



# Why Entrepreneurship Education?

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- Involvement with global business requires a new level of international awareness of distinct markets and knowledge transfer in order to gain and maintain a competitive advantage.
- According to the Small Business Administration (SBA) Office of Advocacy (2005a), U.S. entrepreneurs:
  - are generally responsible for creating from 60% to 80% of net new jobs,
  - employ more than half of all workers in private industry,
  - create more than half of the Gross Domestic Product, and
  - in 2002 were 97% of the international exporters, accounting for 26% of export value.

# Education of Business Students in Entrepreneurship

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- Many university professors are still struggling with effectively preparing future entrepreneurs to succeed in this rapidly changing, global environment.
- There are three major reasons for this.
  - 1) Entrepreneurship is often considered a general term in which topics such as strategy and new firm creation are considered. Entrepreneurship does not have a distinguishing conceptual framework as do some other management areas.
  - 2) Despite general awareness of the globalization of business, the role of entrepreneurs in the global economy has received less attention from management scholars.
  - 3) Due to the size of its domestic market and emphasis on large companies, U.S. educators have not fostered an interest in international entrepreneurship and the types of program which would help students accurately determine international business opportunities.

# A Competency-Based View of International Entrepreneurship Education

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- Robert DeFillippi and Michael Arthur (1996) posit that knowledge--- and its accumulation --- changes in response to shifting environmental, employment, and personal variables; it is not dependent on or subordinate to a single organization ---or country.
- They advocate a learning-centered approach which reflects the shift from employees' assumed long-term commitment to a firm, in which competencies were built according to organizational needs, to a model of occupational excellence, wherein employees seek to continually upgrade the skills valuable to the global marketplace.
- Their forms of knowledge are especially relevant to educating students, who may already possess an awareness that their interests and preferences are not conducive to organizational employment, as well as for challenging the naïve view that if someone starts a small business locally, then international issues are less relevant.

# Knowing Competencies

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- DeFillippi and Arthur (1996) identified three forms of knowing competencies as manifested in people's beliefs and identities (knowing why), knowledge and skills (knowing how), and network or relationships (knowing whom).
  - The **knowing why** competency reflects a person's values and motivation. Knowing why relates to the person's identity and the fit between this identity and choices made relative to tasks, projects, and organizations - and countries.
  - **Knowing how** refers to the skills and knowledge needed for performance on the job. It is the person's level of expertise. Individuals may use their various employment settings and experiences on different projects to both apply and expand the skills and knowledge they possess.
  - **Knowing whom** refers to the relationships or links which contribute to an individual's networking activities. The friends, colleagues, and professional associations with whom individuals network can help build a reputation, provide needed visibility and access to opportunities, as well as present new sources for learning outside of the person's organization - and country.

# Developing Knowing Why Competencies

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## *Self Assessment*

- Faculty should emphasize to students that intelligence, motivation, adaptability, and entrepreneurship are characteristics of successful managers, regardless of country context (Baruch, 2002).
- One method to attune students to their entrepreneurial potential and develop their “knowing why” competency is to have faculty administer a measure of entrepreneurial orientation such as Grant’s (1996) personality scale (for other measures, see Lyon, Lumpkin, & Dess, 2000).
- This self-assessment process is similar to the first stage in preparing oneself for an international assignment, i.e., self-evaluation and awareness, (Tu & Sullivan, 1994) which is necessary before any action is taken.

# Developing Knowing Why Competencies

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## *Simulated Business Experiences*

- Simulations can help overcome the lack of actual international experiences and provide students with greater awareness of their own beliefs and identity (knowing why) in comparison to other cultures.
- Other cross-cultural experiences may be developed based on religion (e.g., visiting an Amish family, attending religious services other than those of one's own religion), racial or ethnic diversity (e.g., visiting restaurants, shops, museums and festivals in various ethnic neighborhoods); or differences associated with age (e.g., visiting a senior citizens center, retirement complex, or day care center).
- Similarly, cultural lessons gained by international travel could be simulated by permitting student teams to create their own cultures. For example, following a ten week training approach developed for Peace Corps volunteers, students also become responsible for creating a community. The development of norms in this uncertain environment simulated the experiences the Peace Corps volunteers could actually experience in their assigned countries. As the community evolved, trainees were encouraged to evaluate the emergent organization and interpersonal relations (Harrison & Hopkins, 1967).
- Another exercise that permits the simulation of international experiences requires that the class be divided into two groups, with each group developing its own, unique culture. After the groups have practiced their new culture, representatives from each group are sent to the other group to learn about its culture. The groups then meet as a whole for a debriefing session. Each group presents what it learned about the other culture; the accuracy of their findings is checked by the other group (Zacur & Randolph, 1993).
- This exercise provides students with the opportunity of trying to decipher another culture. It emphasizes the value of observation and thoughtful interaction for understanding cultural diversity. Just as openness is linked to the knowledge transfer necessary for organizational learning, it is salient to the environmental scanning necessary for successful entrepreneurship. Students will discover that intercultural sensitivity, in terms of both sending and receiving messages among different cultures, is necessary towards understanding another culture (Taylor & Osland, 2003).

# Cultural Awareness: Developing Knowing Why and How Competencies

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## *Experience through Service Learning*

- **Service learning** is a form of experiential learning in which students, often working in teams, use their business skills to benefit the community (Kolenko, Porter, Wheatley, & Colby, 1996).
- Although the usual context is a nonprofit organization or an identifiable community need, we extend this notion to small businesses in the community. We have found that small businesses are often founded by people from other countries and/or different racioethnic groups.
- Our students must immediately communicate effectively and become familiar with different ways of doing things. Students also better understand how their skills are useful to themselves and others as well as the role of entrepreneurship in upward mobility.

## *Activities to Enhance Cultural Awareness*

- One relatively simple exercise to create cultural awareness is to permit each student or student team to choose a country to research. Student research should capture the rapidly changing global environment and myriad sources of information available (Haynes, 1998). Students investigate and report back to the class about the country's business environment, ethical standards, and culture. Attitudes towards entrepreneurial activities and work in general, should also be included in these types of assignments.
- Such research experiences can be further improved by the use of virtual tours, interviews with entrepreneurs or government officials about doing business in that country, and examining entrepreneurial opportunities in that environment.
- Having students interact with government officials and agencies is especially important because it helps students to realize that many international efforts would not be operational without extensive government support (Dlabay, 1998).

# Cultural Awareness: Developing Knowing Why and How Competencies

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- An important, but overlooked, aspect of gaining awareness of **cultural differences** is examining the influence of non-verbal communications.
  - In Western countries, individuals tend to rely heavily on the spoken word, whereas in countries like Japan, China and in the Middle East, the external environment, situation, and nonverbal behavior are crucial elements in communication.
  - A failure to understand the importance of nonverbal and environmental cues can dramatically reduce an international manager's effectiveness.
  - One interesting role-playing exercise that illustrates the importance of the context of communications is called "Outside Expert" (McGarvey, 1992). Students pretend that their companies have sent them overseas. Their task is to ask host country nationals questions in order to develop future business plans. However, unbeknownst to the students, their questions are answered according to the following rules:
    - (a) if the student is smiling when he/she asks a question, the question is answered "yes," and
    - (b) if the student is not smiling, the question is answered "no."
- Thus, most students will find the responses to their questions confusing. Although these rules may seem odd to U.S. students, Asians, and many Arabians place a higher value on the context of the question than on the content.

## Professor's Personal Anecdote: Japan

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- I traveled often to Japan over the last thirty years, and decided to learn a little Japanese before my first trip;
- For example Yes is “Hai” –(はい) in Japanese; No is “ee-eh” –(／＼)
- I don't remember ever hearing “ee-eh”
- Context is everything in Japanese. Almost all questions are answered with “Hai” and it can mean yes, no, or maybe.
- Having breakfast one morning I asked if they had an American breakfast. The waitress answered “Hai.” “Great, then please bring me an American breakfast,” I continued. “Hai” she replied again, but did not move from the table.  
“Oh,” I continued, “you do not actually have an American breakfast do you?”  
“Hai,” she replied.  
“Then please bring me a Japanese breakfast,” I tried.  
“Hai!” she replied and hustled off to bring me my Japanese breakfast.

### ICPE TOKYO CONFERENCE August 24-29, 1986



# International Internships and Travel: Developing Knowing Why, How, and Whom Competencies

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- Academic internships and travel, study abroad, and student exchange programs have the greatest impact in developing all three of a student's knowing competencies.
- There is no better method to learn about another culture than to experience it “in person.” Exchange programs can help students learn more about whom they are (**knowing why**), specific skills about living and adapting to different cultures (**knowing how**) and interacting with host country nationals, and developing an international network (**knowing whom**).
- Although technology may nurture and sustain social relationships, many cultures rely on personal face-to-face relationships in order to do business.
- Social capital helps the entrepreneur develop a network and build a reputation, provides access to more information, and has been linked to higher levels of performance (Baron & Markman, 2000).

## Exchange Programs / Language

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- As more U.S. universities develop exchange programs with universities in other countries, greater opportunities exist now than in the past.
- However, it appears that non-U.S. students may be the greater beneficiaries of such programs because they are usually fluent in English and can more readily study in U.S. universities.
- U.S. students with minimal foreign language skills may be limited to studying in schools abroad where instruction is solely in English. This language deficiency along with the growth in the nontraditional student population in the U.S., which often means older students with more family responsibilities, suggests that the possibility of studying in another country for an extended period of time is less likely for U.S. students.

# International Team Assignments and Service Learning Projects

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- In perhaps the most entrepreneurial aspect of business education, students visiting another country may work in teams, perhaps with students of the host country, to develop business plans (Kish, 2003).
- An interesting alternative or supplemental project to study abroad would be a team-based global research project using the Internet. Such projects have been used to successfully increase students' information about an international target market and how to conduct business in their chosen country (Bell et al, 2004; Greene & Zimmer, 2003).
- Unlike simulations, such projects permit students to interact with fellow students around the world. For example, a high school teacher set up a project in which his students purchased goods from another country and also sold them to their international counterparts, providing a first-hand entrepreneurial experience with doing business in another country without travel and the related costs (Glenn, 2002).
- Additionally, service learning projects could be developed to include international students or address the needs of international students. For example, one of the author's students developed a club for exchange students. Exchange students often study in small groups and, depending on their culture, may have limited interaction with native-born students. The students designed a system that encouraged the U.S. and visiting students to meet to discuss ways to promote greater interaction and plan a range of activities from which both groups might learn from one another.

# Self-Awareness for an Expatriate Assignment

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The first step in determining student readiness for an international career is self assessment.

- Some students may complete one or two assessment exercises and decide that international assignments do not currently match their personality or needs.
- Other students may struggle for a longer period of time before they reach their decisions. Because of differences in the timing of decision-making, students should be provided with self-awareness and evaluation techniques throughout their college education.
- An important aspect of an international education is helping students carefully evaluate long term expatriate assignments, international relocations, and the impact of short and long term international assignments on careers.
- Gaining international experience may be especially important to future entrepreneurs, who will not have the support of an international management department that some employees of large firms often rely on. Because most organizations do not provide international training and career planning, it is especially important that faculty help students determine what kind of international focus best matches their career goals.

# Self-Awareness for an Expatriate Assignment

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- One useful self-awareness exercise is to provide students with a checklist of factors to consider regarding expatriate assignments.
- Besides encouraging students to answer self-awareness checklists and complete a cost/benefit analysis of expatriate assignments, faculty can use a number of other exercises to help students determine their interest in international job opportunities.
  - For example, Sullivan and Tu (1995) used Adler's survey (1984) to identify students' interest in, and preparation for, international careers. The survey takes approximately twenty minutes to complete and students' results can be compared to Adler's findings.
- Another practical exercise for helping students make decisions about international opportunities is to have them interview an expatriate and present their findings to the class.
  - Often, expatriates from other countries live among us and represent an untapped resource for perspectives about our culture and information about theirs.

# Self-Awareness for an Expatriate Assignment

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Overall, study abroad and international assignments help today's workers gain career competencies.

- Building competencies increases marketability in our contemporary business environment, a worthwhile approach with workers often moving across industry, organizational, occupational, and country boundaries.
- This is necessary for individual learning which cumulatively creates organizational knowledge.
- Future entrepreneurs should be exposed to international experiences as another means of gaining a competitive advantage and building social and intellectual capital.

# The Future of International Education

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- The area of *entrepreneurship* is receiving increased attention as a valid area of study, and deservedly so, given its impact on the economic and social well-being of our society.
- In the past, the study of international business has tended to focus on expatriate managers and the structures of multi-national organizations, which is reflected in international business education. Likewise, there has been little consideration of the need for global skills in entrepreneurship education.
- Increased knowing **why, how, and whom** international competencies are important not only for the highest level executives and expatriate managers, but also for managers and employees who may interact frequently with individuals from other countries via email, teleconferencing, and other virtual office technologies.
  - Workers in today's global environment will need competencies that go beyond those expected of a typical expatriate manager.
  - Those with entrepreneurial inclinations to start a business will have less in the way of resources to learn about the complexities of doing business with firms in other countries unless our pedagogy emphasizes the international aspects of entrepreneurship.
  - Whether individuals are organizationally employed or become entrepreneurs, they all will be working with diverse groups or individuals. Students (and faculty) need to continuously learn the cultural nuances of a society, as culture is imbedded in how business is conducted.

# The Future of International Education

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- All students should be equipped to function in a multicultural and global world (Haigh, 2002).
- Research indicates that women and minorities often find entrepreneurship as a means around the glass ceiling and towards upward mobility, with women and minorities owning their own businesses increasing at a rate faster than the national average (U.S. Census Bureau, 2005).
- Approximately 15% of U.S. firms are owned by minorities with approximately \$600 billion in receipts; women in small businesses owned 7.1 million businesses with \$951 billion in revenues (U.S. Census Bureau, 2005). As educators, we have an obligation to raise awareness about entrepreneurial enterprise and to prepare students to develop and grow their global entrepreneurial ventures. In order to successfully accomplish this, we need to be vigilant in keeping ourselves aware of and current in international issues.
- Universities must not only offer an international management specialization but must provide students, regardless of major, a broader knowledge base (e.g., focus beyond concerns of single country, the ability to integrate cultural diversity into a worldwide organization) and a greater awareness of cultural differences (Adler & Bartholomew, 1992).
- The purpose of this chapter was to provide a framework for systematically examining intentional education and techniques for developing students' global competencies to improve their career success and entrepreneurial endeavors. We hope that by considering how teaching methods and tools can be used to develop students' knowing why, how, and whom capabilities, business educators can be better prepared to help all students become more culturally aware and ready to participate and contribute to the global market.