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## **A REVIEW PAPER ON ENTREPRENEURSHIP EDUCATION AND ENTREPRENEURS' SKILLS**

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### **ABSTRACT**

*This paper aims to demonstrate the theoretical relationship between Entrepreneurship Education (EE) and Entrepreneurs' Skills (ES) which include: 1) Technical, 2) Business Management Skills and 3) Personal Entrepreneurial Skills. The theoretical literature review helps to understand the EE and ES. A systematic review method was chosen to explore the entrepreneurship education and entrepreneurs' skills. However, entrepreneur education plays a crucial and important role in providing the necessary skills for an entrepreneur to operate their daily business requirements, and how to face obstacles and challenges that will face them during their entrepreneurial live. This study should be relevant to Higher Education Institutions considering jurisdictions in Entrepreneurship Education (EE) for encouraging Entrepreneurial Skills (ES).*

**Keywords:** Entrepreneurship Education (EE), Technical Skills, Business Skill and Personal Entrepreneurial Skills.

### **INTRODUCTION**

Entrepreneurship is a multi-aspects concept (Bula, 2012). The term of "Entrepreneurship" exists from 1732 years ago when Richard canillon who was the first economist who defines the term to describe any individual who is willing to carry out forms of arbitrage involving the financial risk of a new venture (Minniti and Levesque, 2008). According to Timmons (1989) "entrepreneurship is about creating and building something useful. It is about the ability of taking risks and facing the fear of failure". Drucker (1986) believes that entrepreneurship is not science or art, it is a practice with knowledge base, and it is not about just making money, it is about being creative and innovation. Furthermore, researchers found that entrepreneurship as such is still a field with no clear borders and that it lacks a clear conceptual framework (Bruyat and Julien, 2001; Busenitz et al., 2003; Ireland and Webb, 2007; Shane and Venkataraman, 2000).

The entrepreneurship concept is a major subject of study both for the local, state, as well as centralized levels. In the last decade, it has become more known that entrepreneurship is a key driver behind economic growth (Acs et al., 2009:2008). For that, the governments around the world created ways to encourage entrepreneurship, including entrepreneurs financing, and suitable governance and legal protections for contracts (Armour and Cumming, 2006).

According to Fritsch (2013) start-up business additional accelerate structural change, strengthen innovation, and enable more diversity of products and problem solving. This in turn facilitates enhanced competitiveness and growth. In addition, Startups have an inconsistent effect on economic growth because smaller firms have larger growth potential than larger firms (Almus and Nerlinger, 2000). In this regards, Cumming et al. (2014) founds that 1% increase in new business start-up leads to a 24% improvement in the GDP in the subsequent year, reduce unemployment by 13% and increase export by 3%. In related study, Schmiemann (2008) the percentage of entrepreneurial enterprises in total of all enterprises are higher than 95% in most of the developed countries, while 60% of all available workforce are employed in those firms.

## **LITERATURE REVIEW: ENTREPRENEURSHIP EDUCATION AND ENTREPRENEURS' SKILLS**

### **Entrepreneurship Education (EE)**

Regarding the Entrepreneurship Education (EE), many researchers give entrepreneurship a significant focus on their studies, McIntyre and Roche (1999) defines entrepreneurship education as the process of passing the necessary skills and concepts to individuals to identify new business opportunities and to reach high level of self-confidence to benefit from such opportunities. In addition, McMullan and long (1987) and McMullan et al. (2002) entrepreneurship education should include skill-building and leadership programs, new product development, creative thinking, and technology innovation. Furthermore, Maritz et al. (2015) defines entrepreneurship education programs as any educational program or process of education for entrepreneurial manners and skills, which help in developing personal qualities. Entrepreneurship education has been classified by Van Gelderen et al. (2015), as one of the most important components of entrepreneurship ecosystem to enhance intentionally and business creation stability.

In related study conducted by Fayolle et al. (2006), entrepreneurship education has three different angles, which are culture/state of mind, behavior and creating specific situations. Education focuses on entrepreneurship as a matter of culture/state cover features that focus on beliefs, values and attitudes associated with entrepreneurship. While, entrepreneurship education focuses on behavior mostly covers skills like opportunities, making decisions and developing social skills. Entrepreneurship education focused on creating specific situations, concerns the creation of new firms and entrepreneurial situations whereas the focus of entrepreneurship education in the past was on the last dimension (venture creation, e.g. writing business plans), many current scholars argue that the real challenge for entrepreneurship education lies within the development of the dimensions (e.g. Gibb, 2002:2009).

Regarding the relationship between entrepreneurship education and entrepreneur performance, the majority of studies on entrepreneurship education indicated a positive or mixed result (Lorz et al., 2011), like Van der Sluis and Van Praag (2007:2008) and Van der Sluis et al. (2005) found it positive, also Karlan and Valdivia (2006) supports that the business training for the people who applied for micro finance to start their own business has a positive effect on their performance. As Peterman and Kennedy (2003) found that the entrepreneurship education programs can significantly change the entrepreneurial intentions of participants. However, recently only two studies found a negative relation between entrepreneurship education on entrepreneurs (Oosterbeek et al., 2010; von Graevenitz et al., 2010).

Overall, the positive impact of the findings made some researchers to call for more researches with robust research methods, Peterman and Kennedy (2003) stated that although researchers have recognized the positive impact from entrepreneurship education, *"there has been little rigorous research on its effects."* In their analysis of entrepreneurship education, Pittaway and Cope (2007) found that the link between entrepreneurship education and outcomes is still not clear and needs more research.

Fayolle (2006) observed *"there is a lack of research regarding the outcomes of entrepreneurship education."* Oosterbeek et al. (2010) advice that extra research is needed to recognize the different options of entrepreneurship education programs, and von Graevenitz et al. (2010) says, *"Little is known at this point about the effect of these (entrepreneurship) courses."*

### **Entrepreneurship Skills (ES)**

According to Do Paco et al. (2011a:2011b) entrepreneurship education can develop skills for entrepreneurship success, and that entrepreneurs will need it in the future. Some entrepreneurs prefer to rely on themselves believing that they have the skill need it to be successful, but once they discover training programs new horizons emerged to their business success and they find teachable skills (Wu and Jung, 2008).

The reason behind the business failure mainly comes from the lack of skills (Dowling, 2003; Zimmerer and Scarborough, 2003). According to Lazear (2004:2005) that individuals who have work experience and educational background, they got a set of various skills become more likely entrepreneurs and make better business progress than others. Regarding the skills behind successful entrepreneurs, each researcher has stated different set of skills. Martin (2015) stated that according to the OECD (2014) annual report, three sets of skills were identified technical skills, business management skills and personal entrepreneurial skills. The technical management include written and oral communication, technical implementation skills and organizing skills (Henry et al., 2005). Beside that it includes environment monitoring, problem solving and interpersonal skills (Martin, 2015). Interpersonal skills were defined by Rungapadiachy (1999) are skills which one needs in order to communicate effectively with another person or a group of people. Regarding environment monitoring, Aguilar (1967) define it as the way which management of the business gather important information about events occurring outside the company to help in assessing the future course of the business.

The business management skills include decision-making, setting goals, human resources management, finance, accounting, marketing, customer relations, negotiating, growth management and compliance with regulations (Martin, 2015). (De Wolf & Schoorlemmer, 2007; Rudmann, 2008; Vesala & Pyysiainen, 2008) stated that management skills are human resources managing skills, financial management skills and general planning skills and (Henry et al., 2005) stated that managerial skills are marketing, accounting and decision-making.

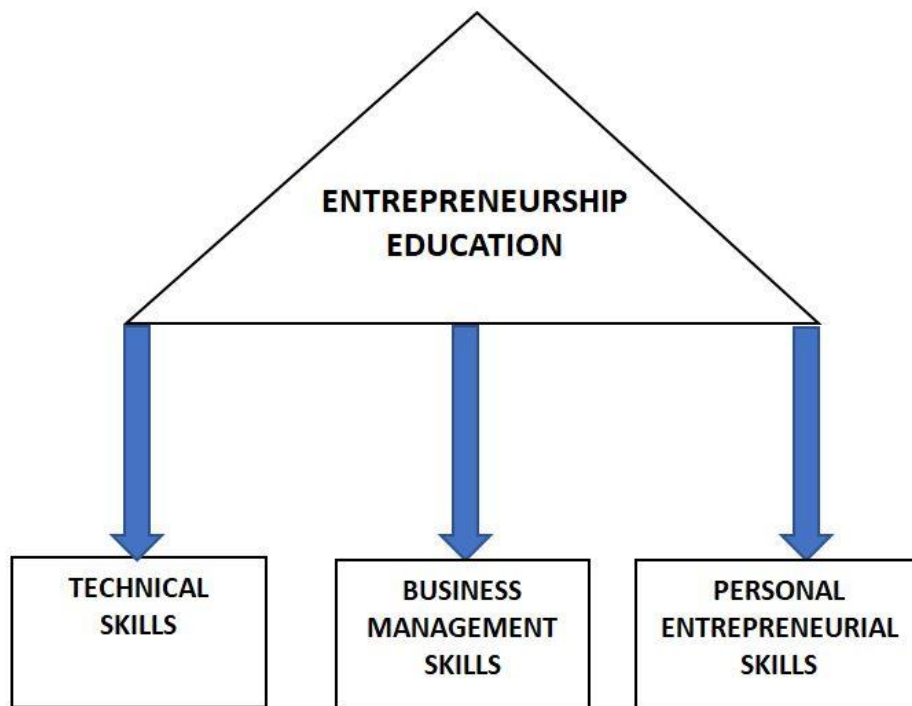
In assessing the importance of business management skills, Thornhill and Amit (2003) they found that the failure of younger entrepreneurs is linked with deficiencies in business management skills. In related study, Landwehr (2005) stated that business management skills are important in the later stages of the business to keep it running. According to Frese and Gielnik (2014), since business situations are very complicated, unpredicted and changing requirements during the business procedure, entrepreneurs must build a specific personality features to be capable of facing this situation, the entrepreneur must act as a leader, investor, inventor, accountant, marketing specialist and top sellers.

Thomas and Mueller (2000) stated that the main difference between entrepreneurs and regular employees is the risk-taking attitude, also the big difference between being and entrepreneurs and being a professional manager in business is that entrepreneurs personally take the risk of loss or profit. However, as stated by Erdem (2001) and Littunen (2000) being an entrepreneur is not only about facing the risk of loss, but by facing the risk of career opportunities, emotional condition, health and family relations, therefore the common sense that when a person decides to be an entrepreneur, he/she must accept all the risk with it.

According to Bolton and lane (2012) stated that innovation and risk taking are strongly related to the intent to become an entrepreneur.

Lazear (2004) developed "*Jack-all-trades*" theory, which suggests that people with balanced skill are more likely to be entrepreneurs, and those balanced skills can be adopted by getting appropriate education, working in different functions and working for different employers. Moreover, Lazear (2005) mentioned that individuals could invest to learn and get diversified skills through education or job training. Individuals who want to get a career in entrepreneurship choose to learn skills by either education or accepting a variety of positions in the work. While, an individual who has educational background or previous work experience will be more fit to be entrepreneurs. Investigating the impact of entrepreneurial education on entrepreneurs' skills is the focus of this study. Furthermore, Becker (1964); Silva (2007); Unger et al. (2011) found that skills are the most important human outcomes acquired through either formal or non-formal education. While, (Ucbasaran et al., 2008) confirmed that entrepreneurship education is a significant source of skills.

The proposed model is designed based on the literature review. In general, this study proposes the conceptual framework (Figure 1).



**FIGURE 1**  
**RESEARCH CONCEPTUAL FRAMEWORK**

## CONCLUSION AND RECOMMENDATIONS

The study reviewed how entrepreneurship education impacts the level of several skills of entrepreneurs which are technical skills, business management skills and personal entrepreneurial skills. Based on the general review of the study, the following points shall help in improving the entrepreneur market through building solid grounds for entrepreneur to excel and succeed in their businesses. However, improving the entrepreneurial education plays a crucial and important role in providing the necessary skills for an entrepreneur to operate their daily business requirements, and how to face obstacles and challenges that will face them during their entrepreneurial live. In addition, supporting educational institution to provide the necessary support from the government to the educational institutes to introduce programs, specialized for entrepreneurs; as such will improve the quality of education and will then create awareness that are focused on showing the importance entrepreneurship education and skills. The effect of entrepreneurship education on entrepreneurial skills, the discussion presented in this study show that (technical skills, business management skills and personal entrepreneurial skills) are affected by the level of entrepreneurship education.

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