Entrepreneurship Education and Its Concerns in South African Universities

NDIVHUHO TSHIKOVHI
ALTHEA MVULA
Faculty of Management Sciences
Tshwane University of Technology, South Africa

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This paper investigates the entrepreneurship education concerns in South African universities through Enactus (formerly known as SIFE) South Africa (SA) students. Stratified sampling was used to gather data from a population of Enactus SA students represented at the "Enactus Annual National Competition 2013". A sample size of 355 students' responded to the research instrument (questionnaire). The findings of the study suggest that Enactus students' entrepreneurship education or knowledge is better than most ordinary students in South Africa, since these students are trained entrepreneurially through Enactus entrepreneurial projects. The need for universities to produce graduates that are ready to engage in entrepreneurship activity is more severe in the recent South African youth unemployment crisis. Recommendations for universities are provided in the findings and discussions of the study.

1. **Introduction**

South Africans have traditionally relied upon the government and the corporate sector to provide jobs. This can be seen by the number of youth actively in entrepreneurship. However the growing inability of the formal and public sectors to absorb the increasing number of job-seekers means that South African youth needs to create an environment that stimulates job creation and economic growth (Kew, 2012). Many young people view business merely as temporary income generators until a better income option in the formal sector is found (Herrington et al., 2011). This is unfortunate, given that in economically depressed times; young people are often unable to find better opportunities in the formal sector. Therefore the number of people leaving school who need to rely on starting a business in order to survive is likely to increase than the number of youth graduates. It is crucial that university education prepares students to see themselves as potential job-creators than job-seekers (Kew, 2012).

The European Commission (2008)regards education as an important means to stimulate entrepreneurial intentions among young people and asserts that promoting entrepreneurial skills and attitudes provides benefits to society even beyond their application to new business ventures. Some studies have raised doubts regarding the efficacy of entrepreneurship education (Martinez et al., 2010, Pittaway and Cope, 2007). Studies such as (Fiet, 2001, Martinez et al., 2010, Pittaway and Cope, 2007) argued that entrepreneurship education in HEIs is inadequate, meaning it does not respond to social issues such as youth unemployment and graduates who are ready to engage in entrepreneurship activities. In addition to that Verheul et al. (2001)distinguished entrepreneurship education from general education, claiming that

entrepreneurship education at universities focused specifically on 'the promotion of entrepreneurship and stimulating entrepreneurial skills and knowledge of which has shown little influence in youth employment'.

Pittaway and Cope (2007)argued that entrepreneurship education at universities must include skill-building courses in negotiation, leadership, new product development, creative thinking and exposure to technological innovation. Entrepreneurship education in South African HEIs, Co and Mitchell (2006) found that while entrepreneurship education is at an early stage, it is considered important in elevating the profile of institutions in the country by producing graduates who are ready to engage in entrepreneurship. The study also suggests that there is an increasing commitment to entrepreneurship offerings within institutions regarding academic, research, and outreach activities.

According to Co and Mitchell (2006), teaching of entrepreneurship in universities focuses on traditional classroom delivery, such as lectures, while research in entrepreneurship in South Africa is considered less important than other management disciplines. The study reports that the most popular courses were entrepreneurship (see Table 1.1).

Entrepreneurship education	**Percentages**
Small Business Management	77 %
New Venture Creation	52 %
Small Business Finance	52 %
Franchising	39 %
Innovation and Technology	35 %
Growth Management	29 %
Creativity Management	23 %
Family Business	23 %
Venture Capital	19 %

Table 1.1: Entrepreneurship education studies
Source: Adapted from Co and Mitchell (2006).

Table 1.1 clearly shows educational offerings, provision of entrepreneurship education, and the entrepreneurial university have contributed to our understanding of the relationships between, the creation of new ventures and the provision of entrepreneurship education from the perspective of the external influences or macro view of entrepreneurship (Kabongo and Okpara, 2010). The results in Table 1.1 clearly indicates that HEIs can help create a more entrepreneurial disposition among young people by instilling a clear understanding of risks and rewards, teaching opportunity seeking and recognition skills, as well as creation and "destruction" of enterprises.

Rae (2010)argued that there are four broad forces that influence the changing nature of entrepreneurship. These are, first, the economic and cultural context, in which economic challenges affect the social and economic space for entrepreneurship, and movements towards responsibility, ethics, and environmentalism demand recognition. Second, there are changing

expectations from learners, as their relationships with institutions change, in an era of graduates' unemployment. Third, the nature of the learning and teaching relationship is changing, including personalisation of learning, enterprising learning from school, applications of technology, assessment of practical applications through experiential and work-based learning, reconceptualising the entrepreneurial curriculum. Fourth, universities face severe financial and staff resource constraints and pressure to change, which affect the ways they work. This leads to the on-going changes in the culture of entrepreneurship teaching and learning.

2. Literature Review

Entrepreneurship education focuses on providing the theoretical and conceptual frameworks that underpin entrepreneurship which is currently not the case (Paco et al., 2010). This theory is delivered through didactic methods such as lectures and suggested readings, and does little to practicality of entrepreneurship. A study done by Hynes (1996)gave a thorough explanation on how the formal entrepreneurship education takes place; the educator acts as an expert by instructing and facilitating the learning process. These ways of teaching entrepreneurship are assessed by formal examinations which test knowledge and aptitudes. Whereas the informal aspects of entrepreneurship education are intended to combine, integrate the formal aspects of education.

According to Kim and Park (2008)the necessity and interest of entrepreneurship education in developing countries is increasing, but the results of this are yet to be seen. The number of business start-ups in South Africa by graduates is very low, which is an indication that entrepreneurship education may be inadequate (Tshikovhi and Shambare, 2012). Taking into consideration Kim and Park (2008)definition of entrepreneurship education as the process of providing individuals with the ability to recognise commercial opportunities and the knowledge, skills and attitudes to act on them, it then enforces action-based entrepreneurship (Rasmussen and Sorheim, 2006). These concerns have resulted in South African TEA being recorded to be amongst the lowest in the world and Sub-Saharan Africa (Xavier et al., 2012). There has been a rapid growth in the number of universities offering entrepreneurship courses from just a few in 1970 to more than 400 in 1995 and almost all universities around the globe recently (Vesper and Gartner, 1997). There are 27 HEIs in South Africa that have Enactus, which in regards to this study is perceived as an aid to providing action-based entrepreneurship education in addition to academic entrepreneurship education. Reviews of entrepreneurship education programmes and courses show that there is little uniformity and considerable diversity regarding objectives, philosophy, content, pedagogy, and outcomes (Fiet, 2001). The academic entrepreneurship education has been based on providing students with theory than practical entrepreneurship training (Laukkanen, 2000).It is then expected that these individuals are more likely to start new ventures after completing their studies, which has not been the case. With the unemployment rate in South Africa being the highest compared with its Brazil, Russia, India, China and South Africa (BRICS) counterparts at 25 percent (Statistics South Africa, 2012); the worrying factor is that unemployment among the youth aged 15-25 years remains high (Statistics South Africa, 2012). The GEM South Africa Report prepared by Herrington et al. (2011), also emphasised the that 50.9 percent of the unemployed in South Africa to be amongst

the youth; the lack of skilled youth and also the lack of youth interest in entrepreneurial activities is seen as the cause of the rising unemployment among the youth (Herrington et al., 2011). In the face of increasing unemployment, only few graduates get experiential training or internships that do not sustain their career path, only few graduates are engaged in entrepreneurship (Gregory, 2011).

According to Klassen and Woolard (2008), South Africa has been experiencing one of the highest unemployment rates in the world. Comparing South Africa to its BRICS counterparts, it becomes clear that a need for effective action-based entrepreneurship education that will produce graduates that are equipped to engage in entrepreneurship is needed (see Table 1.2 below).

Brics Countries	Unemployment Rate Per Country in percent
Brazil	4.7 %
Russia	6.1 %
India	3.8 %
China	4.1 %
South Africa	25 %

Table 1.2: BRICS unemployment rate per country
Source: Central Intelligence Agency (2013).

Entrepreneurship in terms of South African context has been defined as a process of conceptualising, organising, and launching and, through innovations, nurturing a business opportunity into a potentially high growth venture in a complex, unstable environment (Nicolaides, 2011). Education on the other hand has been described as the process of receiving or giving systematic instruction, especially at school or university; in other words it means the theory and practice of teaching. Current working definitions of "entrepreneurship" and "entrepreneurship education" are built on evidence that the acquisition by individuals of entrepreneurial attributes, skills and behaviours is critical to the process of opportunity discovery, evaluation and successful commercialisation in business ventures (Kaijage and Wheeler, 2013).

Entrepreneurship education in South Africa is in its developmental stage and has done little to develop the skills and competencies for young graduates, and positive attitudes towards entrepreneurship (Co and Mitchell, 2006). SA's higher education system is not adequate to enhance entrepreneurial skills. It has a legacy of being too theory-based and non-respondent to the skills in demand in the business world. Some believe that the problem starts as early as primary and secondary school (Ahmed et al., 2011). Universities are now faced with challenges of producing graduates who are ready to engage in entrepreneurship.

Entrepreneurial education has been inadequate as argued by Fayolle et al. (2006), universities are producing graduates that are not ready to engage in entrepreneurial activity (Gregory, 2011). This has resulted in most universities coming up with additional programmes to their curricula and that is action-based entrepreneurship education (Vesper and Gartner, 1997). Such programmes in most universities around the globe are Enactus. Enactus practically engages students in universities with entrepreneurial activities as described above.

African Economic Outlook (2012)argued that young people aged between 15 and 25 years represent more than 60 percent of Africa's total population and account for 45 percent of the labour force. The sub-Saharan Africa's total population projected to be over 75 percent by 2015. Many young people have little or no skills and are therefore largely excluded from productive economic life. Those that have some education often exhibit skills irrelevant to current demand, because educational and skills requirements are becoming increasingly important. This has resulted in millions of unemployed and underemployed youth (Xavier et al., 2012).

3. Research Methodology

Research methodology is concerned with how we come to know. It is much more practical in nature and refers to the specific ways or the methods that are used to understand the world (Seale, 2004). It is a systematic way to solve a problem by making use of science of studying how research is to be carried out. Essentially, the procedures by which researchers go about their work of describing, explaining and predicting phenomena are called research methodology. It is also defined as the study of methods by which knowledge is gained. Its aim is to give the work plan of research as stipulated below (Rajasekar et al., 2006). Therefore research methodology is a way to find out the result of a given problem on a specific matter or problem that is also referred as research problem (Industrial Research Institute, 2010).Therefore this study was a quantitative research, that was a descriptive research that used a questionnaires designed to be subjected to statistical analysis (Stangor, 2011). The population of interest for a particular study must be defined precisely (Stangor, 2011). Mouton (2001)in agreement with Maxim (1999) argued that population is a collection of objectives, events or individuals having some common characteristics that the researcher is interested in studying. For the purpose of this study, the target population is Enactus SA students from all 27 HEIs as represented at the Enactus SA National Competition 2013.

The sampling method applied in this study was stratified sampling. The benefits of stratified sampling for the study was that Enactus SA each year holds its annual national competition whereby each HEI sends approximately 20 students to represent. Sampling size of the study as recommended by Field (2009) was that of a ratio of the number of items to respondents, and indicate a range from 5:1 to 10:1. That is to say, at the upper extreme, for every question (or item) there should be at least 10 respondents (Pallant, 2010). Despite a great deal of contestation as to what constituted a minimum acceptable sample, as a rule of thumb, the 10:1 criterion was applied in this study. The stratum of 27 HEIs that take part in Enactus SA needed a representative of 10 to justify the data's representative therefore 27 items to be factor analysed; this translated to a minimum sample size of (27 x 10) 270 respondents from 540 for the entire study. However, the actual sample size was 355, which surpasses the recommended 270 participants (Pallant, 2010). The questionnaire was designed in three sections A, B and C. Section B was comprised of one sub-section focusing only on entrepreneurial skills and abilities sets for students to rate themselves from. Data analysis was conducted by making use of SPSS version 21. Both descriptive and inferential statistical techniques will be used to describe the collected data.

4. Findings discussion

The findings of the study at figure 1.1 indicated the number of students per faculty/school of study. The purpose of the numbers per faculty is to indicate the level in which faculty/school of study has on students, also to indicate the inadequacy of entrepreneurial education in universities. The total number of respondent to the study was 355, in terms of faculty of study there was a missing value of 2. The faculty of economics had the highest percentage of respondents, which was recorded to be 20.6 percent (73), followed by the faculty management with 17.7 percent (63), faculty of humanities followed with 16.6 (53), following was the faculty of information and faculty of science concurrently recorded to be 11 percent (39). The faculty of engineering students who were captured was 10.4 percent (37), followed by the faculty of arts with 6.5 percent (23) and lastly other faculty depending on the institutions name of faculty had the lowest percentage of 5.6 (20).

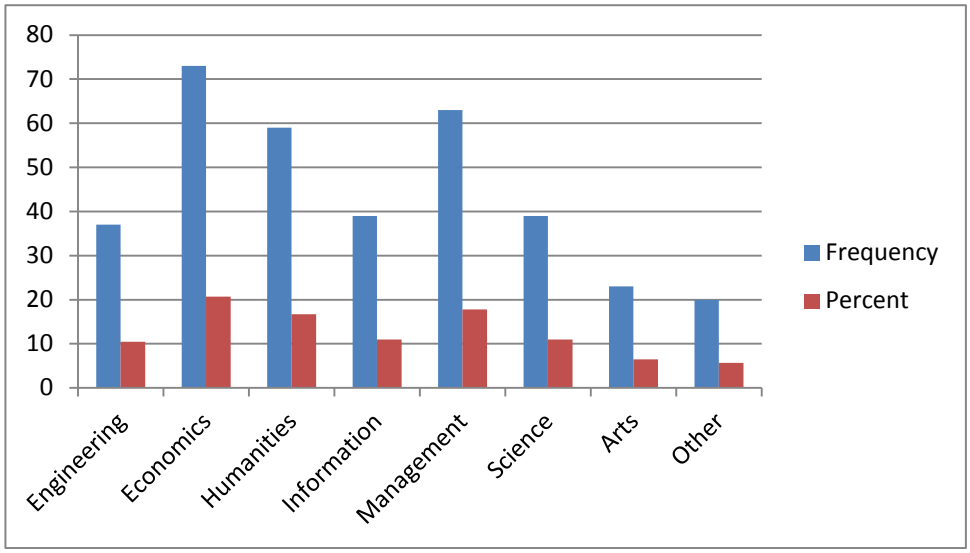

Figure 1.1: Faculty of study results

When looking at the faculties of study generally management in most universities host entrepreneurship courses or business students. It was then be worth investigating what their entrepreneurial knowledge (EK) is compared to students in the faculty of engineering who are not majoring in entrepreneurship or business studies. Figure 1.2 shows the EK of engineering students, their knowledge of entrepreneurship is at the lowest point below 1.80 by the time they enter university at their first year. By the second year at university it picks up to over 2.00 and the third year it goes down below 1.90, again pickups momentum at third year, as seen over 2, 00. This means an indication that education in general in South African university in inadequate producing graduates that are ready to engage in their field of study post tertiary level.

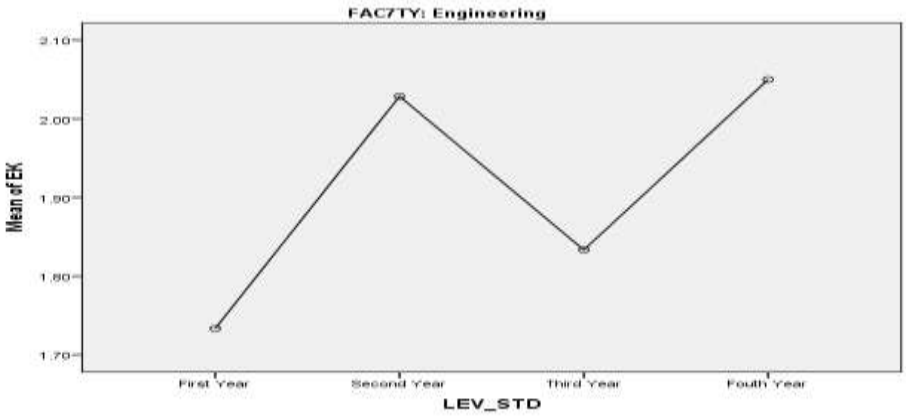

Figure 1.2: Faculty of Engineering EK

When comparing students at faculty of engineering in terms of their EK, one can clearly observe that entrepreneurship education in South African universities has serious concerns that need to be addressed. Figure 1.2 provides the findings of the study on faculty of management student in terms of their EK. Ironically by the time they enter university, their EK is just below 2.40, which is remarkably high in their first year. By the time they are on their second year, their EK extremely goes down to 1.80, in other words, when these students enrol for management (include Entrepreneurship and Business studies) they understood what they want to achieve by studying management. The education then detour their knowledge about entrepreneurship to be low. Their EK attempts to pick up by the time they study third year and fourth year, but it never reach 2.00 both years respectively, it then took a down turn at other level (those doing short courses and postgraduate studies). This then confirms that there are concerns in terms of entrepreneurship education at universities.

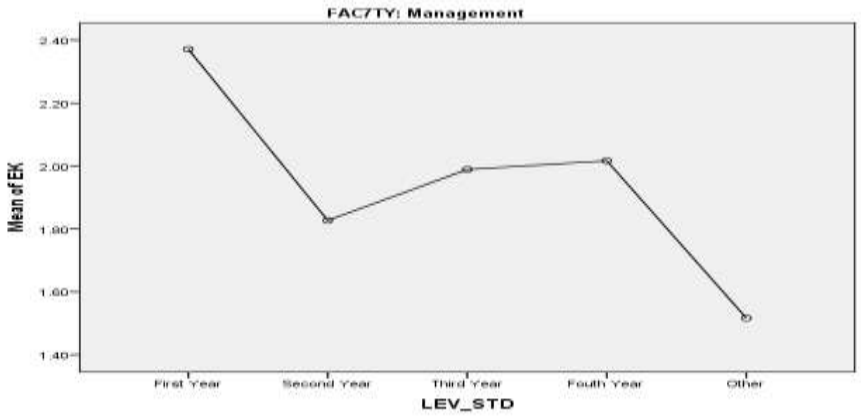

Figure 1.3: Faculty of Management EK

5. Conclusion

It is apparent from the literature (Co & Mitchell, 2006 ; Hynes, 1996 ; Kim &Park, 2008) that entrepreneurship education as it is has been producing graduates that are not ready to engage in entrepreneurship.The findings of the study therefore, suggest that entrepreneurship

education should be converted to be an action-based entrepreneurship education. It is therefore, reasonable to suggest that faculty of study needs to emphasize mostly studying by doing than traditional classroom only.The universities needs to proactively train students to absorb by the market as soon as they leave classroom. This has not been the case in terms of entrepreneurship education in South Africa.

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