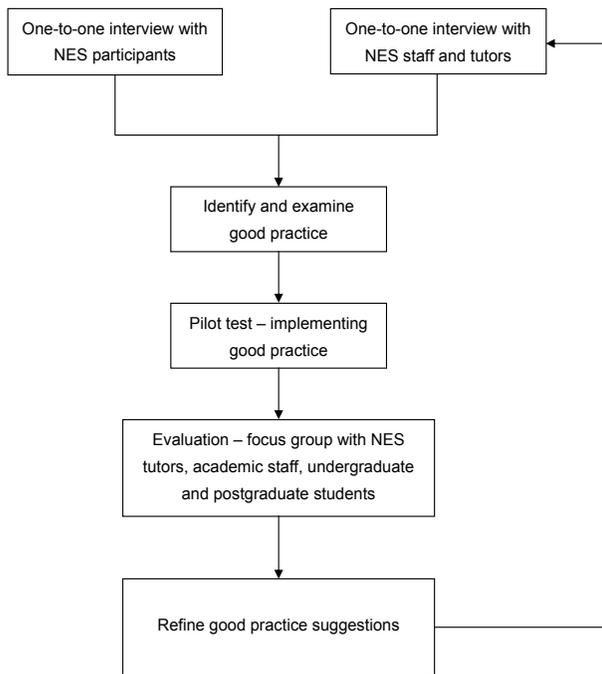


Figure 1. Research design.

Approach and research plan

A multi-stage fieldwork research plan was considered essential for achieving the research aims and objectives. The project design is illustrated in Figure 1 and the research action plan is presented in Table 1: 134 individuals, including 10 former NES participants, 12 tutors and practitioners and 112 undergraduate students, participated in the fieldwork. In the following sections, the findings of the research project at different stages are discussed.

First stage fieldwork: findings

The first stage of the fieldwork consisted of in-depth, face-to-face interviews with NES graduates, with the key objective of allowing them to share their experiences of the NES programme. The second part of the fieldwork during this stage comprised in-depth discussions with NES practitioners, providing them with opportunities to share their views and to talk about the issues NES participants had encountered. Several key topics were identified at this stage of the fieldwork: these will now be discussed.

Practitioner work experience and knowledge

One of the key areas that was repeatedly emphasized both by NES graduates and tutors was the experience and knowledge of the NES tutors. All of the NES tutors at UCLAN have had experience as business owners,

Table 1. Research plan.

	Actions/activities	Objectives and outcomes
Stage 1	(a) In-depth face-to-face interview with NES graduates (10 individuals); (b) In-depth face-to-face interview with NES practitioners and partner agencies (12 individuals) (c) Analysis of the fieldwork data (d) Discussion with course leader and module leaders	To understand the NES experience from both participants' and practitioners' perspectives To identify good practice
Stage 2	Pilot test – implementation of good practice	Evaluation of good practice and feasibility of implementation Implementation of changes in undergraduate entrepreneurship programmes
Stage 3	(a) Focus group with programme leaders, subject leaders and relevant parties involved in curriculum design, inside and outside the university; (b) focus groups with undergraduate students (26 participants)	To identify issues facing implementation of good practice
Stage 4	Data analysis	To examine critically the validity of good practice and feasibility of incorporating it into undergraduate programmes
Stage 5	Suggestions for implementation and dissemination	Refine suggestions, writing up of research findings and dissemination of research findings

consultants, or in accountancy practices. According to the NES graduates, the fact that their tutors ‘*know what they are talking about*’ is something that increased the levels of confidence of the graduates with regard to their studies and future business prospects. Because of the way the workshop was run, graduates had plenty of opportunities to talk to their tutors about the problems they encountered with their business plan; and the fact that the tutors were knowledgeable helped participants to solve many of their problems. The tutors also acted as mentors and this provided different opportunities for seeking advice on business start-ups.

Networking opportunities

Most of the NES graduates we talked to appreciated the networking opportunities that the NES provided. These

included, for instance, having the chance to talk regularly to fellow participants, which provided social and psychological support – crucial for new business start-ups – and opportunities to share problems with fellow participants and, sometimes, help each other to solve the problems. In addition, networking provided marketing opportunities: some of the participants received their first business order from fellow participants. The NES also provided opportunities for participants to meet previous NES graduates, many of whom were business owners; and there were opportunities to meet other relevant people such as accountants, bankers, lawyers or marketing professionals. According to the NES graduates, all of this was very important in helping to get businesses started.

Marketing

One of the key areas in the NES programme, repeatedly emphasized as such by both NES graduates and tutors, was knowledge of the market and marketing. The NES programme devoted a significant number of sessions on areas such as market demand, market research and sales techniques. The graduates benefited significantly from these practitioner-oriented sessions: the knowledge covered helped them to understand how the market operates, the importance of market research in order to understand market demand and how to approach customers to generate sales.

Accounting and finance

Another key area that was highlighted by both the NES graduates and tutors was knowledge of accounting and finance. The NES tutors considered it important that their graduates should have a sound understanding of accounting and finance, these subjects playing a major role in the start-up and subsequent survival of any new business, something clearly understood by the NES graduates. Many of them had joined NES without any prior knowledge of topics such as cash flow, budgeting, costing or book-keeping, and the knowledge gained from the NES programme helped them to understand better their own financial situation and to make informed decisions about business start-ups. As a by-product, some graduates also found the knowledge useful in other aspects of their life – for example, with domestic finances and in family businesses.

Stage one analysis and good practice

As a result of the stage one fieldwork and analysis, several clear examples of good practice were identified and these were critically examined by researchers, tutors and module leaders. As a result, some changes were

suggested which were implemented in the undergraduate entrepreneurship programme.

- (1) To suggest to students that they should think of a business idea at the beginning of the course and use this business idea to apply the new knowledge they learn during the course.
- (2) To invite experienced NES tutors to be guest lecturers on the course, to take advantage of their experience and knowledge.
- (3) To include marketing and accounting for small businesses in the course content.
- (4) To introduce students to the university business enterprise network and facilities, including a tour of the business incubator and Northern Light project (a university-based enterprise and business support programme).
- (5) To invite entrepreneurs to be guest speakers, to share their experience of business start-ups.

Comparing NES participants and undergraduate students

Following the introduction of these changes in the first semester, post-implementation focus groups were held with tutors, course leaders, module leaders and students. As a result, some further issues were identified that needed to be addressed.

Initial business idea

The NES participants were required to have an initial business idea when they joined the NES programme: the undergraduate students were not. Thus, at the beginning of the semester, it was suggested to students that they should think of a business idea and apply to it the new knowledge that they gained during the course. The rationale was that knowledge covered in the course needs to be applied in a business enterprise context. Whilst the NES participants actively engaged in applying knowledge to refine their business ideas during the NES programme, the undergraduate students were not very enthusiastic about it: in fact, many of them never used their business ideas during their studies. The tutors were given the impression that the students were not taking the matter seriously and tended to suggest businesses such as corner shops, pubs or fast-food restaurants – that is, businesses they thought of on the spur of the moment, when asked by the tutor, rather than having considered genuine possibilities. Because they did not seem to give much thought to their business ideas, the students did not apply the knowledge covered in the sessions. Why this occurred is a matter for speculation at this stage: it may be that, as undergraduate students, they could not see how business

enterprise related to them – even though they had chosen to take a module or course about entrepreneurship.

Marketing and accounting

The course content emphasized subjects related to core functions such as marketing and accounting. This includes topics such as the marketing mix, market research, selling techniques, pricing, book-keeping and accounting, costing and cash flow management. Both NES participants and undergraduate students liked the way the sessions were delivered and said that it helped them to enhance their knowledge of these subjects by placing them in the wider context of real business practice. In short, it helped them to appreciate the importance of these subjects and how this related to the process of starting a business. However, the tutors expressed some concerns: they felt that the undergraduate students might not be able to retain enough of what they learned in the sessions if they did not have an early opportunity to use this new knowledge; and the fact they were undergraduate students would mean that such opportunities might not arise for several years. Somewhat ironically, the tutors also felt that one of the reasons that these subjects were well-received by students might have been the manner in which the sessions were delivered: a more ‘traditional’ teaching mode was used – which some might describe as ‘spoon-feeding’.

Networking opportunities

At the beginning of the semester, a visit to the university incubation centre was organized by the course leader. The incubation centre offers dedicated accommodation, used by new businesses, and an open area where facilities such as Internet access, printers, faxes, meeting areas and separate, general meeting rooms are available. The tour thus enabled students to find out about the facilities and it provided opportunities for networking and seeking advice from entrepreneurs and advisors. The tour was apparently well-received by the students who said they ‘liked what they saw’ and would consider using the incubator facilities: however, after the first semester none of the students had actually used any of the incubator’s facilities or indeed visited it again – even though it is on campus and thus within easy reach.

During the semester the module leaders also introduced several on-campus seminars, with guest speakers, on topics related to business start-ups. Whilst these networking opportunities were liked by NES participants, the undergraduate students did not seem as enthusiastic – none of the students who participated in

the focus group had actually attended any of the seminars or networking events, in fact.

Drive, motivation and participation

Both practitioners and graduates agreed that having a combination of drive and motivation is the key success factor of the NES programme and this is supported in the literature (Naffziger *et al*, 1994; Watson and Hogarth-Scott, 1998; Baum and Locke, 2004; Wilson *et al*, 2004). Significant differences were identified amongst the NES graduates and undergraduate students. As previously noted, it was a condition of the programme that all NES participants had to be from disadvantaged areas. Many of them had worked but were unemployed and were referred to NES by Job Centres (locally-based, government-funded employment agencies) and, because of this, these individuals generally had an urgent need to earn a living: starting a business was presented to them as an opportunity to do so. They therefore had a stronger drive, and the motivation, to learn how to start a business successfully. The university students, on the other hand, had little work experience: they were, generally, much younger and had not thought about their career or earning a living. This difference in circumstances and attitudes was clearly demonstrated in class participation: while the NES participants were very keen to engage in class discussions and exercises, a significant number of the undergraduates were reluctant to do so, rarely raising questions or participating in group discussions. According to the NES tutors, it may be that undergraduate students simply do not know what questions to ask with regard to business start-ups, having – unlike their NES graduate counterparts – not been involved in entrepreneurial activities. However, a major part of the class discussion was concerned with what had just been covered in the session, and so the subject matter was by no means a totally unknown area for the undergraduates. It is therefore reasonable to infer that the undergraduates lacked the drive or motivation to learn about entrepreneurship, in contrast to their NES counterparts. Another possibility is that undergraduate students were used to being passive ‘learners’ rather than active participants in the interactive sessions: this is an issue that needs to be addressed if students are to take advantage of the sessions.

Conclusions and suggestions

This project aimed to identify and incorporate good practice from government-funded initiatives into university entrepreneurship education. By adopting a multi-stage research approach, some cases of good practice were identified in the stage one fieldwork and

then critically examined to assess the feasibility of incorporating them into undergraduate programmes. As a result, changes were implemented and subsequently evaluated. The results of our analysis showed that there are certain differences between NES participants and undergraduate students that affect the feasibility and effectiveness of incorporating suggested good practice. One of the key factors is the students' lack of drive and motivation, which influences their level of course participation and hence affects their learning experience. Another key factor is students' expectations about entrepreneurship education. Many of them expected to be 'taught' and were reluctant to engage actively in the course, because they were unable to understand how it might be useful and relevant to their studies. The critical issue is that entrepreneurship cannot be taught, but it can be learned; and this involves constant input from students and requires their participation in class exercises. The students' lack of enthusiasm resulted in their failing to take advantage of both the tutors' knowledge and experience and the networking opportunities or facilities offered by the university.

Learning from the NES?

The results of our findings might be regarded as discouraging. The findings suggest that the NES was successful in particular contexts and is therefore difficult to replicate in mainstream entrepreneurship education – that is, to be operated in a more inclusive, cost-effective and therefore sustainable context. Nevertheless, it is argued that this project makes a particular contribution in helping to advance understanding of entrepreneurship education from a different perspective. One of the key issues that arose was the students' lack of enthusiasm about entrepreneurship and this may be due to the fact that they were unable to see how this knowledge could be useful or relevant to them. For the undergraduates, graduation was still a long way away and not something they needed to worry about. This attitude affected the degree of engagement of the students and thus the effectiveness and efficiency of their learning, something for the policy makers and educators to contemplate and address. For the policy makers, there is an urgent and constant need to promote and support an enterprise culture: in the absence of such a positive enterprise culture, it is difficult for students to understand and appreciate the value of learning how to be entrepreneurial. It is equally important for students to be informed about the importance of improving their employability and enterprise skills during their undergraduate studies. It might be argued that this is more difficult to achieve in a society with relatively good welfare benefits; but the example of the NES graduates suggests otherwise. The difference lies,

perhaps, in understanding the real world rather than campus life. Students should be encouraged to participate in placements or part-time jobs which would help them to gain a better appreciation of the demands of the 'real' business world. Equally, it might be helpful for universities to invite successful entrepreneurs to be guest speakers on campus – although, as our findings suggest, the students' lack of understanding of the realities of business largely undermined the value of using entrepreneurs in this way.

Some suggestions for mainstream entrepreneurship education can be made.

- (1) More attention should be paid to helping students to realize the importance of enterprise and employability and the need to acquire this understanding during their undergraduate studies. This is particularly important during the current economic downturn as job opportunities with employer organizations diminish and university students become more likely to face unemployment after they graduate.
- (2) Tutors could ask the students to think of a business idea at the beginning of the course and then require them to present their business idea to the class, as part of students' assessments. Including it as an element of assessment might make it more likely that the students would take it more seriously.
- (3) Using the initial business idea, the students would be required to work on it during their undergraduate studies: as such, the business idea becomes not merely part of coursework for a module, but an ongoing project throughout their undergraduate studies.
- (4) Subjects such as marketing, accounting and finance to be made mandatory for entrepreneurship students. These subjects represent foundation knowledge: they must be presented in a way that makes them relevant to small business start-ups.
- (5) It is important that tutors having substantial knowledge and experience in entrepreneurship generally or specialist areas such as accounting or marketing are recruited so that they can act both as tutors and mentors.

Reflection, limitations and future research

On reflection, the findings of this project helped to highlight an issue that had been overlooked by the author. The project was designed to locate 'good practice', with the premise that there are relevant factors that can be clearly identified, isolated and implemented. What was found is that 'good practice' can only be feasible in specific social contexts which are embedded

in a complex web of factors including the learners' drive and motivation, employment status and attitude towards entrepreneurship. Without such a supporting context it is unlikely that good practice can be fully effective in promoting and enhancing entrepreneurship. Because of this, it is argued that a broader theoretical framework that incorporates this complex web of factors is required, to investigate entrepreneurship education as an ongoing social process. It is argued further that a more in-depth, longitudinal study of entrepreneurship education would be helpful in shedding new light on this complicated process.

Although the multi-stage fieldwork adopted within this project was aimed at identifying, implementing and evaluating good practice from a government-funded initiative, in order to incorporate this into mainstream entrepreneurship education, the analysis is based on fieldwork material collected from only one UK university and one government-funded initiative (itself now abandoned). Despite the quantity and quality of the data that were collected, a limitation of this study is that it employed a relatively small sample size and had very limited coverage. Future research should attempt to increase the sample size in order to evaluate critically the feasibility and effectiveness of good practice as suggested above. Furthermore, it is expected that national, or trans-national, large-scale studies will have the potential to yield more insightful findings, to

contribute to the debate on entrepreneurship in higher education.

Notes

¹The Learning and Skills Council, established by central government in 2001, was abolished in March 2009. Responsibility for its principle functions has been transferred to two successor organizations, the Skills Funding Agency (<http://skillsfundingagency.bis.gov.uk/>) and the Young People's Learning Agency (<http://www.ypla.gov.uk/>).

²Central government funding for NES came to an end in 2008, at which time the programme was terminated.

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